

As Passed by the Senate

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S. B. No. 44

Senators Rulli, Cirino

Cosponsors: Senators Brenner, Antani, Antonio, Blessing, Craig, Dolan, Fedor, Hackett, Hoagland, Hottinger, Huffman, S., Johnson, Kunze, Lang, Manning, McColley, Peterson, Reineke, Roegner, Romanchuk, Schaffer, Sykes, Thomas, Williams, Wilson

A BILL

To amend sections 3706.40, 3706.41, 3706.43, 1
3706.45, 3706.46, 3706.49, 3706.55, and 3706.59; 2
to enact section 3706.551; and to repeal 3
sections 3706.53, 3706.61, and 5727.231 of the 4
Revised Code to repeal the nuclear resource 5
credit payment provisions, and amend, and rename 6
as solar resource, the renewable resource credit 7
payment provisions of H.B. 6 of the 133rd 8
General Assembly. 9

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

Section 1. That sections 3706.40, 3706.41, 3706.43, 10
3706.45, 3706.46, 3706.49, 3706.55, and 3706.59 be amended and 11
section 3706.551 of the Revised Code be enacted to read as 12
follows: 13

Sec. 3706.40. As used in sections 3706.40 to 3706.65 of 14
the Revised Code: 15

(A) ~~"Qualifying nuclear resource" means an electric~~ 16

~~generating facility in this state fueled by nuclear power.~~ 17

~~(B) "Qualifying renewable solar resource" means an~~ 18
electric generating facility in this state to which all of the 19
following apply: 20

(1) The facility uses or will use solar energy as the 21
primary energy source. 22

(2) The facility obtained a certificate for construction 23
of a major utility facility from the power siting board prior to 24
June 1, 2019. 25

(3) The facility is interconnected with the transmission 26
grid that is subject to the operational control of PJM 27
interconnection, L.L.C., or its successor organization. 28

~~(C) "Credit price adjustment" means a reduction to the~~ 29
~~price for each nuclear resource credit equal to the market price~~ 30
~~index minus the strike price.~~ 31

~~(D) "Strike price" means forty six dollars per megawatt~~ 32
~~hour.~~ 33

~~(E) "Market price index" means the sum, expressed in~~ 34
~~dollars per megawatt hour, of both of the following for the~~ 35
~~upcoming twelve-month period that begins the first day of June~~ 36
~~and ends the thirty-first day of May:~~ 37

~~(1) Projected energy prices, determined using futures~~ 38
~~contracts for the PJM AEP Dayton hub;~~ 39

~~(2) Projected capacity prices, determined using PJM's~~ 40
~~rest of RTO market clearing price.~~ 41

~~(F)~~ (B) "Electric distribution utility" has the same 42
meaning as in section 4928.01 of the Revised Code. 43

Sec. 3706.41. ~~(A) Not later than February 1, 2020, the~~ 44
~~owner or operator of a qualifying nuclear resource or qualifying~~ 45
~~renewable solar resource may apply to the Ohio air quality~~ 46
~~development authority to receive payments for nuclear resource~~ 47
~~credits or renewable solar energy credits, as applicable, under~~ 48
~~section 3706.55 of the Revised Code.~~ 49

~~(B) An application submitted under division (A) of this~~ 50
~~section for a qualifying nuclear resource shall include all of~~ 51
~~the following information pertaining to the resource:~~ 52

~~(1) Financial information;~~ 53

~~(2) Certified cost and revenue projections through~~ 54
~~December 31, 2026;~~ 55

~~(3) Operation and maintenance expenses;~~ 56

~~(4) Fuel expenses, including spent fuel expenses;~~ 57

~~(5) Nonfuel capital expenses;~~ 58

~~(6) Fully allocated overhead costs;~~ 59

~~(7) The cost of operational risks and market risks that~~ 60
~~would be avoided by ceasing operation of the resource;~~ 61

~~(8) Any other information, financial or otherwise, that~~ 62
~~demonstrates that the resource is projected not to continue~~ 63
~~being operational.~~ 64

~~(C) As used in this section:~~ 65

~~(1) "Operational risks" include the risk that operating~~ 66
~~costs will be higher than anticipated because of new regulatory~~ 67
~~mandates or equipment failures and the risk that per megawatt~~ 68
~~hour costs will be higher than anticipated because of a lower~~ 69
~~than expected capacity factor.~~ 70

~~(2) "Market risks" include the risk of a forced outage and the associated costs arising from contractual obligations, and the risk that output from the resource may not be able to be sold at projected levels.~~ 71
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Sec. 3706.43. After receiving an application under section 75
3706.41 of the Revised Code, the Ohio air quality development 76
authority shall review and approve the application, not later 77
than March 31, 2020, if ~~all of the following apply, as~~ 78
~~applicable:~~ 79

~~(A) The the resource meets the definition of a qualifying 80
nuclear resource or qualifying renewable solar resource in 81
section 3706.40 of the Revised Code. 82~~

~~(B) For a qualifying nuclear resource only, both of the 83
following apply: 84~~

~~(1) The application meets the requirements of section 85
3706.41 of the Revised Code. 86~~

~~(2) The resource's operator maintains both a principal 87
place of business in this state and a substantial presence in 88
this state with regard to its business operations, offices, and 89
transactions. 90~~

Sec. 3706.45. (A) An owner or operator of a ~~qualifying~~ 91
~~nuclear resource~~ or qualifying renewable solar resource whose 92
application was approved under section 3706.43 of the Revised 93
Code shall report to the Ohio air quality development authority, 94
not later than seven days after the close of each quarter, the 95
number of megawatt hours the resource produced, if any, in the 96
previous quarter. The first report shall be made not later than 97
April 7, 2020, and the last report shall be made not later than 98
January 7, 2027. The information reported shall be in accordance 99

with data from the generation attribute tracking designated by 100
the authority. 101

~~(B) The authority shall issue one nuclear resource credit~~ 102
~~to a qualifying nuclear resource for each megawatt hour of~~ 103
~~electricity that is both reported under division (A) of this~~ 104
~~section and approved by the authority.~~ The authority shall issue 105
one ~~renewable~~ solar energy credit to a qualifying ~~renewable~~ 106
solar resource for each megawatt hour of electricity that is 107
both reported under division (A) of this section and approved by 108
the authority. 109

~~(C) Except as provided in section 3706.61 of the Revised~~ 110
~~Code, the price for a nuclear resource credit paid under section~~ 111
~~3706.55 of the Revised Code shall be nine dollars.~~ 112

~~(D) The price for a renewable solar energy credit paid~~ 113
under section 3706.55 of the Revised Code shall be nine dollars. 114

Sec. 3706.46. (A) (1) Beginning for all bills rendered on 115
or after January 1, 2021, by an electric distribution utility in 116
this state, such electric distribution utility shall collect 117
from all of its retail electric customers in this state, each 118
month, a charge ~~or charges~~ which, in the aggregate, ~~are~~ is 119
sufficient to produce ~~the following~~ a revenue ~~requirements~~. 120

~~(a) One hundred fifty million dollars annually for total~~ 121
~~disbursements required under section 3706.55 of the Revised Code~~ 122
~~from the nuclear generation fund;~~ 123

~~(b) Twenty requirement of twenty million dollars annually~~ 124
for total disbursements required under section 3706.55 of the 125
Revised Code from the ~~renewable solar~~ generation fund. 126

(2) The public utilities commission shall determine the 127
method by which the revenue is allocated or assigned to each 128

electric distribution utility for billing and collection, 129
provided that the method of allocation shall be based on the 130
relative number of customers, relative quantity of kilowatt hour 131
sales, or a combination of the two. The level and structure of 132
the charge shall be authorized by the commission through a 133
process that the commission shall determine is not for an 134
increase in any rate, joint rate, toll, classification, charge, 135
or rental, notwithstanding anything to the contrary in Title 136
XLIX of the Revised Code. 137

(B) In authorizing the level and structure of any charge 138
~~or charges~~ to be billed and collected by each electric 139
distribution utility, the commission shall ensure that the per- 140
customer monthly charge for residential customers does not 141
exceed ~~eighty-five~~ ten cents and that the per-customer monthly 142
charge for industrial customers eligible to become self- 143
assessing purchasers pursuant to division (C) of section 5727.81 144
of the Revised Code does not exceed two ~~thousand four~~ 145
forty-two dollars. For nonresidential customers that are not 146
self-assessing purchasers, the level and design of the charge ~~or~~ 147
~~charges~~ shall be established in a manner that avoids abrupt or 148
excessive total net electric bill impacts for typical customers. 149

(C) Each charge authorized by the commission under this 150
section shall be subject to adjustment so as to reconcile actual 151
revenue collected with the revenue needed to meet the revenue 152
~~requirements~~ requirement under division (A) (1) of this section. 153
The commission shall authorize each electric distribution 154
utility to adopt accounting practices to facilitate such 155
reconciliation. Notwithstanding any other provisions of the 156
Revised Code, the charge ~~or charges~~ authorized by the commission 157
may continue beyond December 31, 2027, only if it is necessary 158
to reconcile actual revenue collected under this section during 159

the period ending on December 31, 2027, with the actual revenue 160
needed to meet the revenue ~~requirements~~requirement under 161
division (A) (1) of this section for required disbursements under 162
section 3706.55 of the Revised Code that may be due and owing 163
during the same period. Such continuation shall be authorized 164
only for such period of time beyond December 31, 2027, as may be 165
reasonably necessary to complete the reconciliation. 166

Sec. 3706.49. (A) There is hereby created ~~the nuclear~~ 167
~~generation fund and the renewable solar~~ generation fund. ~~Each~~ 168
The fund shall be in the custody of the treasurer of state but 169
shall not be part of the state treasury. ~~Each~~The fund shall 170
consist of the charges collected under section 3706.46 of the 171
Revised Code and deposited ~~in accordance with section 3706.53 of~~ 172
~~the Revised Code~~ by the Ohio air quality development authority, 173
in consultation with the public utilities commission. The 174
interest generated by ~~each~~the fund shall be retained ~~by each~~ 175
~~respective~~ in the fund and used for the purposes set forth in 176
sections 3706.40 to 3706.65 of the Revised Code. 177

(B) The fund shall be administered by the Ohio air quality 178
development authority, and the authority shall request the 179
treasurer of state to create the account for the fund. The 180
treasurer of state shall distribute the moneys in the ~~funds~~fund 181
in accordance with directions provided by the ~~Ohio air quality~~ 182
~~development~~ authority. Before giving directions under this 183
division, the authority shall consult with the public utilities 184
commission. 185

Sec. 3706.55. (A) For the period beginning with April of 186
2021 and ending with January of 2028, the Ohio air quality 187
development authority shall, in April of 2021 and every three 188
months thereafter through the end of the period, and not later 189

than the twenty-first day of the month, direct the treasurer of 190
state to remit money from the ~~funds~~ solar generation fund 191
created under section 3706.49 of the Revised Code ~~as follows:~~ 192

~~(1) Subject to sections 3706.59 and 3706.61 of the Revised~~ 193
~~Code, from the nuclear generation fund to the owner or operator~~ 194
~~of a qualifying nuclear resource, in the amount equivalent to~~ 195
~~the number of credits earned by the resource during the quarter~~ 196
~~that ended twelve months prior to the last day of the previous~~ 197
~~quarter multiplied by the credit price, and as directed by the~~ 198
~~authority in accordance with section 3706.61 of the Revised~~ 199
~~Code;~~ 200

~~(2) Subject to section 3706.59 of the Revised Code, from~~ 201
~~the renewable generation fund the moneys from the fund shall be~~ 202
~~remitted to the owners or operators of qualifying renewable~~ 203
~~solar resources, in the amount equivalent to the number of~~ 204
credits earned by the resources during the quarter that ended 205
twelve months prior to the last day of the previous quarter 206
multiplied by the credit price. 207

(B) Notwithstanding section 4905.32 of the Revised Code, 208
any amounts remaining in the ~~nuclear generation fund and the~~ 209
~~renewable generation fund~~ as of December 31, 2027, minus the 210
remittances that are required to be made between that date and 211
January 21, 2028, shall be refunded to customers in a manner 212
that shall be determined by the authority in consultation with 213
the public utilities commission. 214

Sec. 3706.551. (A) Notwithstanding the solar energy credit 215
application deadlines for qualifying solar resources under 216
sections 3706.41 and 3706.43 of the Revised Code, the Ohio air 217
quality development authority shall rereview and approve an 218
application from a qualifying solar resource if the resource 219

submitted the application before March 1, 2020. 220

(B) The deadlines for the quarterly reports required under 221
section 3706.45 of the Revised Code that have passed before the 222
effective date of this section do not apply to a qualifying 223
solar resource whose application for solar energy credits is 224
approved under division (A) of this section. 225

Sec. 3706.59. ~~(A) If the money in the nuclear generation-~~ 226
~~fund is insufficient in a particular quarter to make the~~ 227
~~payments in the amount required under division (A) (1) of section-~~ 228
~~3706.55 of the Revised Code, then the Ohio air quality-~~ 229
~~development authority shall, not later than twenty-one days-~~ 230
~~after the close of any quarter in which the owner or operator-~~ 231
~~was not fully compensated, direct the treasurer of state to~~ 232
~~remit money from the nuclear generation fund to pay for the~~ 233
~~unpaid credits.~~ 234

~~(B) If the money in the renewable solar generation fund is~~ 235
~~insufficient to make the payments in the amounts required under~~ 236
~~division (A) (2) of section 3706.55 of the Revised Code for all~~ 237
~~owners and operators of qualifying renewable solar resources,~~ 238
~~then the authority shall do both of the following:~~ 239

~~(1) (A) Not later than twenty-one days after the close of~~ 240
~~the quarter in which the charges collected were insufficient,~~ 241
~~direct the treasurer to prorate payments from the total amount~~ 242
~~available in the renewable solar generation fund, based on the~~ 243
~~number of each resource's credits earned during the quarter that~~ 244
~~ended twelve months prior to the last day of the previous~~ 245
~~quarter;~~ 246

~~(2) (B) Not later than twenty-one days after the close of~~ 247
~~any quarter in which the owners or operators received prorated~~ 248

payments under division ~~(B)(1)~~(A) of this section, direct the 249
treasurer of state to remit money from the ~~renewable-solar~~ 250
generation fund to pay for the unpaid credits. Unpaid credits 251
paid for under division (B)~~(2)~~ of this section shall be paid 252
before any other remittances are made under ~~division (A)(2) of~~ 253
section 3706.55 of the Revised Code. 254

Section 2. That existing sections 3706.40, 3706.41, 255
3706.43, 3706.45, 3706.46, 3706.49, 3706.55, and 3706.59 of the 256
Revised Code are hereby repealed. 257

Section 3. That sections 3706.53, 3706.61, and 5727.231 of 258
the Revised Code are hereby repealed. 259