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S.B. 44
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sens. Rulli and Cirino

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SUMMARY

Repeal of nuclear provisions of H.B. 6

- Repeals all provisions of H.B. 6 of the 133rd General Assembly regarding the nuclear resource credit program, which program required an electric distribution utility to collect a per-customer monthly charge on all rate payers in Ohio to subsidize credits for nuclear resources.
- Repeals the provision that disallows reductions in the taxable value of tangible personal property of an electric company receiving nuclear resource credit payments since the bill repeals the nuclear resource credit program.

Renewable energy credit changes

- Changes the term “renewable” to “solar” in all the provisions governing the renewable energy credit program enacted under H.B. 6.
- Lowers the charges that may be imposed by an EDU on retail electric customers in Ohio for solar resource credits, reflecting the elimination of the nuclear resource credit program and related customer charges.
- Makes changes regarding the Solar Generation Fund regarding its administration and the deposit of charges collected from retail customers.
- Requires the OAQDA re-review and approve applications for qualifying solar resources that applied to receive payments for solar energy credits, so long as the application was made before March 1, 2020.
- Relieves the re-reviewed and approved qualifying solar resources from meeting the deadlines for quarterly reports of the megawatt hours produced by the resource that have passed before the bill’s effective date.

DETAILED ANALYSIS

Repeal of nuclear provisions of H.B. 6

The bill repeals all provisions of H.B. 6 of the 133rd General Assembly involving the nuclear resource credit program. Specifically, the bill repeals the in-state nuclear resource payment provisions, which include all provisions related to the per-customer monthly charges that an electric distribution utility (EDU) must collect starting January 1, 2021, and ending on December 31, 2027, to subsidize the nuclear resources. The bill, in turn, repeals the nuclear resource credit program, which dealt with the application for, the issuance of, and the payment for, nuclear resource credits administered primarily by the Ohio Air Quality Development Authority (“the Authority”). A detailed discussion of the law being repealed is available on pages 11 to 16 of LSC’s analysis of H.B. 6, As Passed by the General Assembly, available here <https://www.legislature.ohio.gov/download?key=13060&format=pdf>.

Relatedly, the bill also repeals the provision of H.B. 6 that disallows any future reduction in the taxable value of tangible personal property of an electric company that receives payments for nuclear resource credits. A detailed discussion of the law being repealed can be found on page 26 of LSC’s analysis of H.B. 6, As Passed by the General Assembly, available here <https://www.legislature.ohio.gov/download?key=13060&format=pdf>.

Renewable energy credit changes

Despite repealing the nuclear resource credit program and all its operative provisions, the bill essentially retains the renewable energy credit program. But, the bill makes various changes to that program and its operative provisions as described next.

Name change

The bill changes the term “renewable” to “solar” in all the provisions governing the renewable energy credit program enacted under H.B. 6. As a result, “qualifying solar resources” may obtain “solar energy credits” from customer charges deposited into and then paid from the “Solar Generation Fund” (SGF). This change is more apparent than real simply because qualified renewable resources under H.B. 6 and the bill can only be certain solar facilities.¹

Solar generation charge

The bill lowers the charges that may be imposed by an EDU on retail electric customers in Ohio for renewable energy credits, reflecting the elimination of the nuclear resource credit program and related customer charges to meet the revenue requirements for the repealed program. The bill retains the solar charge in an amount necessary to meet an annual \$20 million revenue requirement. The bill, in turn, reduces the maximum monthly charge imposed to meet

¹ R.C. 3706.40, 3706.41, 3706.43, 3706.45, 3706.46, 3706.49, 3706.55, and 3706.59.

the revenue requirement from 85¢ to 10¢ per month for residential customers and from \$2,400 to \$242 per month for industrial customers.²

Solar generation fund

The bill clarifies that all the customer charges collected for solar energy credits are to be deposited into the SGF by the Ohio Air Quality Development Authority (OAQDA), in consultation with the Public Utilities Commission. The bill also places the SGF under the administration of the OAQDA and requires the OAQDA to request the Treasurer of State to create the account for the SGF.³

Application for solar energy credits

Notwithstanding the February 1, 2020, application deadline and the March 31, 2020, OAQDA approval deadline under continuing law, the bill requires the OAQDA to re-review and approve an application from a qualifying solar resource that applied to receive payments for solar energy credits, so long as the application was submitted before March 1, 2020.⁴ Under current law, only applications received prior to February 1, 2020, would be reviewed, with OAQDA issuing decisions before March 31, 2020.⁵

In addition, the deadlines for quarterly reports of the megawatt hours produced by the resource that have passed before the bill's effective date do not apply to a qualifying solar resource whose application for credits is approved as described above.⁶ The first four deadlines have already passed (April, July, and October 7, 2020, and January 7, 2021).

HISTORY

Action	Date
Introduced	2-02-21

S0044-I-134/ar

² R.C. 3706.46 and 3706.53.

³ R.C. 3706.49.

⁴ R.C. 3706.551(A).

⁵ R.C. 3706.41 and 3706.43.

⁶ R.C. 3706.551(B).