As Introduced

134th General Assembly

Regular Session 2021-2022

H. B. No. 57

Representatives Skindell, O'Brien

Cosponsors: Representatives Miranda, Brown, Kelly, Brent, Koehler, Boggs, Galonski, Russo, Lepore-Hagan, Miller, A., Crossman, Boyd, Smith, K., Smith, M., Weinstein, Denson, Crawley, Robinson

A BILL

| ГО | amend sections 303.213, 519.213, 713.081, | 1 |
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| | 4906.13, 4928.01, 4928.64, 4928.641, 4928.644, | 2 |
| | 4928.645, 4928.66, 4928.6610, and 5727.75; to | 3 |
| | enact section 4928.6616, in order to revive the | 4 |
| | section as it existed prior to the enactment of | 5 |
| | H.B. 6 of the 133rd General Assembly; and to | 6 |
| | repeal sections 3706.40, 3706.41, 3706.43, | 7 |
| | 3706.431, 3706.45, 3706.46, 3706.49, 3706.53, | 8 |
| | 3706.55, 3706.59, 3706.61, 3706.63, 3706.65, | 9 |
| | 4928.148, 4928.47, 4928.471, 4928.642, 4928.75, | 10 |
| | 4928.80, and 5727.231 of the Revised Code and to | 11 |
| | repeal Sections 4 and 5 of H.B. 6 of the 133rd | 12 |
| | General Assembly to repeal the changes made by | 13 |
| | H.B. 6 of the 133rd General Assembly to the laws | 14 |
| | governing electric service, renewable energy, | 15 |
| | and energy efficiency and the changes made to | 16 |
| | other related laws. | 17 |

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

| Section 1. That sections 303.213, 519.213, 713.081, | 18 |
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| 4906.13, 4928.01, 4928.64, 4928.641, 4928.644, 4928.645, | 19 |
| 4928.66, 4928.6610, and 5727.75 be amended and section 4928.6616 | 20 |
| of the Revised Code be enacted to read as follows: | 21 |
| Sec. 303.213. (A) As used in this section, "small wind | 22 |
| farm" means wind turbines and associated facilities—that are not— | 23 |
| subject to the jurisdiction of the power siting board under- | 24 |
| sections 4906.20 and 4906.201 of the Revised Code with a single | 25 |
| interconnection to the electrical grid and designed for, or | 26 |
| capable of, operation at an aggregate capacity of less than five | 27 |
| megawatts. | 28 |
| (B) Notwithstanding division (A) of section 303.211 of the | 29 |
| Revised Code, sections 303.01 to 303.25 of the Revised Code | 30 |
| confer power on a board of county commissioners or board of | 31 |
| zoning appeals to adopt zoning regulations governing the | 32 |
| location, erection, construction, reconstruction, change, | 33 |
| alteration, maintenance, removal, use, or enlargement of any | 34 |
| small wind farm, whether publicly or privately owned, or the use | 35 |
| of land for that purpose, which regulations may be more strict | 36 |
| than the regulations prescribed in rules adopted under division | 37 |
| (B)(2) of section 4906.20 of the Revised Code. | 38 |
| (C) The designation under this section of a small wind | 39 |
| farm as a public utility for purposes of sections 303.01 to | 40 |
| 303.25 of the Revised Code shall not affect the classification | 41 |
| of a small wind farm for purposes of state or local taxation. | 42 |
| (D) Nothing in division (C) of this section shall be | 43 |
| construed as affecting the classification of a | 44 |
| telecommunications tower as defined in division (B) or (E) of | 45 |
| section 303.211 of the Revised Code or any other public utility | 46 |
| for purposes of state and local taxation. | 47 |

| Sec. 519.213. (A) As used in this section, "small wind | 48 |
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| farm" means wind turbines and associated facilities that are not | 49 |
| subject to the jurisdiction of the power siting board under- | 50 |
| sections 4906.20 and 4906.201 of the Revised Code with a single | 51 |
| interconnection to the electrical grid and designed for, or | 52 |
| capable of, operation at an aggregate capacity of less than five | 53 |
| megawatts. | 54 |
| (B) Notwithstanding division (A) of section 519.211 of the | 55 |
| Revised Code, sections 519.02 to 519.25 of the Revised Code | 56 |
| confer power on a board of township trustees or board of zoning | 57 |
| appeals with respect to the location, erection, construction, | 58 |
| reconstruction, change, alteration, maintenance, removal, use, | 59 |
| or enlargement of any small wind farm, whether publicly or | 60 |
| privately owned, or the use of land for that purpose, which | 61 |
| regulations may be more strict than the regulations prescribed | 62 |
| in rules adopted under division (B)(2) of section 4906.20 of the | 63 |
| Revised Code. | 64 |
| (C) The designation under this section of a small wind | 65 |
| farm as a public utility for purposes of sections 519.02 to | 66 |
| 519.25 of the Revised Code shall not affect the classification | 67 |
| of a small wind farm or any other public utility for purposes of | 68 |
| state or local taxation. | 69 |
| (D) Nothing in division (C) of this section shall be | 70 |
| construed as affecting the classification of a | 71 |
| telecommunications tower as defined in division (B) or (E) of | 72 |
| section 519.211 of the Revised Code or any other public utility | 73 |
| for purposes of state and local taxation. | 74 |
| Sec. 713.081. (A) As used in this section, "small wind | 75 |
| farm" means wind turbines and associated facilities—that are not | 76 |
| subject to the jurisdiction of the power siting board under- | 77 |

| sections 4906.20 and 4906.201 of the Revised Code with a single | 78 |
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| interconnection to the electrical grid and designed for, or | 79 |
| capable of, operation at an aggregate capacity of less than five | 80 |
| megawatts. | 81 |
| (B) Sections 713.06 to 713.15 of the Revised Code confer | 82 |
| power on the legislative authority of a municipal corporation | 83 |
| with respect to the location, erection, construction, | 84 |
| reconstruction, change, alteration, maintenance, removal, use, | 85 |
| or enlargement of any small wind farm as a public utility, | 86 |
| whether publicly or privately owned, or the use of land for that | 87 |
| purpose, which regulations may be more strict than the | 88 |
| regulations prescribed in rules adopted under division (B)(2) of | 89 |
| section 4906.20 of the Revised Code. | 90 |
| (C) The designation under this section of a small wind | 91 |
| farm as a public utility for purposes of sections 713.06 to | 92 |
| 713.15 of the Revised Code shall not affect the classification | 93 |
| of a small wind farm or any other public utility for purposes of | 94 |
| state or local taxation. | 95 |
| Sec. 4906.13. (A) As used in this section and sections | 96 |
| 4906.20 and 4906.98 of the Revised Code, "economically | 97 |
| significant wind farm" means wind turbines and associated | 98 |
| facilities with a single interconnection to the electrical grid | 99 |
| and designed for, or capable of, operation at an aggregate | 100 |
| capacity of five or more megawatts but less than fifty | 101 |
| megawatts. The term excludes any such wind farm in operation on | 102 |
| June 24, 2008. The term also excludes one or more wind turbines | 103 |
| and associated facilities that are primarily dedicated to- | 104 |
| providing electricity to a single customer at a single location- | 105 |
| and that are designed for, or capable of, operation at an- | 106 |
| aggregate capacity of less than twenty megawatts, as measured at | 107 |

| the customer's point of interconnection to the electrical grid. | 108 |
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| (B) No public agency or political subdivision of this | 109 |
| state may require any approval, consent, permit, certificate, or | 110 |
| other condition for the construction or operation of a major | 111 |
| utility facility or economically significant wind farm | 112 |
| authorized by a certificate issued pursuant to Chapter 4906. of | 113 |
| the Revised Code. Nothing herein shall prevent the application | 114 |
| of state laws for the protection of employees engaged in the | 115 |
| construction of such facility or wind farm nor of municipal | 116 |
| regulations that do not pertain to the location or design of, or | 117 |
| pollution control and abatement standards for, a major utility | 118 |
| facility or economically significant wind farm for which a | 119 |
| certificate has been granted under this chapter. | 120 |
| Sec. 4928.01. (A) As used in this chapter: | 121 |
| Sec. 4920.01. (A) As used in this chapter: | 121 |
| (1) "Ancillary service" means any function necessary to | 122 |
| the provision of electric transmission or distribution service | 123 |
| to a retail customer and includes, but is not limited to, | 124 |
| scheduling, system control, and dispatch services; reactive | 125 |
| supply from generation resources and voltage control service; | 126 |
| reactive supply from transmission resources service; regulation | 127 |
| service; frequency response service; energy imbalance service; | 128 |
| operating reserve-spinning reserve service; operating reserve- | 129 |
| supplemental reserve service; load following; back-up supply | 130 |
| service; real-power loss replacement service; dynamic | 131 |
| scheduling; system black start capability; and network stability | 132 |
| service. | 133 |
| (2) "Billing and collection agent" means a fully | 134 |
| independent agent, not affiliated with or otherwise controlled | 135 |
| by an electric utility, electric services company, electric | 136 |
| cooperative, or governmental aggregator subject to certification | 137 |

| under section 4928.08 of the Revised Code, to the extent that | 138 |
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| the agent is under contract with such utility, company, | 139 |
| cooperative, or aggregator solely to provide billing and | 140 |
| collection for retail electric service on behalf of the utility | 141 |
| company, cooperative, or aggregator. | 142 |
| (3) "Certified territory" means the certified territory | 143 |
| established for an electric supplier under sections 4933.81 to | 144 |
| 4933.90 of the Revised Code. | 145 |
| (4) "Competitive retail electric service" means a | 146 |
| component of retail electric service that is competitive as | 147 |
| provided under division (B) of this section. | 148 |
| (5) "Electric cooperative" means a not-for-profit electric | 149 |
| light company that both is or has been financed in whole or in | 150 |
| part under the "Rural Electrification Act of 1936," 49 Stat. | 151 |
| 1363, 7 U.S.C. 901, and owns or operates facilities in this | 152 |
| state to generate, transmit, or distribute electricity, or a | 153 |
| not-for-profit successor of such company. | 154 |
| (6) "Electric distribution utility" means an electric | 155 |
| utility that supplies at least retail electric distribution | 156 |
| service. | 157 |
| (7) "Electric light company" has the same meaning as in | 158 |
| section 4905.03 of the Revised Code and includes an electric | 159 |
| services company, but excludes any self-generator to the extent | 160 |
| that it consumes electricity it so produces, sells that | 161 |
| electricity for resale, or obtains electricity from a generating | 162 |
| facility it hosts on its premises. | 163 |
| (8) "Electric load center" has the same meaning as in | 164 |
| section 4933.81 of the Revised Code. | 165 |
| (9) "Electric services company" means an electric light | 166 |

| company that is engaged on a for-profit or not-for-profit basis | 167 |
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| in the business of supplying or arranging for the supply of only | 168 |
| a competitive retail electric service in this state. "Electric | 169 |
| services company" includes a power marketer, power broker, | 170 |
| aggregator, or independent power producer but excludes an | 171 |
| electric cooperative, municipal electric utility, governmental | 172 |
| aggregator, or billing and collection agent. | 173 |
| (10) "Electric supplier" has the same meaning as in | 174 |
| section 4933.81 of the Revised Code. | 175 |
| (11) "Electric utility" means an electric light company | 176 |
| that has a certified territory and is engaged on a for-profit | 177 |
| basis either in the business of supplying a noncompetitive | 178 |
| retail electric service in this state or in the businesses of | 179 |
| supplying both a noncompetitive and a competitive retail | 180 |
| electric service in this state. "Electric utility" excludes a | 181 |
| municipal electric utility or a billing and collection agent. | 182 |
| (12) "Firm electric service" means electric service other | 183 |
| than nonfirm electric service. | 184 |
| (13) "Governmental aggregator" means a legislative | 185 |
| authority of a municipal corporation, a board of township | 186 |
| trustees, or a board of county commissioners acting as an | 187 |
| aggregator for the provision of a competitive retail electric | 188 |
| service under authority conferred under section 4928.20 of the | 189 |
| Revised Code. | 190 |
| (14) A person acts "knowingly," regardless of the person's | 191 |
| purpose, when the person is aware that the person's conduct will | 192 |
| probably cause a certain result or will probably be of a certain | 193 |
| nature. A person has knowledge of circumstances when the person | 194 |
| is aware that such circumstances probably exist. | 195 |

| (15) "Level of funding for low-income customer energy | 196 |
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| efficiency programs provided through electric utility rates" | 197 |
| means the level of funds specifically included in an electric | 198 |
| utility's rates on October 5, 1999, pursuant to an order of the | 199 |
| public utilities commission issued under Chapter 4905. or 4909. | 200 |
| of the Revised Code and in effect on October 4, 1999, for the | 201 |
| purpose of improving the energy efficiency of housing for the | 202 |
| utility's low-income customers. The term excludes the level of | 203 |
| any such funds committed to a specific nonprofit organization or | 204 |
| organizations pursuant to a stipulation or contract. | 205 |
| (16) "Low-income customer assistance programs" means the | 206 |
| percentage of income payment plan program, the home energy | 207 |
| assistance program, the home weatherization assistance program, | 208 |
| and the targeted energy efficiency and weatherization program. | 209 |
| (17) "Market development period" for an electric utility | 210 |
| means the period of time beginning on the starting date of | 211 |
| competitive retail electric service and ending on the applicable | 212 |
| date for that utility as specified in section 4928.40 of the | 213 |
| Revised Code, irrespective of whether the utility applies to | 214 |
| receive transition revenues under this chapter. | 215 |
| (18) "Market power" means the ability to impose on | 216 |
| customers a sustained price for a product or service above the | 217 |
| price that would prevail in a competitive market. | 218 |
| (19) "Mercantile customer" means a commercial or | 219 |
| industrial customer if the electricity consumed is for | 220 |
| nonresidential use and the customer consumes more than seven | 221 |
| hundred thousand kilowatt hours per year or is part of a | 222 |
| national account involving multiple facilities in one or more | 223 |
| states. | 224 |

| (20) "Municipal electric utility" means a municipal | 225 |
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| corporation that owns or operates facilities to generate, | 226 |
| transmit, or distribute electricity. | 227 |
| (21) "Noncompetitive retail electric service" means a | 228 |
| component of retail electric service that is noncompetitive as | 229 |
| provided under division (B) of this section. | 230 |
| (22) "Nonfirm electric service" means electric service | 231 |
| provided pursuant to a schedule filed under section 4905.30 of | 232 |
| the Revised Code or pursuant to an arrangement under section | 233 |
| 4905.31 of the Revised Code, which schedule or arrangement | 234 |
| includes conditions that may require the customer to curtail or | 235 |
| interrupt electric usage during nonemergency circumstances upon | 236 |
| notification by an electric utility. | 237 |
| (23) "Percentage of income payment plan arrears" means | 238 |
| funds eligible for collection through the percentage of income | 239 |
| payment plan rider, but uncollected as of July 1, 2000. | 240 |
| (24) "Person" has the same meaning as in section 1.59 of | 241 |
| the Revised Code. | 242 |
| (25) "Advanced energy project" means any technologies, | 243 |
| products, activities, or management practices or strategies that | 244 |
| facilitate the generation or use of electricity or energy and | 245 |
| that reduce or support the reduction of energy consumption or | 246 |
| support the production of clean, renewable energy for | 247 |
| industrial, distribution, commercial, institutional, | 248 |
| governmental, research, not-for-profit, or residential energy | 249 |
| users, including, but not limited to, advanced energy resources | 250 |
| and renewable energy resources. "Advanced energy project" also | 251 |
| includes any project described in division (A), (B), or (C) of | 252 |
| section 4928.621 of the Revised Code. | 253 |

| (26) "Regulatory assets" means the unamortized net | 254 |
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| regulatory assets that are capitalized or deferred on the | 255 |
| regulatory books of the electric utility, pursuant to an order | 256 |
| or practice of the public utilities commission or pursuant to | 257 |
| generally accepted accounting principles as a result of a prior | 258 |
| commission rate-making decision, and that would otherwise have | 259 |
| been charged to expense as incurred or would not have been | 260 |
| capitalized or otherwise deferred for future regulatory | 261 |
| consideration absent commission action. "Regulatory assets" | 262 |
| includes, but is not limited to, all deferred demand-side | 263 |
| management costs; all deferred percentage of income payment plan | 264 |
| arrears; post-in-service capitalized charges and assets | 265 |
| recognized in connection with statement of financial accounting | 266 |
| standards no. 109 (receivables from customers for income taxes); | 267 |
| future nuclear decommissioning costs and fuel disposal costs as | 268 |
| those costs have been determined by the commission in the | 269 |
| electric utility's most recent rate or accounting application | 270 |
| proceeding addressing such costs; the undepreciated costs of | 271 |
| safety and radiation control equipment on nuclear generating | 272 |
| plants owned or leased by an electric utility; and fuel costs | 273 |
| currently deferred pursuant to the terms of one or more | 274 |
| settlement agreements approved by the commission. | 275 |

(27) "Retail electric service" means any service involved 276 in supplying or arranging for the supply of electricity to 277 ultimate consumers in this state, from the point of generation 278 to the point of consumption. For the purposes of this chapter, 279 retail electric service includes one or more of the following 280 "service components": generation service, aggregation service, 281 power marketing service, power brokerage service, transmission 282 service, distribution service, ancillary service, metering 283 284 service, and billing and collection service.

| (28) "Starting date of competitive retail electric | 285 |
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| service" means January 1, 2001. | 286 |
| (29) "Customer-generator" means a user of a net metering | 287 |
| system. | 288 |
| (30) "Net metering" means measuring the difference in an | 289 |
| applicable billing period between the electricity supplied by an | 290 |
| electric service provider and the electricity generated by a | 291 |
| customer-generator that is fed back to the electric service | 292 |
| provider. | 293 |
| (31) "Net metering system" means a facility for the | 294 |
| production of electrical energy that does all of the following: | 295 |
| (a) Uses as its fuel either solar, wind, biomass, landfill | 296 |
| gas, or hydropower, or uses a microturbine or a fuel cell; | 297 |
| (b) Is located on a customer-generator's premises; | 298 |
| (c) Operates in parallel with the electric utility's | 299 |
| transmission and distribution facilities; | 300 |
| (d) Is intended primarily to offset part or all of the | 301 |
| customer-generator's requirements for electricity. For an- | 302 |
| industrial customer generator with a net metering system that | 303 |
| has a capacity of less than twenty megawatts and uses wind as- | 304 |
| energy, this means the net metering system was sized so as to | 305 |
| not exceed one hundred per cent of the customer-generator's | 306 |
| annual requirements for electric energy at the time of | 307 |
| interconnection. | 308 |
| (32) "Self-generator" means an entity in this state that | 309 |
| owns or hosts on its premises an electric generation facility | 310 |
| that produces electricity primarily for the owner's consumption | 311 |
| and that may provide any such excess electricity to another | 312 |

| entity, whether the facility is installed or operated by the | 313 |
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| owner or by an agent under a contract. | 314 |
| | |
| (33) "Rate plan" means the standard service offer in | 315 |
| effect on the effective date of the amendment of this section by | 316 |
| S.B. 221 of the 127th general assembly, July 31, 2008. | 317 |
| (34) "Advanced energy resource" means any of the | 318 |
| following: | 319 |
| (a) Any method or any modification or replacement of any | 320 |
| property, process, device, structure, or equipment that | 321 |
| increases the generation output of an electric generating | 322 |
| facility to the extent such efficiency is achieved without | 323 |
| additional carbon dioxide emissions by that facility; | 324 |
| (b) Any distributed generation system consisting of | 325 |
| customer cogeneration technology; | 326 |
| (c) Clean coal technology that includes a carbon-based | 327 |
| product that is chemically altered before combustion to | 328 |
| demonstrate a reduction, as expressed as ash, in emissions of | 329 |
| nitrous oxide, mercury, arsenic, chlorine, sulfur dioxide, or | 330 |
| sulfur trioxide in accordance with the American society of | 331 |
| testing and materials standard D1757A or a reduction of metal | 332 |
| oxide emissions in accordance with standard D5142 of that | 333 |
| society, or clean coal technology that includes the design | 334 |
| capability to control or prevent the emission of carbon dioxide, | 335 |
| which design capability the commission shall adopt by rule and | 336 |
| shall be based on economically feasible best available | 337 |
| technology or, in the absence of a determined best available | 338 |
| technology, shall be of the highest level of economically | 339 |
| feasible design capability for which there exists generally | 340 |
| accepted scientific opinion; | 341 |

| (d) Advanced nuclear energy technology consisting of | 342 |
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| generation III technology as defined by the nuclear regulatory | 343 |
| commission; other, later technology; or significant improvements | 344 |
| to existing facilities; | 345 |
| (e) Any fuel cell used in the generation of electricity, | 346 |
| including, but not limited to, a proton exchange membrane fuel | 347 |
| cell, phosphoric acid fuel cell, molten carbonate fuel cell, or | 348 |
| solid oxide fuel cell; | 349 |
| (f) Advanced solid waste or construction and demolition | 350 |
| debris conversion technology, including, but not limited to, | 351 |
| advanced stoker technology, and advanced fluidized bed | 352 |
| gasification technology, that results in measurable greenhouse | 353 |
| gas emissions reductions as calculated pursuant to the United | 354 |
| States environmental protection agency's waste reduction model | 355 |
| (WARM); | 356 |
| (g) Demand-side management and any energy efficiency | 357 |
| <pre>improvement;</pre> | 358 |
| (h) Any new, retrofitted, refueled, or repowered | 359 |
| generating facility located in Ohio, including a simple or | 360 |
| combined-cycle natural gas generating facility or a generating | 361 |
| facility that uses biomass, coal, modular nuclear, or any other | 362 |
| fuel as its input; | 363 |
| (i) Any uprated capacity of an existing electric | 364 |
| generating facility if the uprated capacity results from the | 365 |
| deployment of advanced technology. | 366 |
| "Advanced energy resource" does not include a waste energy | 367 |
| recovery system that is, or has been, included in an energy | 368 |
| efficiency program of an electric distribution utility pursuant | 369 |
| to requirements under section 4928.66 of the Revised Code. | 370 |

| (35) "Air contaminant source" has the same meaning as in | 371 |
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| section 3704.01 of the Revised Code. | 372 |
| (36) "Cogeneration technology" means technology that | 373 |
| produces electricity and useful thermal output simultaneously. | 374 |
| (37)(a) "Renewable energy resource" means any of the | 375 |
| following: | 376 |
| (i) Solar photovoltaic or solar thermal energy; | 377 |
| (ii) Wind energy; | 378 |
| (iii) Power produced by a hydroelectric facility; | 379 |
| (iv) Power produced by a small hydroelectric facility, | 380 |
| which is a facility that operates, or is rated to operate, at an | 381 |
| aggregate capacity of less than six megawatts; | 382 |
| (v) Power produced by a run-of-the-river hydroelectric | 383 |
| facility placed in service on or after January 1, 1980, that is | 384 |
| located within this state, relies upon the Ohio river, and | 385 |
| operates, or is rated to operate, at an aggregate capacity of | 386 |
| forty or more megawatts; | 387 |
| (vi) Geothermal energy; | 388 |
| (vii) Fuel derived from solid wastes, as defined in | 389 |
| section 3734.01 of the Revised Code, through fractionation, | 390 |
| biological decomposition, or other process that does not | 391 |
| principally involve combustion; | 392 |
| (viii) Biomass energy; | 393 |
| (ix) Energy produced by cogeneration technology that is | 394 |
| placed into service on or before December 31, 2015, and for | 395 |
| which more than ninety per cent of the total annual energy input | 396 |
| is from combustion of a waste or byproduct gas from an air | 397 |

| contaminant source in this state, which source has been in | 398 |
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| operation since on or before January 1, 1985, provided that the | 399 |
| cogeneration technology is a part of a facility located in a | 400 |
| county having a population of more than three hundred sixty-five | 401 |
| thousand but less than three hundred seventy thousand according | 402 |
| to the most recent federal decennial census; | 403 |
| (x) Biologically derived methane gas; | 404 |
| (xi) Heat captured from a generator of electricity, | 405 |
| boiler, or heat exchanger fueled by biologically derived methane | 406 |
| gas; | 407 |
| (xii) Energy derived from nontreated by-products of the | 408 |
| pulping process or wood manufacturing process, including bark, | 409 |
| wood chips, sawdust, and lignin in spent pulping liquors. | 410 |
| "Renewable energy resource" includes, but is not limited | 411 |
| to, any fuel cell used in the generation of electricity, | 412 |
| including, but not limited to, a proton exchange membrane fuel | 413 |
| cell, phosphoric acid fuel cell, molten carbonate fuel cell, or | 414 |
| solid oxide fuel cell; wind turbine located in the state's | 415 |
| territorial waters of Lake Erie; methane gas emitted from an | 416 |
| abandoned coal mine; waste energy recovery system placed into | 417 |
| service or retrofitted on or after the effective date of the | 418 |
| amendment of this section by S.B. 315 of the 129th general | 419 |
| assembly, September 10, 2012, except that a waste energy | 420 |
| recovery system described in division (A)(38)(b) of this section | 421 |
| may be included only if it was placed into service between | 422 |
| January 1, 2002, and December 31, 2004; storage facility that | 423 |
| will promote the better utilization of a renewable energy | 424 |
| resource; or distributed generation system used by a customer to | 425 |
| generate electricity from any such energy. | 426 |

| "Renewable energy resource" does not include a waste | 427 |
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| energy recovery system that is, or was, on or after January 1, | 428 |
| 2012, included in an energy efficiency program of an electric | 429 |
| distribution utility pursuant to requirements under section | 430 |
| 4928.66 of the Revised Code. | 431 |
| (b) As used in division (A)(37) of this section, | 432 |
| "hydroelectric facility" means a hydroelectric generating | 433 |
| facility that is located at a dam on a river, or on any water | 434 |
| discharged to a river, that is within or bordering this state or | 435 |
| within or bordering an adjoining state and meets all of the | 436 |
| following standards: | 437 |
| (i) The facility provides for river flows that are not | 438 |
| | |
| detrimental for fish, wildlife, and water quality, including | 439 |
| seasonal flow fluctuations as defined by the applicable | 440 |
| licensing agency for the facility. | 441 |
| (ii) The facility demonstrates that it complies with the | 442 |
| water quality standards of this state, which compliance may | 443 |
| consist of certification under Section 401 of the "Clean Water | 444 |
| Act of 1977," 91 Stat. 1598, 1599, 33 U.S.C. 1341, and | 445 |
| demonstrates that it has not contributed to a finding by this | 446 |
| state that the river has impaired water quality under Section | 447 |
| 303(d) of the "Clean Water Act of 1977," 114 Stat. 870, 33 | 448 |
| U.S.C. 1313. | 449 |
| (iii) The facility complies with mandatory prescriptions | 450 |
| regarding fish passage as required by the federal energy | 451 |
| regulatory commission license issued for the project, regarding | 452 |
| fish protection for riverine, anadromous, and catadromous fish. | 453 |
| (in) The facility coupling with the coupling of the coupling o | A F A |
| (iv) The facility complies with the recommendations of the | 454 |
| Ohio environmental protection agency and with the terms of its | 455 |

| federal energy regulatory commission license regarding watershed | 456 |
|--|-----|
| protection, mitigation, or enhancement, to the extent of each | 457 |
| agency's respective jurisdiction over the facility. | 458 |
| (v) The facility complies with provisions of the | 459 |
| "Endangered Species Act of 1973," 87 Stat. 884, 16 U.S.C. 1531 | 460 |
| to 1544, as amended. | 461 |
| (vi) The facility does not harm cultural resources of the | 462 |
| area. This can be shown through compliance with the terms of its | 463 |
| federal energy regulatory commission license or, if the facility | 464 |
| is not regulated by that commission, through development of a | 465 |
| plan approved by the Ohio historic preservation office, to the | 466 |
| extent it has jurisdiction over the facility. | 467 |
| (vii) The facility complies with the terms of its federal | 468 |
| energy regulatory commission license or exemption that are | 469 |
| related to recreational access, accommodation, and facilities | 470 |
| or, if the facility is not regulated by that commission, the | 471 |
| facility complies with similar requirements as are recommended | 472 |
| by resource agencies, to the extent they have jurisdiction over | 473 |
| the facility; and the facility provides access to water to the | 474 |
| public without fee or charge. | 475 |
| (viii) The facility is not recommended for removal by any | 476 |
| federal agency or agency of any state, to the extent the | 477 |
| particular agency has jurisdiction over the facility. | 478 |
| (c) The standards in divisions (A)(37)(b)(i) to (viii) of | 479 |
| this section do not apply to a small hydroelectric facility | 480 |
| under division (A)(37)(a)(iv) of this section. | 481 |
| (38) "Waste energy recovery system" means either of the | 482 |
| following: | 483 |
| (a) A facility that generates electricity through the | 484 |

| conversion of energy from either of the following: | 485 |
|--|-----|
| (i) Exhaust heat from engines or manufacturing, | 486 |
| industrial, commercial, or institutional sites, except for | 487 |
| exhaust heat from a facility whose primary purpose is the | 488 |
| generation of electricity; | 489 |
| (ii) Reduction of pressure in gas pipelines before gas is | 490 |
| distributed through the pipeline, provided that the conversion | 491 |
| of energy to electricity is achieved without using additional | 492 |
| fossil fuels. | 493 |
| (b) A facility at a state institution of higher education | 494 |
| as defined in section 3345.011 of the Revised Code that recovers | 495 |
| waste heat from electricity-producing engines or combustion | 496 |
| turbines and that simultaneously uses the recovered heat to | 497 |
| produce steam, provided that the facility was placed into | 498 |
| service between January 1, 2002, and December 31, 2004. | 499 |
| (39) "Smart grid" means capital improvements to an | 500 |
| electric distribution utility's distribution infrastructure that | 501 |
| improve reliability, efficiency, resiliency, or reduce energy | 502 |
| demand or use, including, but not limited to, advanced metering | 503 |
| and automation of system functions. | 504 |
| (40) "Combined heat and power system" means the | 505 |
| coproduction of electricity and useful thermal energy from the | 506 |
| same fuel source designed to achieve thermal-efficiency levels | 507 |
| of at least sixty per cent, with at least twenty per cent of the | 508 |
| system's total useful energy in the form of thermal energy. | 509 |
| (41) "Legacy generation resource" means all generating | 510 |
| facilities owned directly or indirectly by a corporation that | 511 |
| was formed prior to 1960 by investor-owned utilities for the | 512 |
| original purpose of providing power to the federal government | 513 |

| for use in the nation's defense or in furtherance of national | 514 |
|--|-----|
| interests, including the Ohio valley electric corporation. | 515 |
| (42) "Prudently incurred costs related to a legacy | 516 |
| generation resource" means costs, including deferred costs, | 517 |
| allocated pursuant to a power agreement approved by the federal | 518 |
| energy regulatory commission that relates to a legacy generation | 519 |
| resource, less any revenues realized from offering the | 520 |
| contractual commitment for the power agreement into the | 521 |
| wholesale markets, provided that where the net revenues exceed | 522 |
| net costs, those excess revenues shall be credited to customers. | 523 |
| Such costs shall exclude any return on investment in common- | 524 |
| equity and, in the event of a premature retirement of a legacy | 525 |
| generation resource, shall exclude any recovery of remaining | 526 |
| debt. Such costs shall include any incremental costs resulting | 527 |
| from the bankruptcy of a current or former sponsor under such- | 528 |
| power agreement or co owner of the legacy generation resource if | 529 |
| not otherwise recovered through a utility rate cost recovery- | 530 |
| mechanism. | 531 |
| (B) For the purposes of this chapter, a retail electric | 532 |
| service component shall be deemed a competitive retail electric | 533 |
| service if the service component is competitive pursuant to a | 534 |
| declaration by a provision of the Revised Code or pursuant to an | 535 |
| order of the public utilities commission authorized under | 536 |
| division (A) of section 4928.04 of the Revised Code. Otherwise, | 537 |
| the service component shall be deemed a noncompetitive retail | 538 |
| electric service. | 539 |
| Sec. 4928.64. (A) (1) As used in this section, "qualifying | 540 |
| renewable energy resource" means a renewable energy resource, as | 541 |
| defined in section 4928.01 of the Revised Code that: | 542 |
| (a) Has a placed-in-service date on or after January 1, | 543 |

| 1998; | 544 |
|--|-----|
| (b) Is any run-of-the-river hydroelectric facility that | 545 |
| has an in-service date on or after January 1, 1980; | 546 |
| (c) Is a small hydroelectric facility; | 547 |
| (d) Is created on or after January 1, 1998, by the | 548 |
| modification or retrofit of any facility placed in service prior | 549 |
| to January 1, 1998; or | 550 |
| (e) Is a mercantile customer-sited renewable energy | 551 |
| resource, whether new or existing, that the mercantile customer | 552 |
| commits for integration into the electric distribution utility's | 553 |
| demand-response, energy efficiency, or peak demand reduction | 554 |
| programs as provided under division (A)(2)(c) of section 4928.66 | 555 |
| of the Revised Code, including, but not limited to, any of the | 556 |
| following: | 557 |
| (i) A resource that has the effect of improving the | 558 |
| relationship between real and reactive power; | 559 |
| (ii) A resource that makes efficient use of waste heat or | 560 |
| other thermal capabilities owned or controlled by a mercantile | 561 |
| customer; | 562 |
| (iii) Storage technology that allows a mercantile customer | 563 |
| more flexibility to modify its demand or load and usage | 564 |
| characteristics; | 565 |
| (iv) Electric generation equipment owned or controlled by | 566 |
| a mercantile customer that uses a renewable energy resource. | 567 |
| (2) For the purpose of this section and as it considers | 568 |
| appropriate, the public utilities commission may classify any | 569 |
| new technology as such a qualifying renewable energy resource. | 570 |

| (B)(1) By the end of 2026 2027 and thereafter, an electric | 571 |
|--|-----|
| distribution utility shall have provided provide from qualifying | 572 |
| renewable energy resources, including, at its discretion, | 573 |
| qualifying renewable energy resources obtained pursuant to an | 574 |
| electricity supply contract, a portion of the electricity supply | 575 |
| required for its standard service offer under section 4928.141 | 576 |
| of the Revised Code, and an electric services company shall have | 577 |
| provided provide a portion of its electricity supply for retail | 578 |
| consumers in this state from qualifying renewable energy | 579 |
| resources, including, at its discretion, qualifying renewable | 580 |
| energy resources obtained pursuant to an electricity supply | 581 |
| contract. That portion shall equal eight twelve and one-half per | 582 |
| cent of the total number of kilowatt hours of electricity sold | 583 |
| by the subject utility or company to any and all retail electric | 584 |
| consumers whose electric load centers are served by that utility | 585 |
| and are located within the utility's certified territory or, in | 586 |
| the case of an electric services company, are served by the | 587 |
| company and are located within this state. However, nothing in | 588 |
| this section precludes a utility or company from providing a | 589 |
| greater percentage. | 590 |
| (2) Subject to section 4928.642 of the Revised Code, the | 591 |

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The portion required under division (B)(1) of this section shall

be generated from renewable energy resources, including one-half

per cent from solar energy resources, in accordance with the

following benchmarks:

| В | 2009 | 0.25% | 0.004% |
|---|----------------------|----------------------------|-----------------------------|
| С | 2010 | 0.50% | 0.010% |
| D | 2011 | 1% | 0.030% |
| E | 2012 | 1.5% | 0.060% |
| F | 2013 | 2% | 0.090% |
| G | 2014 | 2.5% | 0.12% |
| Н | 2015 | 2.5% | 0.12% |
| I | 2016 | 2.5% | 0.12% |
| J | 2017 | 3.5% | 0.15% |
| K | 2018 | 4.5% | 0.18% |
| L | 2019 | 5.5% | 0.22% |
| М | 2020 | 5.5% 6.5% | 0% 0.26% |
| N | 2021 | 6% 7.5% | 0% 0.3% |
| 0 | 2022 | 6.5% 8.5% | 0% 0.34% |
| Р | 2023 | 7 % <u>9.5%</u> | 0% 0.38% |
| Q | 2024 | 7.5% 10.5% | 0% 0.42% |
| R | 2025 | 8% 11.5% | 0% 0.46% |
| S | 2026 and each | 8.5%12.5% | 0 % <u>0.5</u> % |
| | <u>calendar year</u> | | |

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<u>thereafter</u>

| (3) The qualifying renewable energy resources implemented | 597 |
|--|-----|
| by the utility or company shall be met either: | 598 |
| (a) Through facilities located in this state; or | 599 |
| (b) With resources that can be shown to be deliverable | 600 |
| into this state. | 601 |
| (C)(1) The commission annually shall review an electric | 602 |
| distribution utility's or electric services company's compliance | 603 |
| with the most recent applicable benchmark under division (B)(2) | 604 |
| of this section and, in the course of that review, shall | 605 |
| identify any undercompliance or noncompliance of the utility or | 606 |
| company that it determines is weather-related, related to | 607 |
| equipment or resource shortages for qualifying renewable energy | 608 |
| by the utility or company shall be met either: (a) Through facilities located in this state; or (b) With resources that can be shown to be deliverable into this state. (C) (1) The commission annually shall review an electric distribution utility's or electric services company's compliance with the most recent applicable benchmark under division (B) (2) of this section and, in the course of that review, shall identify any undercompliance or noncompliance of the utility or company that it determines is weather-related, related to equipment or resource shortages for qualifying renewable energy resources as applicable, or is otherwise outside the utility's or company's control. (2) Subject to the cost cap provisions of division (C) (3) of this section, if the commission determines, after notice and opportunity for hearing, and based upon its findings in that review regarding avoidable undercompliance or noncompliance, but subject to division (C) (4) of this section, that the utility or company has failed to comply with any such benchmark, the commission shall impose a renewable energy compliance payment on the utility or company. (a) The compliance payment pertaining to the solar energy | 609 |
| or company's control. | 610 |
| (2) Subject to the cost cap provisions of division (C)(3) | 611 |
| of this section, if the commission determines, after notice and | 612 |
| opportunity for hearing, and based upon its findings in that | 613 |
| review regarding avoidable undercompliance or noncompliance, but | 614 |
| subject to division (C)(4) of this section, that the utility or | 615 |
| company has failed to comply with any such benchmark, the | 616 |
| commission shall impose a renewable energy compliance payment on | 617 |
| the utility or company. | 618 |
| (a) The compliance payment pertaining to the solar energy | 619 |
| resource benchmarks under division (B)(2) of this section shall | 620 |
| be an amount per megawatt hour of undercompliance or | 621 |
| noncompliance in the period under review, as follows: | 622 |
| (i) Three hundred dollars for 2014, 2015, and 2016: | 623 |

| (ii) Two hundred fifty dollars for 2017 and 2018; | 624 |
|--|--|
| (iii) Two hundred dollars for 2019 and 2020; | 625 |
| (iv) Similarly reduced every two years thereafter through | 626 |
| 2026 by fifty dollars, to a minimum of fifty dollars. | 627 |
| (b) The compliance payment pertaining to the renewable | 628 |
| energy resource benchmarks under division (B)(2) of this section | 629 |
| shall equal the number of additional renewable energy credits | 630 |
| that the electric distribution utility or electric services | 631 |
| company would have needed to comply with the applicable | 632 |
| benchmark in the period under review times an amount that shall | 633 |
| begin at forty-five dollars and shall be adjusted annually by | 634 |
| the commission to reflect any change in the consumer price index | 635 |
| as defined in section 101.27 of the Revised Code, but shall not | 636 |
| be less than forty-five dollars. | 637 |
| (a) The compliance perment shall not be present through by | 638 |
| (c) The compliance payment shall not be passed through by | 030 |
| the electric distribution utility or electric services company | 639 |
| | |
| the electric distribution utility or electric services company | 639 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the | 639 640 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy | 639 640 641 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment | 639 640 641 642 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection | 639 640 641 642 643 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection and enforcement procedures as apply to the collection of a | 639 640 641 642 643 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection and enforcement procedures as apply to the collection of a forfeiture under sections 4905.55 to 4905.60 and 4905.64 of the | 639 640 641 642 643 644 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection and enforcement procedures as apply to the collection of a forfeiture under sections 4905.55 to 4905.60 and 4905.64 of the Revised Code. | 639 640 641 642 643 644 645 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection and enforcement procedures as apply to the collection of a forfeiture under sections 4905.55 to 4905.60 and 4905.64 of the Revised Code. (3) An electric distribution utility or an electric | 639 640 641 642 643 644 645 646 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection and enforcement procedures as apply to the collection of a forfeiture under sections 4905.55 to 4905.60 and 4905.64 of the Revised Code. (3) An electric distribution utility or an electric services company need not comply with a benchmark under division | 639 640 641 642 643 644 645 646 |
| the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection and enforcement procedures as apply to the collection of a forfeiture under sections 4905.55 to 4905.60 and 4905.64 of the Revised Code. (3) An electric distribution utility or an electric services company need not comply with a benchmark under division (B) (2) of this section to the extent that its reasonably | 639 640 641 642 643 644 645 646 647 648 |

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shall be calculated as though any exemption from taxes and 653 assessments had not been granted under section 5727.75 of the 654 Revised Code. 655

- (4) (a) An electric distribution utility or electric 656 services company may request the commission to make a force 657 majeure determination pursuant to this division regarding all or 658 part of the utility's or company's compliance with any minimum 659 benchmark under division (B)(2) of this section during the 660 period of review occurring pursuant to division (C)(2) of this 661 662 section. The commission may require the electric distribution utility or electric services company to make solicitations for 663 renewable energy resource credits as part of its default service 664 before the utility's or company's request of force majeure under 665 this division can be made. 666
- (b) Within ninety days after the filing of a request by an 667 electric distribution utility or electric services company under 668 division (C)(4)(a) of this section, the commission shall 669 determine if qualifying renewable energy resources are 670 reasonably available in the marketplace in sufficient quantities 671 for the utility or company to comply with the subject minimum 672 benchmark during the review period. In making this 673 determination, the commission shall consider whether the 674 electric distribution utility or electric services company has 675 made a good faith effort to acquire sufficient qualifying 676 renewable energy or, as applicable, solar energy resources to so 677 comply, including, but not limited to, by banking or seeking 678 renewable energy resource credits or by seeking the resources 679 through long-term contracts. Additionally, the commission shall 680 consider the availability of qualifying renewable energy or 681 solar energy resources in this state and other jurisdictions in 682 the PJM interconnection regional transmission organization, 683

L.L.C., or its successor and the midcontinent independent system 684 operator or its successor. 685

- (c) If, pursuant to division (C)(4)(b) of this section, 686 the commission determines that qualifying renewable energy or 687 solar energy resources are not reasonably available to permit 688 the electric distribution utility or electric services company 689 to comply, during the period of review, with the subject minimum 690 benchmark prescribed under division (B)(2) of this section, the 691 commission shall modify that compliance obligation of the 692 693 utility or company as it determines appropriate to accommodate the finding. Commission modification shall not automatically 694 reduce the obligation for the electric distribution utility's or 695 electric services company's compliance in subsequent years. If 696 it modifies the electric distribution utility or electric 697 services company obligation under division (C)(4)(c) of this 698 section, the commission may require the utility or company, if 699 sufficient renewable energy resource credits exist in the 700 marketplace, to acquire additional renewable energy resource 701 702 credits in subsequent years equivalent to the utility's or company's modified obligation under division (C)(4)(c) of this 703 section. 704
- (5) The commission shall establish a process to provide 705 for at least an annual review of the renewable energy resource 706 market in this state and in the service territories of the 707 708 regional transmission organizations that manage transmission systems located in this state. The commission shall use the 709 results of this study to identify any needed changes to the 710 amount of the renewable energy compliance payment specified 711 under divisions (C)(2)(a) and (b) of this section. Specifically, 712 the commission may increase the amount to ensure that payment of 713 compliance payments is not used to achieve compliance with this 714

| section in lieu of actually acquiring or realizing energy | 715 |
|--|-----|
| derived from qualifying renewable energy resources. However, if | 716 |
| the commission finds that the amount of the compliance payment | 717 |
| should be otherwise changed, the commission shall present this | 718 |
| finding to the general assembly for legislative enactment. | 719 |
| (D) The commission annually shall submit to the general | 720 |
| assembly in accordance with section 101.68 of the Revised Code a | 721 |
| report describing all of the following: | 722 |
| (1) The compliance of electric distribution utilities and | 723 |
| electric services companies with division (B) of this section; | 724 |
| (2) The average annual cost of renewable energy credits | 725 |
| purchased by utilities and companies for the year covered in the | 726 |
| report; | 727 |
| (3) Any strategy for utility and company compliance or for | 728 |
| encouraging the use of qualifying renewable energy resources in | 729 |
| supplying this state's electricity needs in a manner that | 730 |
| considers available technology, costs, job creation, and | 731 |
| economic impacts. | 732 |
| The commission shall begin providing the information | 733 |
| described in division (D)(2) of this section in each report | 734 |
| submitted after September 10, 2012. The commission shall allow | 735 |
| and consider public comments on the report prior to its | 736 |
| submission to the general assembly. Nothing in the report shall | 737 |
| be binding on any person, including any utility or company for | 738 |
| the purpose of its compliance with any benchmark under division | 739 |
| (B) of this section, or the enforcement of that provision under | 740 |
| division (C) of this section. | 741 |
| (E) All costs incurred by an electric distribution utility | 742 |

in complying with the requirements of this section shall be

| bypassable by any consumer that has exercised choice of supplier | 744 |
|--|-----|
| under section 4928.03 of the Revised Code. | 745 |
| Sec. 4928.641. (A) If an electric distribution utility has | 746 |
| executed a contract before April 1, 2014, to procure renewable | 747 |
| energy resources and there are ongoing costs associated with | 748 |
| that contract that are being recovered from customers through a | 749 |
| bypassable charge as of September 12, 2014, that cost recovery | 750 |
| shall, regardless of the amendments to section 4928.64 of the | 751 |
| Revised Code by H.B. 6 of the 133rd general assembly, continue | 752 |
| on a bypassable basis through December 31, 2032 until the | 753 |
| prudently incurred costs associated with that contract are fully | 754 |
| recovered. | 755 |
| (B) Division (A) of this section applies only to costs | 756 |
| associated with the original term of a contract described in | 757 |
| that division and entered into before April 1, 2014. This | 758 |
| section does not permit recovery of costs associated with an | 759 |
| extension of such a contract. This section does not permit | 760 |
| recovery of costs associated with an amendment of such a | 761 |
| contract if that amendment was made on or after April 1, 2014. | 762 |
| Sec. 4928.644. (A) The public utilities commission may | 763 |
| reduce either baseline described in section 4928.643 of the | 764 |
| Revised Code to adjust for new economic growth in the electric | 765 |
| distribution utility's certified territory or in the electric | 766 |
| services company's service area in this state. | 767 |
| (B) To facilitate the competitiveness of mercantile | 768 |
| customers located in this state that are registered as self- | 769 |
| assessing purchasers under division (C) of section 5727.81 of | 770 |
| the Revised Code, the commission shall reduce both baselines | 771 |
| described in section 4928.643 of the Revised Code to exclude the | 772 |
| load and usage of those self-assessing purchasers. Upon the | 773 |

| effective date of this reduction, both of the following shall | 774 |
|--|-----|
| apply: | 775 |
| (1) Any electric distribution utility or electric services | 776 |
| company serving such a self-assessing purchaser shall be | 777 |
| relieved of the amount of compliance with section 4928.64 of the | 778 |
| Revised Code that would be required but for the baseline | 779 |
| reduction. | 780 |
| (2) Such a self-assessing purchaser shall be exempt from | 781 |
| any bypassable charge imposed under division (E) of section- | 782 |
| 4928.64 of the Revised Code. | 783 |
| Sec. 4928.645. (A) An electric distribution utility or | 784 |
| electric services company may use, for the purpose of complying | 785 |
| with the requirements under divisions (B)(1) and (2) of section | 786 |
| 4928.64 of the Revised Code, renewable energy credits any time | 787 |
| in the five calendar years following the date of their purchase | 788 |
| or acquisition from any entity, including, but not limited to, | 789 |
| the following: | 790 |
| (1) A mercantile customer; | 791 |
| (2) An owner or operator of a hydroelectric generating | 792 |
| facility that is located at a dam on a river, or on any water | 793 |
| discharged to a river, that is within or bordering this state or | 794 |
| within or bordering an adjoining state, or that produces power | 795 |
| that can be shown to be deliverable into this state; | 796 |
| (3) A seller of compressed natural gas that has been | 797 |
| produced from biologically derived methane gas, provided that | 798 |
| the seller may only provide renewable energy credits for metered | 799 |
| amounts of gas. | 800 |
| (B)(1) The public utilities commission shall adopt rules | 801 |
| specifying that one unit of credit shall equal one megawatt hour | 802 |

| of electricity derived from renewable energy resources, except | 803 |
|--|-----|
| that, for a generating facility of seventy-five megawatts or | 804 |
| greater that is situated within this state and has committed by | 805 |
| December 31, 2009, to modify or retrofit its generating unit or | 806 |
| units to enable the facility to generate principally from | 807 |
| biomass energy by June 30, 2013, each megawatt hour of | 808 |
| electricity generated principally from that biomass energy shall | 809 |
| equal, in units of credit, the product obtained by multiplying | 810 |
| the actual percentage of biomass feedstock heat input used to | 811 |
| generate such megawatt hour by the quotient obtained by dividing | 812 |
| the then existing unit dollar amount used to determine a | 813 |
| renewable energy compliance payment as provided under division | 814 |
| (C)(2)(b) of section 4928.64 of the Revised Code by the then | 815 |
| existing market value of one renewable energy credit, but such | 816 |
| megawatt hour shall not equal less than one unit of credit. | 817 |
| Renewable energy resources do not have to be converted to | 818 |
| electricity in order to be eligible to receive renewable energy | 819 |
| credits. The rules shall specify that, for purposes of | 820 |
| converting the quantity of energy derived from biologically | 821 |
| derived methane gas to an electricity equivalent, one megawatt | 822 |
| hour equals 3,412,142 British thermal units. | 823 |
| | |

(2) The rules also shall provide for this state a system 824 of registering renewable energy credits by specifying which of 825 any generally available registries shall be used for that 826 purpose and not by creating a registry. That selected system of 827 registering renewable energy credits shall allow a hydroelectric 828 generating facility to be eligible for obtaining renewable 829 energy credits and shall allow customer-sited projects or 830 actions the broadest opportunities to be eligible for obtaining 831 renewable energy credits. 832

| resource as defined in section 3706.40 of the Revised Code is | 834 |
|---|-----|
| not eligible to obtain a renewable energy credit under this- | 835 |
| section for any megawatt hour for which the resource has been | 836 |
| issued a renewable energy credit under section 3706.45 of the | 837 |
| Revised Code. | 838 |

Sec. 4928.66. (A) (1) (a) Beginning in 2009, an electric 839 distribution utility shall implement energy efficiency programs 840 that achieve energy savings equivalent to at least three-tenths 841 of one per cent of the total, annual average, and normalized 842 843 kilowatt-hour sales of the electric distribution utility during the preceding three calendar years to customers in this state. 844 An energy efficiency program may include a combined heat and 845 power system placed into service or retrofitted on or after the 846 effective date of the amendment of this section by S.B. 315 of 847 the 129th general assembly, September 10, 2012, or a waste 848 energy recovery system placed into service or retrofitted on or 849 after September 10, 2012, except that a waste energy recovery 850 system described in division (A)(38)(b) of section 4928.01 of 851 852 the Revised Code may be included only if it was placed into service between January 1, 2002, and December 31, 2004. For a 853 waste energy recovery or combined heat and power system, the 854 savings shall be as estimated by the public utilities 855 commission. The savings requirement, using such a three-year 856 average, shall increase to an additional five-tenths of one per 857 cent in 2010, seven-tenths of one per cent in 2011, eight-tenths 858 of one per cent in 2012, nine-tenths of one per cent in 2013, 859 and one per cent in 2014. In 2015 and 2016, an electric 860 distribution utility shall achieve energy savings equal to the 861 result of subtracting the cumulative energy savings achieved 862 since 2009 from the product of multiplying the baseline for 863 energy savings, described in division (A)(2)(a) of this section, 864

| by four and two-tenths of one per cent. If the result is zero or | 865 |
|--|-----|
| less for the year for which the calculation is being made, the | 866 |
| utility shall not be required to achieve additional energy | 867 |
| savings for that year, but may achieve additional energy savings | 868 |
| for that year. The Thereafter, the annual savings requirements | 869 |
| shall be, for years 2017, 2018, 2019, and 2020, an additional | 870 |
| one per cent of the baseline, and two per cent each year | 871 |
| thereafter, achieving cumulative energy savings in excess of | 872 |
| twenty-two per cent by the end of 2027. For purposes of a waste | 873 |
| energy recovery or combined heat and power system, an electric | 874 |
| distribution utility shall not apply more than the total annual | 875 |
| percentage of the electric distribution utility's industrial- | 876 |
| customer load, relative to the electric distribution utility's | 877 |
| total load, to the annual energy savings requirement. | 878 |

(b) Beginning in 2009, an electric distribution utility 879 shall implement peak demand reduction programs designed to 880 achieve a one per cent reduction in peak demand in 2009 and an 881 additional seventy-five hundredths of one per cent reduction 882 each year through 2014. In 2015 and 2016, an electric 883 distribution utility shall achieve a reduction in peak demand 884 equal to the result of subtracting the cumulative peak demand 885 reductions achieved since 2009 from the product of multiplying 886 the baseline for peak demand reduction, described in division 887 (A)(2)(a) of this section, by four and seventy-five hundredths 888 of one per cent. If the result is zero or less for the year for 889 which the calculation is being made, the utility shall not be 890 required to achieve an additional reduction in peak demand for 891 that year, but may achieve an additional reduction in peak 892 demand for that year. In 2017 and each year thereafter through 893 2020, the utility shall achieve an additional seventy-five 894 hundredths of one per cent reduction in peak demand. 895

| (2) For the purposes of divisions (A)(1)(a) and (b) of | 896 |
|--|-----|
| this section: | 897 |
| (a) The baseline for energy savings under division (A)(1) | 898 |
| | |
| (a) of this section shall be the average of the total kilowatt | 899 |
| hours the electric distribution utility sold in the preceding | 900 |
| three calendar years. The baseline for a peak demand reduction | 901 |
| under division (A)(1)(b) of this section shall be the average | 902 |
| peak demand on the utility in the preceding three calendar | 903 |
| years, except that the commission may reduce either baseline to | 904 |
| adjust for new economic growth in the utility's certified | 905 |
| territory. Neither baseline shall include the load and usage of | 906 |
| any of the following customers: | 907 |
| (i) Beginning January 1, 2017, a customer for which a | 908 |
| reasonable arrangement has been approved under section 4905.31 | 909 |
| of the Revised Code; | 910 |
| (ii) A customer that has opted out of the utility's | 911 |
| portfolio plan under section 4928.6611 of the Revised Code; | 912 |
| (iii) A customer that has opted out of the utility's | 913 |
| portfolio plan under Section 8 of S.B. 310 of the 130th general | 914 |
| assembly. | 915 |
| (b) The commission may amend the benchmarks set forth in | 916 |
| division (A)(1)(a) or (b) of this section if, after application | 917 |
| by the electric distribution utility, the commission determines | 918 |
| that the amendment is necessary because the utility cannot | 919 |
| reasonably achieve the benchmarks due to regulatory, economic, | 920 |
| or technological reasons beyond its reasonable control. | 921 |
| (c) Compliance with divisions (A)(1)(a) and (b) of this | 922 |
| section shall be measured by including the effects of all | 923 |
| demand-response programs for mercantile customers of the subject | 924 |

| electric distribution utility, all waste energy recovery systems | 925 |
|--|-----|
| and all combined heat and power systems, and all such mercantile | 926 |
| customer-sited energy efficiency, including waste energy | 927 |
| recovery and combined heat and power, and peak demand reduction | 928 |
| programs, adjusted upward by the appropriate loss factors. Any | 929 |
| mechanism designed to recover the cost of energy efficiency, | 930 |
| including waste energy recovery and combined heat and power, and | 931 |
| peak demand reduction programs under divisions (A)(1)(a) and (b) | 932 |
| of this section may exempt mercantile customers that commit | 933 |
| their demand-response or other customer-sited capabilities, | 934 |
| whether existing or new, for integration into the electric | 935 |
| distribution utility's demand-response, energy efficiency, | 936 |
| including waste energy recovery and combined heat and power, or | 937 |
| peak demand reduction programs, if the commission determines | 938 |
| that that exemption reasonably encourages such customers to | 939 |
| commit those capabilities to those programs. If a mercantile | 940 |
| customer makes such existing or new demand-response, energy | 941 |
| efficiency, including waste energy recovery and combined heat | 942 |
| and power, or peak demand reduction capability available to an | 943 |
| electric distribution utility pursuant to division (A)(2)(c) of | 944 |
| this section, the electric utility's baseline under division (A) | 945 |
| (2)(a) of this section shall be adjusted to exclude the effects | 946 |
| of all such demand-response, energy efficiency, including waste | 947 |
| energy recovery and combined heat and power, or peak demand | 948 |
| reduction programs that may have existed during the period used | 949 |
| to establish the baseline. The baseline also shall be normalized | 950 |
| for changes in numbers of customers, sales, weather, peak | 951 |
| demand, and other appropriate factors so that the compliance | 952 |
| measurement is not unduly influenced by factors outside the | 953 |
| control of the electric distribution utility. | 954 |
| | |

(d)(i) Programs implemented by a utility may include the

| following: | 956 |
|--|-----|
| (I) Demand-response programs; | 957 |
| (II) Smart grid investment programs, provided that such | 958 |
| programs are demonstrated to be cost-beneficial; | 959 |
| (III) Customer-sited programs, including waste energy | 960 |
| recovery and combined heat and power systems; | 961 |
| (IV) Transmission and distribution infrastructure | 962 |
| improvements that reduce line losses; | 963 |
| (V) Energy efficiency savings and peak demand reduction | 964 |
| that are achieved, in whole or in part, as a result of funding | 965 |
| provided from the universal service fund established by section | 966 |
| 4928.51 of the Revised Code to benefit low-income customers | 967 |
| through programs that include, but are not limited to, energy | 968 |
| audits, the installation of energy efficiency insulation, | 969 |
| appliances, and windows, and other weatherization measures. | 970 |
| (ii) No energy efficiency or peak demand reduction | 971 |
| achieved under divisions (A)(2)(d)(i)(IV) and (V) of this | 972 |
| section shall qualify for shared savings. | 973 |
| (iii) Division (A)(2)(c) of this section shall be applied | 974 |
| to include facilitating efforts by a mercantile customer or | 975 |
| group of those customers to offer customer-sited demand- | 976 |
| response, energy efficiency, including waste energy recovery and | 977 |
| combined heat and power, or peak demand reduction capabilities | 978 |
| to the electric distribution utility as part of a reasonable | 979 |
| arrangement submitted to the commission pursuant to section | 980 |
| 4905.31 of the Revised Code. | 981 |
| (e) No programs or improvements described in division (A) | 982 |
| (2) (d) of this section shall conflict with any statewide | 983 |

building code adopted by the board of building standards.

(B) In accordance with rules it shall adopt, the public

utilities commission shall produce and docket at the commission

986

an annual report containing the results of its verification of

the annual levels of energy efficiency and of peak demand

988

reductions achieved by each electric distribution utility

pursuant to division (A) of this section. A copy of the report

990

shall be provided to the consumers' counsel.

- (C) If the commission determines, after notice and 992 opportunity for hearing and based upon its report under division 993 (B) of this section, that an electric distribution utility has 994 failed to comply with an energy efficiency or peak demand 995 reduction requirement of division (A) of this section, the 996 commission shall assess a forfeiture on the utility as provided 997 under sections 4905.55 to 4905.60 and 4905.64 of the Revised 998 999 Code, either in the amount, per day per undercompliance or noncompliance, relative to the period of the report, equal to 1000 that prescribed for noncompliances under section 4905.54 of the 1001 Revised Code, or in an amount equal to the then existing market 1002 value of one renewable energy credit per megawatt hour of 1003 undercompliance or noncompliance. Revenue from any forfeiture 1004 assessed under this division shall be deposited to the credit of 1005 the advanced energy fund created under section 4928.61 of the 1006 Revised Code. 1007
- (D) The commission may establish rules regarding the 1008 content of an application by an electric distribution utility 1009 for commission approval of a revenue decoupling mechanism under 1010 this division. Such an application shall not be considered an 1011 application to increase rates and may be included as part of a 1012 proposal to establish, continue, or expand energy efficiency or 1013

| conservation programs. The commission by order may approve an | 1014 |
|--|------|
| application under this division if it determines both that the | 1015 |
| revenue decoupling mechanism provides for the recovery of | 1016 |
| revenue that otherwise may be forgone by the utility as a result | 1017 |
| of or in connection with the implementation by the electric | 1018 |
| distribution utility of any energy efficiency or energy | 1019 |
| conservation programs and reasonably aligns the interests of the | 1020 |
| utility and of its customers in favor of those programs. | 1021 |
| (E) The commission additionally shall adopt rules that | 1022 |
| require an electric distribution utility to provide a customer | 1023 |
| upon request with two years' consumption data in an accessible | 1024 |
| form. | 1025 |
| (F) (1) As used in divisions (F) (2), (3), and (4) of this | 1026 |
| section, "portfolio plan" has the same meaning as in division | 1027 |
| (C) (1) of section 4928.6610 of the Revised Code. | 1028 |
| (2) If an electric distribution utility has a portfolio- | 1029 |
| plan in effect as of the effective date of the amendments to | 1030 |
| this section by H.B. 6 of the 133rd general assembly and that | 1031 |
| plan expires before December 31, 2020, the commission shall- | 1032 |
| extend the plan through that date. All portfolio plans shall | 1033 |
| terminate on that date. | 1034 |
| (3) If a portfolio plan is extended beyond its commission | 1035 |
| approved term by division (F)(2) of this section, the existing | 1036 |
| plan's budget shall be increased for the extended term to- | 1037 |
| include an amount equal to the annual average of the approved | 1038 |
| budget for all years of the portfolio plan in effect as of the | 1039 |
| effective date of the amendments to this section by H.B. 6 of | 1040 |
| the 133rd general assembly. | 1041 |
| (1) All other terms and conditions of a portfolio plan- | 1043 |

| extended beyond its commission approved term by division (F)(2) | 1043 |
|--|------|
| of this section shall remain the same unless changes are- | 1044 |
| authorized by the commission. | 1045 |
| (G) (1) Not later than February 1, 2021, the commission | 1046 |
| shall determine the cumulative energy savings collectively | 1047 |
| achieved, since 2009, by all electric distribution utilities in- | 1048 |
| this state as of December 31, 2020. In determining that | 1049 |
| cumulative total, the commission shall do both of the following: | 1050 |
| (a) Include energy savings that were estimated by the | 1051 |
| commission to be achieved as of December 31, 2020, and banked | 1052 |
| under division (G) of section 4928.662 of the Revised Code; | 1053 |
| (b) Use an energy savings baseline that is the average of | 1054 |
| the total kilowatt hours sold by all electric distribution- | 1055 |
| utilities in this state in the calendar years 2018, 2019, and | 1056 |
| 2020. The baseline shall exclude the load and usage described in | 1057 |
| division (A)(2)(a)(i), (ii), and (iii) of this section. That | 1058 |
| baseline may also be reduced for new economic growth in the | 1059 |
| utility's certified territory as provided in division (A)(2)(a) | 1060 |
| of this section and adjusted and normalized as provided in | 1061 |
| division (A)(2)(c) of this section. | 1062 |
| (2) (a) If the cumulative energy savings collectively | 1063 |
| achieved as determined by the commission under division (G)(1) | 1064 |
| of this section is at least seventeen and one half per cent of | 1065 |
| the baseline described in division (G)(1)(b) of this section, | 1066 |
| then full compliance with division (A) (1) (a) of this section | 1067 |
| shall be deemed to have been achieved notwithstanding any | 1068 |
| provision of this section to the contrary. | 1069 |
| (b) If the cumulative energy savings collectively achieved | 1070 |
| as determined by the commission under division (G) (1) of this | 1071 |

| section is less than seventeen and one half per cent of the | 1072 |
|---|------|
| baseline described in division (G)(1)(b) of this section, then- | 1073 |
| both of the following shall apply: | 1074 |
| (i) The commission shall determine the manner in which | 1075 |
| further implementation of energy efficiency programs shall occur | 1076 |
| as may be reasonably necessary for collective achievement of | 1077 |
| | 1077 |
| cumulative energy savings equal to seventeen and one-half | |
| percent, and not more, of the baseline described in division (G) | 1079 |
| (1) (b) of this section. | 1080 |
| (ii) Full compliance with division (A)(1)(a) of this | 1081 |
| section shall be deemed to be achieved as of a date certain- | 1082 |
| established by the commission notwithstanding any provision of | 1083 |
| this section to the contrary. | 1084 |
| (3) Upon the date that full compliance with division (A) | 1085 |
| (1) (a) of this section is deemed achieved under division (G) (2) | 1086 |
| (a) or (b) of this section, any electric distribution utility | 1087 |
| cost recovery mechanisms authorized by the commission for | 1088 |
| compliance with this section shall terminate except as may be | 1089 |
| necessary to reconcile the difference between revenue collected- | 1090 |
| and the allowable cost of compliance associated with compliance- | 1091 |
| efforts occurring prior to the date upon which full compliance | 1092 |
| with division (A) (1) (a) of this section is deemed achieved. No | 1093 |
| such cost recovery mechanism shall be authorized by the | 1094 |
| commission beyond the period of time required to complete this | 1095 |
| final reconciliation. | 1096 |
| 4000 6610 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 | 1007 |
| Sec. 4928.6610. As used in sections 4928.6611 to 4928.6615 | 1097 |
| 4928.6616 of the Revised Code: | 1098 |
| (A) "Customer" means either of the following: | 1099 |
| (1) Effective January 1, 2020, a mercantile customer as | 1100 |

| defined in section 4928.01 of the Revised Code; | 1101 |
|--|------|
| (2) Any any customer of an electric distribution utility | 1102 |
| to which either of the following applies: | 1103 |
| (a) (1) The customer receives service above the primary | 1104 |
| voltage level as determined by the utility's tariff | 1105 |
| classification. | 1106 |
| (b) (2) The customer is a commercial or industrial | 1107 |
| customer to which both of the following apply: | 1108 |
| (i) (a) The customer receives electricity through a meter | 1109 |
| of an end user or through more than one meter at a single | 1110 |
| location in a quantity that exceeds forty-five million kilowatt | 1111 |
| hours of electricity for the preceding calendar year. | 1112 |
| (ii) (b) The customer has made a written request for | 1113 |
| registration as a self-assessing purchaser pursuant to section | 1114 |
| 5727.81 of the Revised Code. | 1115 |
| (B) "Energy intensity" means the amount of energy, from | 1116 |
| electricity, used or consumed per unit of production. | 1117 |
| (C) "Portfolio plan" means either of the following: | 1118 |
| (1) The comprehensive energy efficiency and peak-demand | 1119 |
| reduction program portfolio plan required under rules adopted by | 1120 |
| the public utilities commission and codified in Chapter 4901:1- | 1121 |
| 39 of the Administrative Code or hereafter recodified or | 1122 |
| amended+ | 1123 |
| (2) Any plan implemented pursuant to division (G) of | 1124 |
| section 4928.66 of the Revised Code. | 1125 |
| Sec. 4928.6616. (A) Not later than sixty days after the | 1126 |
| effective date at a customer's election to opt out under section | 1127 |

| 4928.6611 of the Revised Code, the customer shall prepare and | 1128 |
|--|------|
| submit an initial report to the staff of the public utilities | 1129 |
| commission. The report shall summarize the projects, actions, | 1130 |
| policies, or practices that the customer may consider | 1131 |
| implementing, based on the customer's cost-effectiveness | 1132 |
| criteria, for the purpose of reducing energy intensity. | 1133 |
| (B) For as long as the opt out is in effect, the customer | 1134 |
| shall, at least once every twenty-four months, commencing with | 1135 |
| the effective date of the election to opt out, prepare and | 1136 |
| submit, to the staff of the commission, an updated report. The | 1137 |
| updated report shall include a general description of any | 1138 |
| cumulative amount of energy-intensity reductions achieved by the | 1139 |
| customer during the period beginning on the effective date of | 1140 |
| the election to opt out and ending not later than sixty days | 1141 |
| prior to the date that the updated report is submitted. | 1142 |
| (C) All reports filed under this section shall be verified | 1143 |
| by the customer. | 1144 |
| (D) Upon submission of any updated report under division | 1145 |
| (B) of this section, the staff of the commission may request the | 1146 |
| customer to provide additional information on the energy- | 1147 |
| intensity-reducing projects, actions, policies, or practices | 1148 |
| implemented by the customer and the amount of energy-intensity | 1149 |
| reductions achieved during the period covered by the updated | 1150 |
| report. | 1151 |
| (E) Any information contained in any report submitted | 1152 |
| under this section and any customer responses to requests for | 1153 |
| additional information shall be deemed to be confidential, | 1154 |
| proprietary, and a trade secret. No such information or response | 1155 |
| shall be publicly divulged without written authorization by the | 1156 |
| customer or used for any purpose other than to identify the | 1157 |

| amount of energy-intensity reductions achieved by the customer. | 1158 |
|--|------|
| (F) If the commission finds, after notice and a hearing, | 1159 |
| that the customer has failed to achieve any substantial | 1160 |
| cumulative reduction in energy intensity identified by the | 1161 |
| customer in an updated report submitted under division (B) of | 1162 |
| this section, and if the failure is not excusable for good cause | 1163 |
| shown by the customer, the commission may suspend the opt out | 1164 |
| for the period of time that it may take the customer to achieve | 1165 |
| the cumulative reduction in energy intensity identified by the | 1166 |
| <pre>customer but no longer.</pre> | 1167 |
| Sec. 5727.75. (A) For purposes of this section: | 1168 |
| (1) "Qualified energy project" means an energy project | 1169 |
| certified by the director of development services pursuant to | 1170 |
| this section. | 1171 |
| (2) "Energy project" means a project to provide electric | 1172 |
| power through the construction, installation, and use of an | 1173 |
| energy facility. | 1174 |
| (3) "Alternative energy zone" means a county declared as | 1175 |
| such by the board of county commissioners under division (E)(1) | 1176 |
| (b) or (c) of this section. | 1177 |
| (4) "Full-time equivalent employee" means the total number | 1178 |
| of employee-hours for which compensation was paid to individuals | 1179 |
| employed at a qualified energy project for services performed at | 1180 |
| the project during the calendar year divided by two thousand | 1181 |
| eighty hours. | 1182 |
| (5) "Solar energy project" means an energy project | 1183 |
| composed of an energy facility using solar panels to generate | 1184 |
| electricity. | 1185 |

| (6) "Internet identifier of record" has the same meaning | 1186 |
|--|------|
| as in section 9.312 of the Revised Code. | 1187 |
| (B)(1) Tangible personal property of a qualified energy | 1188 |
| project using renewable energy resources is exempt from taxation | 1189 |
| for tax years 2011 through 2023 if all of the following | 1190 |
| conditions are satisfied: | 1191 |
| (a) On or before December 31, 2022, the owner or a lessee | 1192 |
| pursuant to a sale and leaseback transaction of the project | 1193 |
| submits an application to the power siting board for a | 1194 |
| certificate under section 4906.20 of the Revised Code, or if | 1195 |
| that section does not apply, submits an application for any | 1196 |
| approval, consent, permit, or certificate or satisfies any | 1197 |
| condition required by a public agency or political subdivision | 1198 |
| of this state for the construction or initial operation of an | 1199 |
| energy project. | 1200 |
| (b) Construction or installation of the energy facility | 1201 |
| begins on or after January 1, 2009, and before January 1, 2023. | 1202 |
| For the purposes of this division, construction begins on the | 1203 |
| earlier of the date of application for a certificate or other | 1204 |
| approval or permit described in division (B)(1)(a) of this | 1205 |
| section, or the date the contract for the construction or | 1206 |
| installation of the energy facility is entered into. | 1207 |
| (c) For a qualified energy project with a nameplate | 1208 |
| capacity of twe-five-megawatts or greater, a board of county | 1209 |
| commissioners of a county in which property of the project is | 1210 |
| located has adopted a resolution under division (E)(1)(b) or (c) | 1211 |
| of this section to approve the application submitted under | 1212 |
| division (E) of this section to exempt the property located in | 1213 |
| that county from taxation. A board's adoption of a resolution | 1214 |
| | |

| approving the application does not affect the tax-exempt status | 1216 |
|--|------|
| of the qualified energy project's property that is located in | 1217 |
| another county. | 1218 |
| (2) If tangible personal property of a qualified energy | 1219 |
| project using renewable energy resources was exempt from | 1220 |
| taxation under this section beginning in any of tax years 2011 | 1221 |
| through 2023, and the certification under division (E)(2) of | 1222 |
| this section has not been revoked, the tangible personal | 1223 |
| property of the qualified energy project is exempt from taxation | 1224 |
| for tax year 2024 and all ensuing tax years if the property was | 1225 |
| placed into service before January 1, 2024, as certified in the | 1226 |
| construction progress report required under division (F)(2) of | 1227 |
| this section. Tangible personal property that has not been | 1228 |
| placed into service before that date is taxable property subject | 1229 |
| to taxation. An energy project for which certification has been | 1230 |
| revoked is ineligible for further exemption under this section. | 1231 |
| Revocation does not affect the tax-exempt status of the | 1232 |
| project's tangible personal property for the tax year in which | 1233 |
| revocation occurs or any prior tax year. | 1234 |
| (C) Tangible personal property of a qualified energy | 1235 |
| project using clean coal technology, advanced nuclear | 1236 |
| technology, or cogeneration technology is exempt from taxation | 1237 |
| for the first tax year that the property would be listed for | 1238 |
| taxation and all subsequent years if all of the following | 1239 |
| circumstances are met: | 1240 |
| (1) The property was placed into service before January 1, | 1241 |
| 2021. Tangible personal property that has not been placed into | 1242 |
| service before that date is taxable property subject to | 1243 |
| taxation. | 1244 |

(2) For such a qualified energy project with a nameplate

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| capacity of twenty five megawatts or greater, a board of county | 1246 |
|--|------|
| commissioners of a county in which property of the qualified | 1247 |
| energy project is located has adopted a resolution under | 1248 |
| | |
| division (E)(1)(b) or (c) of this section to approve the | 1249 |
| application submitted under division (E) of this section to | 1250 |
| exempt the property located in that county from taxation. A | 1251 |
| board's adoption of a resolution rejecting the application or | 1252 |
| its failure to adopt a resolution approving the application does | 1253 |
| not affect the tax-exempt status of the qualified energy | 1254 |
| project's property that is located in another county. | 1255 |
| (3) The certification for the qualified energy project | 1256 |
| issued under division (E)(2) of this section has not been | 1257 |
| revoked. An energy project for which certification has been | 1258 |
| revoked is ineligible for exemption under this section. | 1259 |
| Revocation does not affect the tax-exempt status of the | 1260 |
| project's tangible personal property for the tax year in which | 1261 |
| revocation occurs or any prior tax year. | 1262 |
| (D) Except as otherwise provided in this section, real | 1263 |
| property of a qualified energy project is exempt from taxation | 1264 |
| for any tax year for which the tangible personal property of the | 1265 |
| qualified energy project is exempted under this section. | 1266 |
| (E)(1)(a) A person may apply to the director of | 1267 |
| development services for certification of an energy project as a | 1268 |
| qualified energy project on or before the following dates: | 1269 |
| (i) December 31, 2022, for an energy project using | 1270 |
| renewable energy resources; | 1271 |
| (ii) December 31, 2017, for an energy project using clean | 1272 |
| coal technology, advanced nuclear technology, or cogeneration | 1273 |

1274

technology.

| (b) The director shall forward a copy of each application | 1275 |
|--|------|
| for certification of an energy project with a nameplate capacity | 1276 |
| of <u>twenty</u> <u>five</u> megawatts or greater to the board of county | 1277 |
| commissioners of each county in which the project is located and | 1278 |
| to each taxing unit with territory located in each of the | 1279 |
| affected counties. Any board that receives from the director a | 1280 |
| copy of an application submitted under this division shall adopt | 1281 |
| a resolution approving or rejecting the application unless it | 1282 |
| has adopted a resolution under division (E)(1)(c) of this | 1283 |
| section. A resolution adopted under division (E)(1)(b) or (c) of | 1284 |
| this section may require an annual service payment to be made in | 1285 |
| addition to the service payment required under division (G) of | 1286 |
| this section. The sum of the service payment required in the | 1287 |
| resolution and the service payment required under division (G) | 1288 |
| of this section shall not exceed nine thousand dollars per | 1289 |
| megawatt of nameplate capacity located in the county. The | 1290 |
| resolution shall specify the time and manner in which the | 1291 |
| payments required by the resolution shall be paid to the county | 1292 |
| treasurer. The county treasurer shall deposit the payment to the | 1293 |
| credit of the county's general fund to be used for any purpose | 1294 |
| for which money credited to that fund may be used. | 1295 |

The board shall send copies of the resolution to the owner 1296 of the facility and the director by certified mail or, if the 1297 board has record of an internet identifier of record associated 1298 with the owner or director, by ordinary mail and by that 1299 internet identifier of record. The board shall send such notice 1300 within thirty days after receipt of the application, or a longer 1301 period of time if authorized by the director. 1302

(c) A board of county commissioners may adopt a resolutiondeclaring the county to be an alternative energy zone anddeclaring all applications submitted to the director of1303

| development services under this division after the adoption of | 1306 |
|--|------|
| the resolution, and prior to its repeal, to be approved by the | 1307 |
| board. | 1308 |
| All tangible personal property and real property of an | 1309 |
| energy project with a nameplate capacity of twenty five | 1310 |
| megawatts or greater is taxable if it is located in a county in | 1311 |
| which the board of county commissioners adopted a resolution | 1312 |
| rejecting the application submitted under this division or | 1313 |
| failed to adopt a resolution approving the application under | 1314 |
| division (E)(1)(b) or (c) of this section. | 1315 |
| (2) The director shall certify an energy project if all of | 1316 |
| the following circumstances exist: | 1317 |
| (a) The application was timely submitted. | 1318 |
| (b) For an energy project with a nameplate capacity of | 1319 |
| twenty five megawatts or greater, a board of county | 1320 |
| commissioners of at least one county in which the project is | 1321 |
| located has adopted a resolution approving the application under | 1322 |
| division (E)(1)(b) or (c) of this section. | 1323 |
| (c) No portion of the project's facility was used to | 1324 |
| supply electricity before December 31, 2009. | 1325 |
| (3) The director shall deny a certification application if | 1326 |
| the director determines the person has failed to comply with any | 1327 |
| requirement under this section. The director may revoke a | 1328 |
| certification if the director determines the person, or | 1329 |
| subsequent owner or lessee pursuant to a sale and leaseback | 1330 |
| transaction of the qualified energy project, has failed to | 1331 |
| comply with any requirement under this section. Upon | 1332 |
| certification or revocation, the director shall notify the | 1333 |
| person, owner, or lessee, the tax commissioner, and the county | 1334 |

| auditor of a county in which the project is located of the | 1335 |
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| certification or revocation. Notice shall be provided in a | 1336 |
| manner convenient to the director. | 1337 |
| (F) The owner or a lessee pursuant to a sale and leaseback | 1338 |
| transaction of a qualified energy project shall do each of the | 1339 |
| following: | 1340 |
| (1) Comply with all applicable regulations; | 1341 |
| (2) File with the director of development services a | 1342 |
| certified construction progress report before the first day of | 1343 |
| March of each year during the energy facility's construction or | 1344 |
| installation indicating the percentage of the project completed, | 1345 |
| and the project's nameplate capacity, as of the preceding | 1346 |
| thirty-first day of December. Unless otherwise instructed by the | 1347 |
| director of development services, the owner or lessee of an | 1348 |
| energy project shall file a report with the director on or | 1349 |
| before the first day of March each year after completion of the | 1350 |
| energy facility's construction or installation indicating the | 1351 |
| project's nameplate capacity as of the preceding thirty-first | 1352 |
| day of December. Not later than sixty days after June 17, 2010, | 1353 |
| the owner or lessee of an energy project, the construction of | 1354 |
| which was completed before June 17, 2010, shall file a | 1355 |
| certificate indicating the project's nameplate capacity. | 1356 |
| (3) File with the director of development services, in a | 1357 |
| manner prescribed by the director, a report of the total number | 1358 |
| of full-time equivalent employees, and the total number of full- | 1359 |
| time equivalent employees domiciled in Ohio, who are employed in | 1360 |
| the construction or installation of the energy facility; | 1361 |
| (4) For energy projects with a nameplate capacity of | 1362 |

twenty five megawatts or greater, repair all roads, bridges, and

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| culverts affected by construction as reasonably required to | 1364 |
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| restore them to their preconstruction condition, as determined | 1365 |
| by the county engineer in consultation with the local | 1366 |
| jurisdiction responsible for the roads, bridges, and culverts. | 1367 |
| In the event that the county engineer deems any road, bridge, or | 1368 |
| culvert to be inadequate to support the construction or | 1369 |
| decommissioning of the energy facility, the road, bridge, or | 1370 |
| culvert shall be rebuilt or reinforced to the specifications | 1371 |
| established by the county engineer prior to the construction or | 1372 |
| decommissioning of the facility. The owner or lessee of the | 1373 |
| facility shall post a bond in an amount established by the | 1374 |
| county engineer and to be held by the board of county | 1375 |
| commissioners to ensure funding for repairs of roads, bridges, | 1376 |
| and culverts affected during the construction. The bond shall be | 1377 |
| released by the board not later than one year after the date the | 1378 |
| repairs are completed. The energy facility owner or lessee | 1379 |
| pursuant to a sale and leaseback transaction shall post a bond, | 1380 |
| as may be required by the Ohio power siting board in the | 1381 |
| certificate authorizing commencement of construction issued | 1382 |
| pursuant to section 4906.10 of the Revised Code, to ensure | 1383 |
| funding for repairs to roads, bridges, and culverts resulting | 1384 |
| from decommissioning of the facility. The energy facility owner | 1385 |
| or lessee and the county engineer may enter into an agreement | 1386 |
| regarding specific transportation plans, reinforcements, | 1387 |
| modifications, use and repair of roads, financial security to be | 1388 |
| provided, and any other relevant issue. | 1389 |
| | |

(5) Provide or facilitate training for fire and emergency 1390 responders for response to emergency situations related to the 1391 energy project and, for energy projects with a nameplate 1392 capacity of twenty-five megawatts or greater, at the person's 1393 expense, equip the fire and emergency responders with proper 1394

equipment as reasonably required to enable them to respond to 1395 such emergency situations; 1396

- (6) Maintain a ratio of Ohio-domiciled full-time 1397 equivalent employees employed in the construction or 1398 installation of the energy project to total full-time equivalent 1399 employees employed in the construction or installation of the 1400 energy project of not less than eighty per cent in the case of a 1401 solar energy project, and not less than fifty per cent in the 1402 case of any other energy project. In the case of an energy 1403 project for which certification from the power siting board is 1404 required under section 4906.20 of the Revised Code, the number 1405 of full-time equivalent employees employed in the construction 1406 or installation of the energy project equals the number actually 1407 employed or the number projected to be employed in the 1408 certificate application, if such projection is required under 1409 regulations adopted pursuant to section 4906.03 of the Revised 1410 Code, whichever is greater. For all other energy projects, the 1411 number of full-time equivalent employees employed in the 1412 construction or installation of the energy project equals the 1413 number actually employed or the number projected to be employed 1414 by the director of development services, whichever is greater. 1415 To estimate the number of employees to be employed in the 1416 construction or installation of an energy project, the director 1417 shall use a generally accepted job-estimating model in use for 1418 renewable energy projects, including but not limited to the job 1419 and economic development impact model. The director may adjust 1420 an estimate produced by a model to account for variables not 1421 accounted for by the model. 1422
- (7) For energy projects with a nameplate capacity in 1423 excess of twenty-two megawatts, establish a relationship with a 1424 member of the university system of Ohio as defined in section 1425

| 3345.011 of the Revised Code or with a person offering an | 1426 |
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| apprenticeship program registered with the employment and | 1427 |
| training administration within the United States department of | 1428 |
| labor or with the apprenticeship council created by section | 1429 |
| 4139.02 of the Revised Code, to educate and train individuals | 1430 |
| for careers in the wind or solar energy industry. The | 1431 |
| relationship may include endowments, cooperative programs, | 1432 |
| internships, apprenticeships, research and development projects, | 1433 |
| and curriculum development. | 1434 |
| (8) Offer to sell power or renewable energy credits from | 1435 |
| the energy project to electric distribution utilities or | 1436 |
| electric service companies subject to renewable energy resource | 1437 |
| requirements under section 4928.64 of the Revised Code that have | 1438 |
| issued requests for proposal for such power or renewable energy | 1439 |
| credits. If no electric distribution utility or electric service | 1440 |
| company issues a request for proposal on or before December 31, | 1441 |
| 2010, or accepts an offer for power or renewable energy credits | 1442 |
| within forty-five days after the offer is submitted, power or | 1443 |
| renewable energy credits from the energy project may be sold to | 1444 |
| other persons. Division (F)(8) of this section does not apply | 1445 |
| if: | 1446 |
| (a) The owner or lessee is a rural electric company or a | 1447 |
| municipal power agency as defined in section 3734.058 of the | 1448 |
| Revised Code. | 1449 |
| (b) The owner or lessee is a person that, before | 1450 |
| completion of the energy project, contracted for the sale of | 1451 |
| power or renewable energy credits with a rural electric company | 1452 |
| or a municipal power agency. | 1453 |
| (c) The owner or lessee contracts for the sale of power or | 1454 |

renewable energy credits from the energy project before June 17,

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| 2010. | 1456 |
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| (9) Make annual service payments as required by division | 1457 |
| (G) of this section and as may be required in a resolution | 1458 |
| adopted by a board of county commissioners under division (E) of | 1459 |
| this section. | 1460 |
| (G) The owner or a lessee pursuant to a sale and leaseback | 1461 |
| transaction of a qualified energy project shall make annual | 1462 |
| service payments in lieu of taxes to the county treasurer on or | 1463 |
| before the final dates for payments of taxes on public utility | 1464 |
| personal property on the real and public utility personal | 1465 |
| property tax list for each tax year for which property of the | 1466 |
| energy project is exempt from taxation under this section. The | 1467 |
| county treasurer shall allocate the payment on the basis of the | 1468 |
| project's physical location. Upon receipt of a payment, or if | 1469 |
| timely payment has not been received, the county treasurer shall | 1470 |
| certify such receipt or non-receipt to the director of | 1471 |
| development services and tax commissioner in a form determined | 1472 |
| by the director and commissioner, respectively. Each payment | 1473 |
| shall be in the following amount: | 1474 |
| (1) In the case of a solar energy project, seven thousand | 1475 |
| dollars per megawatt of nameplate capacity located in the county | 1476 |
| as of the thirty-first-day of December of the preceding tax | 1477 |
| year; | 1478 |
| (2) In the case of any other energy project using | 1479 |
| renewable energy resources, the following: | 1480 |
| (a) If the project maintains during the construction or | 1481 |
| installation of the energy facility a ratio of Ohio-domiciled | 1482 |
| full-time equivalent employees to total full-time equivalent | 1483 |
| employees of not less than seventy-five per cent, six thousand | 1484 |

| dollars per megawatt of nameplate capacity located in the county | 1485 |
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| as of the thirty-first day of December of the preceding tax | 1486 |
| year; | 1487 |
| (b) If the project maintains during the construction or | 1488 |
| installation of the energy facility a ratio of Ohio-domiciled | 1489 |
| full-time equivalent employees to total full-time equivalent | 1490 |
| employees of less than seventy-five per cent but not less than | 1491 |
| sixty per cent, seven thousand dollars per megawatt of nameplate | 1492 |
| capacity located in the county as of the thirty-first day of | 1493 |
| December of the preceding tax year; | 1494 |
| (c) If the project maintains during the construction or | 1495 |
| installation of the energy facility a ratio of Ohio-domiciled | 1496 |
| full-time equivalent employees to total full-time equivalent | 1497 |
| employees of less than sixty per cent but not less than fifty | 1498 |
| per cent, eight thousand dollars per megawatt of nameplate | 1499 |
| capacity located in the county as of the thirty-first day of | 1500 |
| December of the preceding tax year. | 1501 |
| (3) In the case of an energy project using clean coal | 1502 |
| technology, advanced nuclear technology, or cogeneration | 1503 |
| technology, the following: | 1504 |
| (a) If the project maintains during the construction or | 1505 |
| installation of the energy facility a ratio of Ohio-domiciled | 1506 |
| full-time equivalent employees to total full-time equivalent | 1507 |
| employees of not less than seventy-five per cent, six thousand | 1508 |
| dollars per megawatt of nameplate capacity located in the county | 1509 |
| as of the thirty-first day of December of the preceding tax | 1510 |
| year; | 1511 |
| (b) If the project maintains during the construction or | 1512 |
| installation of the energy facility a ratio of Ohio-domiciled | 1513 |

| full-time equivalent employees to total full-time equivalent | 1514 |
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| employees of less than seventy-five per cent but not less than | 1515 |
| sixty per cent, seven thousand dollars per megawatt of nameplate | 1516 |
| capacity located in the county as of the thirty-first day of | 1517 |
| December of the preceding tax year; | 1518 |
| (c) If the project maintains during the construction or | 1519 |
| installation of the energy facility a ratio of Ohio-domiciled | 1520 |
| full-time equivalent employees to total full-time equivalent | 1521 |
| employees of less than sixty per cent but not less than fifty | 1522 |
| per cent, eight thousand dollars per megawatt of nameplate | 1523 |
| capacity located in the county as of the thirty-first day of | 1524 |
| December of the preceding tax year. | 1525 |
| (H) The director of development services in consultation | 1526 |
| with the tax commissioner shall adopt rules pursuant to Chapter | 1527 |
| 119. of the Revised Code to implement and enforce this section. | 1528 |
| Section 2. That existing sections 303.213, 519.213, | 1529 |
| 713.081, 4906.13, 4928.01, 4928.64, 4928.641, 4928.644, | 1530 |
| 4928.645, 4928.66, 4928.6610, and 5727.75 of the Revised Code | 1531 |
| are hereby repealed. | 1532 |
| Section 3. That sections 3706.40, 3706.41, 3706.43, | 1533 |
| 3706.431, 3706.45, 3706.46, 3706.49, 3706.53, 3706.55, 3706.59, | 1534 |
| 3706.61, 3706.63, 3706.65, 4928.148, 4928.47, 4928.471, | 1535 |
| 4928.642, 4928.75, 4928.80, and 5727.231 of the Revised Code are | 1536 |
| hereby repealed. | 1537 |
| Section 4. That Sections 4 and 5 of H.B. 6 of the 133rd | 1538 |
| General Assembly are hereby repealed. | 1539 |
| Section 5. (A) The purpose of this act is to repeal all | 1540 |
| provisions of H.B. 6 of the 133rd General Assembly by doing the | 1541 |
| following: | 1542 |

| (1) Reinserting any language that H.B. 6 of the 133rd | 1543 |
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| General Assembly deleted from individual sections of the Revised | 1544 |
| Code; | 1545 |
| (2) Striking through, and thereby repealing, any language | 1546 |
| that H.B. 6 of the 133rd General Assembly added to individual | 1547 |
| sections of the Revised Code; | 1548 |
| (3) Repealing outright all Revised Code sections and | 1549 |
| uncodified sections of law that were enacted by H.B. 6 of the | 1550 |
| 133rd General Assembly; | 1551 |
| (4) Enacting, and thereby reviving, section 4928.6616 of | 1552 |
| the Revised Code as it existed prior to that section's repeal by | 1553 |
| H.B. 6 of the 133rd General Assembly. | 1554 |
| (B) Notwithstanding divisions (A)(1) and (2) of this | 1555 |
| section, the act retains the amendment made by H.B. 6 of the | 1556 |
| 133rd General Assembly to division (A) of section 4928.641 of | 1557 |
| the Revised Code that replaces "the effective date of S.B. 310 | 1558 |
| of the 130th general assembly," with the actual effective date | 1559 |
| of S.B. 310, "September 12, 2014," which amendment is | 1560 |
| nonsubstantive. | 1561 |
| Section 6. (A) Section 5727.75 of the Revised Code is | 1562 |
| presented in this act as a composite of the section as amended | 1563 |
| by both H.B. 6 and H.B. 166 of the 133rd General Assembly. The | 1564 |
| General Assembly, applying the principle stated in division (B) | 1565 |
| of section 1.52 of the Revised Code that amendments are to be | 1566 |
| harmonized if reasonably capable of simultaneous operation, | 1567 |
| finds that the composite is the resulting version of the section | 1568 |
| in effect prior to the effective date of the section as | 1569 |
| presented in this act. | 1570 |
| (B) Despite the harmonization endorsement in division (A) | 1571 |

| of this section, the amendment of section 5727.75 of the Revised | 1572 |
|--|------|
| Code by this act has the effect of repealing the changes made to | 1573 |
| this section by H.B. 6 of the 133rd General Assembly. | 1574 |