

As Passed by the Senate

136th General Assembly

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Am. S. B. No. 151

Senator Wilkin

Cosponsors: Senators Antonio, Cirino, Craig, DeMora, Hicks-Hudson, Ingram, Lang, Patton, Reineke, Roegner, Timken

To amend section 4929.02 and to enact sections	1
4929.51, 4929.52, 4929.53, 4929.55, 4929.57, and	2
4929.59 of the Revised Code to allow for	3
competitive retail natural gas service suppliers	4
to offer carbon offsets to customers.	5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 4929.02 be amended and sections 6
4929.51, 4929.52, 4929.53, 4929.55, 4929.57, and 4929.59 of the 7
Revised Code be enacted to read as follows: 8

Sec. 4929.02. (A) It is the policy of this state to, 9
throughout this state: 10

(1) Promote the availability to consumers of adequate, 11
reliable, and reasonably priced natural gas services and goods; 12

(2) Promote the availability of unbundled and comparable 13
natural gas services and goods that provide wholesale and retail 14
consumers with the supplier, price, terms, conditions, and 15
quality options they elect to meet their respective needs; 16

(3) Promote diversity of natural gas supplies and 17
suppliers, by giving consumers effective choices over the 18

selection of those supplies and suppliers;	19
(4) Encourage innovation and market access for cost-effective supply- and demand-side natural gas services and goods;	20 21 22
(5) Encourage cost-effective and efficient access to information regarding the operation of the distribution systems of natural gas companies in order to promote effective customer choice of natural gas services and goods;	23 24 25 26
(6) Recognize the continuing emergence of competitive natural gas markets through the development and implementation of flexible regulatory treatment;	27 28 29
(7) Promote an expeditious transition to the provision of natural gas services and goods in a manner that achieves effective competition and transactions between willing buyers and willing sellers to reduce or eliminate the need for regulation of natural gas services and goods under Chapters 4905. and 4909. of the Revised Code;	30 31 32 33 34 35
(8) Promote effective competition in the provision of natural gas services and goods by avoiding subsidies flowing to or from regulated natural gas services and goods;	36 37 38
(9) Ensure that the risks and rewards of a natural gas company's offering of nonjurisdictional and exempt services and goods do not affect the rates, prices, terms, or conditions of nonexempt, regulated services and goods of a natural gas company and do not affect the financial capability of a natural gas company to comply with the policy of this state specified in this section;	39 40 41 42 43 44 45
(10) Facilitate the state's competitiveness in the global economy;	46 47

(11) Facilitate additional choices for the supply of natural gas for residential consumers, including aggregation;	48 49
(12) Promote an alignment of natural gas company interests with consumer interest in energy efficiency and energy conservation;	50 51 52
<u>(13) Ensure that environmental marketing claims, whether explicit or implied, are substantiated by competent and reliable evidence so as not to deceive or mislead consumers about the environmental impact of carbon offset products;</u>	53 54 55 56
<u>(14) Ensure that accurate and useful information about the environmental impact of carbon offset products is made available to consumers.</u>	57 58 59
(B) The public utilities commission and the office of the consumers' counsel shall follow the policy specified in this section in exercising their respective authorities relative to sections 4929.03 to 4929.30 of the Revised Code.	60 61 62 63
(C) Nothing in Chapter 4929. of the Revised Code shall be construed to alter the public utilities commission's construction or application of division (E) of section 4905.03 of the Revised Code.	64 65 66 67
<u>Sec. 4929.51. As used in sections 4929.50 to 4929.59 of the Revised Code:</u>	68 69
<u>(A) "Carbon offset" means an instrument certified by a carbon offset registry that represents one metric ton of greenhouse gas removed from the atmosphere by any method of mitigation including: planting and maintaining trees that absorb carbon dioxide and providing long-term forest management, capturing and burning methane gas produced by landfills or farms before the methane enters the atmosphere, and improving energy</u>	70 71 72 73 74 75 76

<u>efficiency to reduce energy use and lower the associated carbon dioxide emissions.</u>	77
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<u>(B) "Carbon offset registry" means a nationally recognized entity that engages primarily in the development of carbon offset standards, methodologies, program registration, verification oversight, and issuance of carbon offsets, whether for profit or not.</u>	79
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<u>(C) "Double counting" means a retail natural gas supplier that does either of the following:</u>	84
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<u>(1) Sells the same carbon offset to two or more customers;</u>	86
<u>(2) Attributes the carbon offset produced from a single method of mitigation to two or more methods of mitigation.</u>	87
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<u>Sec. 4929.52. A retail natural gas supplier that intends to establish a voluntary carbon offset program shall do the following:</u>	89
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<u>(A) Enter into an agreement with one or more carbon offset registries that can provide the following:</u>	92
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<u>(1) Information to identify carbon offset projects;</u>	94
<u>(2) Serial numbers for each carbon offset credit generated by each project;</u>	95
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<u>(3) A system to identify the original owner that generated the carbon offset credit;</u>	97
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<u>(4) A system to check the status of a carbon offset credit.</u>	99
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<u>(B) Submit a notice to the public utilities commission stating its intention to begin a voluntary carbon offset program that allows all customer classes to enroll and purchase carbon</u>	101
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offsets to offset any emissions that are the result of the 104
customer's consumption and use of natural gas services. 105

Sec. 4929.53. (A) A notice to begin a voluntary carbon 106
offset program that a retail natural gas supplier submits to the 107
public utilities commission pursuant to section 4929.52 of the 108
Revised Code shall include the following: 109

(1) A copy of an agreement between the retail natural gas 110
supplier and one or more carbon offset registries that at a 111
minimum states that the carbon offsets being sold meet the 112
necessary criteria to be considered a carbon offset and that the 113
registry or registries will conduct regular verification to 114
assure that the offsets are being applied correctly by the 115
supplier; 116

(2) A description of the types of carbon offsets the 117
supplier will offer to customers and a description of how the 118
supplier will prevent double counting. 119

(B) The public utilities commission shall maintain a 120
publicly available record of each notice described in division 121
(A) of this section once the commission has verified that the 122
supplier is working with the carbon offset registry or 123
registries it lists in the notice. 124

Sec. 4929.55. No voluntary carbon offset program offered 125
by a retail natural gas supplier under sections 4929.52 to 126
4929.59 of the Revised Code shall require a natural gas company 127
to incur costs related to the program. No such carbon offset 128
program shall require customers who do not participate in the 129
program to incur any costs related to the program. 130

Sec. 4929.57. A retail natural gas supplier's voluntary 131
carbon offset program under sections 4929.52 to 4929.59 of the 132

<u>Revised Code shall include procedures to allow for customers to opt in and out of the program.</u>	133
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<u>Sec. 4929.59. (A) The public utilities commission, at its discretion, may conduct an audit of a retail natural gas supplier's voluntary carbon offset program under sections 4929.52 to 4929.59 of the Revised Code to ensure the carbon offsets are being applied correctly to a customer's account and to ensure that no costs incurred under the program are charged to, or collected from, the natural gas company or customers who do not participate in the program.</u>	135
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<u>(B) A retail natural gas supplier that is subject to an audit as described in division (A) of this section shall provide the commission any information it determines is necessary to complete the audit.</u>	143
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<u>Section 2. That existing section 4929.02 of the Revised Code is hereby repealed.</u>	147
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