### As Introduced

# 133rd General Assembly Regular Session 2019-2020

S. B. No. 346

# Senators O'Brien, Kunze

Cosponsors: Senators Antonio, Craig, Fedor, Hackett, Hoagland, Hottinger, Lehner, Maharath, Manning, McColley, Roegner, Schaffer, Sykes, Thomas, Williams

# A BILL

ГО	amend sections 303.213, 519.213, 713.081,	1
	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
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
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
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
(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
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
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
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
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
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
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
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
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
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
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
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
(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

(a) Has a placed-in-service date on or after January 1,

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

following benchmarks:

(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 <u>eight_twelve_</u> 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
The portion required under division (B)(1) of this section shall	592
be generated from renewable energy resources, including one-half	593
per cent from solar energy resources, in accordance with the	594

596

595

1 2 3

B 2009 0.25% 0.004% C 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% H 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% M 2020 5.5%6.5% 0.22% N 2021 6%7.5% 0.90.34% P 2023 7%9.5% 0.90.34% Q 2024 7.5%10.5% 0.90.34% R 2025 0.91.5% 0.90.46% S 2026 and each calendar year				
D 2011 1% 0.030%  E 2012 1.5% 0.060%  F 2013 2% 0.090%  G 2014 2.5% 0.12%  H 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%  M 2020 5.5%6.5% 0%0.26%  N 2021 6%7.5% 0%0.36%  P 2023 7%9.5% 0%0.34%  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%0.5%	В	2009	0.25%	0.004%
E 2012 1.5% 0.060% F 2013 2% 0.090% G 2014 2.5% 0.12% H 2015 2.5% 0.12% J 2017 3.5% 0.15% K 2018 4.5% 0.15% L 2019 5.5% 0.22% M 2020 5.5%6.5% 0%0.26% N 2021 6%7.5% 0%0.34% P 2023 7%9.5% 0%0.34% 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%0.53	С	2010	0.50%	0.010%
F       2013       2%       0.090%         G       2014       2.5%       0.12%         H       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%         M       2020       5.5%6.5%       0%0.26%         N       2021       6%7.5%       0%0.38%         Q       2022       6.5%8.5%       0%0.34%         P       2023       7%9.5%       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%0.5%	D	2011	1%	0.030%
G       2014       2.5%       0.12%         H       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%         M       2020       5.5%6.5%       0%0.26%         N       2021       6%7.5%       0%0.3%         P       2023       7%9.5%       0%0.34%         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%0.5%	E	2012	1.5%	0.060%
H 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%  M 2020 5.5%6.5% 0%0.26%  N 2021 6%7.5% 0%0.3%  O 2022 6.5%8.5% 0%0.34%  P 2023 7%9.5% 0%0.38%  Q 2024 7.5%10.5% 0%0.46%  S 2026 and each 8.5%12.5% 0%0.5%	F	2013	2%	0.090%
I       2016       2.5%       0.12%         J       2017       3.5%       0.15%         K       2018       4.5%       0.18%         L       2019       5.5%       0.22%         M       2020       5.5%       0.5%       0.26%         N       2021       6%7.5%       0%0.26%       0%0.3%         O       2022       6.5%8.5%       0%0.34%       0%0.34%         P       2023       7%9.5%       0%0.38%       0%0.42%         Q       2024       7.5%10.5%       0%0.46%         S       2026 and each       8.5%12.5%       0%0.5%	G	2014	2.5%	0.12%
J       2017       3.5%       0.15%         K       2018       4.5%       0.18%         L       2019       5.5%       0.22%         M       2020       5.5%6.5%       0%0.26%         N       2021       6%7.5%       0%0.3%         O       2022       6.5%8.5%       0%0.34%         P       2023       7%9.5%       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%0.5%	Н	2015	2.5%	0.12%
K       2018       4.5%       0.18%         L       2019       5.5%       0.22%         M       2020       5.5%6.5%       0%0.26%         N       2021       6%7.5%       0%0.3%         O       2022       6.5%8.5%       0%0.34%         P       2023       7%9.5%       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%0.5%	I	2016	2.5%	0.12%
L       2019       5.5%       0.22%         M       2020       5.5%6.5%       0%0.26%         N       2021       6%7.5%       0%0.3%         O       2022       6.5%8.5%       0%0.34%         P       2023       7%9.5%       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%0.5%	J	2017	3.5%	0.15%
M       2020       5.5%6.5%       0%0.26%         N       2021       6%7.5%       0%0.3%         O       2022       6.5%8.5%       0%0.34%         P       2023       7%9.5%       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%0.5%	K	2018	4.5%	0.18%
N       2021       6%7.5%       0%0.3%         O       2022       6.5%8.5%       0%0.34%         P       2023       7%9.5%       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%0.5%	L	2019	5.5%	0.22%
0       2022       6.5%8.5%       0%0.34%         P       2023       7%9.5%       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%0.5%	М	2020	<del>5.5%</del> 6.5%	<del>0%</del> 0.26%
P       2023       7%9.5%       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%0.5%	N	2021	<del>6%</del> 7.5%	<del>0%</del> 0.3%
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%0.5%	0	2022	<del>6.5%</del> 8.5%	<del>0%</del> 0.34%
R 2025 8%11.5% 0%0.46% S 2026 and each 8.5%12.5% 0%0.5%	P	2023	<del>7%</del> 9.5%	<del>0%</del> 0.38%
S 2026 and each 8.5% 12.5% 0% 0.5%	Q	2024	<del>7.5%</del> 10.5%	<del>0%</del> 0.42%
	R	2025	<del>8%</del> 11.5%	<del>0%</del> 0.46%
<u>calendar year</u>	S	2026 and each	<del>8.5%</del> 12.5%	<del>0</del> % <u>0.5</u> %
		<u>calendar year</u>		

# <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
resources as applicable, or is otherwise outside the utility's	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
(c) The compliance payment shall not be passed through by	638
the electric distribution utility or electric services company	639
	639 640
the electric distribution utility or electric services company	
the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the	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	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	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	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	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	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.	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	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	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	640 641 642 643 644 645 646 647 648

S. B. No. 346
Page 25
As Introduced

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	743

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 kilowatt-hour sales of the electric distribution utility during 843 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 the Revised Code may be included only if it was placed into 852 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, <del>an additional</del>	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

955

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

989

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

990

shall be provided to the consumers' counsel.

984

- (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
(4) All other terms and conditions of a portfolio plan-	1042

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
cumulative energy savings equal to seventeen and one-half-	1078
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
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
$\frac{(a)}{(1)}$ The customer receives service above the primary	1104
voltage level as determined by the utility's tariff	1105
classification.	1106
$\frac{(b)}{(2)}$ 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
<pre>implementing, based on the customer's cost-effectiveness</pre>	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
customer but no longer.	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 <a href="mailto:twe-five-megawatts">twe-five-megawatts</a> 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

1245

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 twenty <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 of the facility and the director by certified mail or, if the board has record of an internet identifier of record associated with the owner or director, by ordinary mail and by that internet identifier of record. The board shall send such notice within thirty days after receipt of the application, or a longer period of time if authorized by the director.

1296

1297

1298

1299

1300

1301

1302

(c) A board of county commissioners may adopt a resolution 1303 declaring the county to be an alternative energy zone and 1304 declaring all applications submitted to the director of 1305

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 <u>five</u> 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

S. B. No. 346 As Introduced Page 48

auditor of a county in which the project is located of the	1335
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	1363

culverts affected by construction as reasonably required to	1364
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 <a href="mailto:twenty-five">twenty-five</a> 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 <a href="twenty-two">twenty-two</a> megawatts, establish a relationship with a 1424 member of the university system of Ohio as defined in section 1425

S. B. No. 346
As Introduced

3345.011 of the Revised Code or with a person offering an	1426
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
<pre>if:</pre>	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,

1455

2010.	1456
(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
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

S. B. No. 346
As Introduced

full-time equivalent employees to total full-time equivalent	1514
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
Section 5. (A) The purpose of this act is to repeal all provisions of H.B. 6 of the 133rd General Assembly by doing the	1540 1541

(1) Reinserting any language that H.B. 6 of the 133rd	1543
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

## S. B. No. 346 As Introduced

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