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**Am. H. B. No. 506**

**Representatives Thompson, Cera**

**Cosponsors: Representatives Grossman, Hill, Stebelton, Blessing, Hagan, C., Burkley, Barborak, Hall, Adams, R., Anielski, Baker, Beck, Blair, Boose, Boyce, Buchy, Butler, Carney, DeVitis, Dovilla, Duffey, Foley, Gerberry, Green, Hackett, Hagan, R., Hottinger, Huffman, Letson, Lynch, Mallory, Milkovich, Phillips, Retherford, Rogers, Romanchuk, Ruhl, Sears, Slesnick, Smith, Stautberg, Terhar, Wachtmann, Williams, Winburn, Young**

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**A B I L L**

To enact section 3704.20 of the Revised Code to 1  
require the Director of Environmental Protection 2  
to adopt rules establishing standards of 3  
performance for carbon dioxide emissions from 4  
existing coal-fired and natural gas-fired electric 5  
generating units and to specify factors on which 6  
the standards must be based. 7

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

**Section 1.** That section 3704.20 of the Revised Code be 8  
enacted to read as follows: 9

**Sec. 3704.20.** (A) If the United States environmental 10  
protection agency adopts regulations or issues guidelines for 11  
reducing carbon dioxide emissions from existing coal-fired or 12  
natural gas-fired electric generating units under section 111(d) 13  
of the federal Clean Air Act, the director of environmental 14

protection, in accordance with Chapter 119. of the Revised Code, 15  
shall adopt rules establishing standards of performance for carbon 16  
dioxide emissions from existing coal-fired electric generating 17  
units in compliance with division (B) of this section and from 18  
existing natural gas-fired electric generating units in compliance 19  
with division (C) of this section to the maximum extent 20  
permissible under the United States environmental protection 21  
agency regulations or guidelines. 22

(B) Except as provided in division (D) of this section, 23  
standards of performance for existing coal-fired electric 24  
generating units shall be based on all of the following: 25

(1) The best system of emission reduction that, taking into 26  
account the cost of achieving that reduction and any non-air 27  
quality health and environmental impact and energy requirements, 28  
has been adequately demonstrated for coal-fired electric 29  
generating units that are subject to the standards of performance; 30

(2) Reductions in emissions of carbon dioxide that can 31  
reasonably be achieved through measures undertaken at each 32  
coal-fired electric generating unit; 33

(3) Efficiency and other measures that can be undertaken at 34  
each coal-fired electric generating unit to reduce carbon dioxide 35  
emissions from the unit without changing from coal to other 36  
lower-carbon fuels, co-firing other fuels with coal, or limiting 37  
the economic utilization of the unit. 38

(C) Except as provided in division (D) of this section, 39  
standards of performance for existing natural gas-fired electric 40  
generating units shall be based on all of the following: 41

(1) The best system of emission reduction that, taking into 42  
account the cost of achieving that reduction and any non-air 43  
quality health and environmental impact and energy requirements, 44

has been adequately demonstrated for natural gas-fired electric 45  
generating units that are subject to the standards of performance; 46

(2) Reductions in emissions of carbon dioxide that can 47  
reasonably be achieved through measures undertaken at each natural 48  
gas-fired electric generating unit; 49

(3) Efficiency and other measures that can be undertaken at 50  
each natural gas-fired electric generating unit to reduce carbon 51  
dioxide emissions from the unit without changing from natural gas 52  
to other lower-carbon fuels or limiting the economic utilization 53  
of the unit. 54

(D) In establishing a standard of performance for an existing 55  
coal-fired or natural gas-fired electric generating unit, the 56  
director shall consider whether to adopt less stringent standards 57  
or longer compliance schedules than those established in 58  
applicable federal regulations or guidelines based on all of the 59  
following: 60

(1) Consumer impacts, including any disproportionate impacts 61  
of energy price increases on lower income populations; 62

(2) Unreasonable costs of reducing emissions resulting from 63  
plant age, location, or basic process design; 64

(3) Physical difficulties with or the impossibility of 65  
implementing emission reduction measures; 66

(4) The absolute cost of applying the performance standard to 67  
the unit; 68

(5) The expected remaining useful life of the unit; 69

(6) Impacts of closing the unit, including economic impacts 70  
such as expected job losses, if the unit is unable to comply with 71  
the performance standard; 72

(7) Impacts on the reliability of the state's electrical 73  
grid; 74

<u>(8) All actual reductions in carbon dioxide emissions</u>	75
<u>beginning January 1, 2005;</u>	76
<u>(9) Any other factors specific to the unit that make</u>	77
<u>application of a less stringent standard or longer compliance</u>	78
<u>schedule more reasonable.</u>	79
<u>(E) The director may implement, to the maximum extent</u>	80
<u>permissible, the standards of performance established in rules</u>	81
<u>adopted under this section through mechanisms that provide</u>	82
<u>flexibility in complying with the standards.</u>	83
<u>(F) Any plan establishing standards of performance for</u>	84
<u>existing coal-fired or natural gas-fired electric generating units</u>	85
<u>developed under this section shall be prepared in consultation</u>	86
<u>with the public utilities commission of Ohio created in Chapter</u>	87
<u>4901. of the Revised Code, the Ohio air quality development</u>	88
<u>authority created in Chapter 3706. of the Revised Code, and any</u>	89
<u>other relevant agency to ensure that the plan does not threaten</u>	90
<u>the affordability of electric power to all classes of electricity</u>	91
<u>consumers, takes full advantage of the federal Clean Air Act to</u>	92
<u>minimize impacts to the cost and reliability of electricity, and</u>	93
<u>minimizes the impacts on current and future industrial,</u>	94
<u>commercial, and residential consumers.</u>	95
<u>(G) The director shall consider the provisions of this</u>	96
<u>section, to the extent practicable, in the development of a plan</u>	97
<u>to be submitted to the United States environmental protection</u>	98
<u>agency under section 111(d) of the federal Clean Air Act.</u>	99
<u>(H) Any plan establishing standards of performance for</u>	100
<u>existing coal-fired or natural gas-fired electric generating units</u>	101
<u>developed under this section ceases to operate if applicable</u>	102
<u>regulations adopted or guidelines issued by the United States</u>	103
<u>environmental protection agency under section 111(d) of the</u>	104
<u>federal Clean Air Act are withdrawn by the agency or invalidated</u>	105

by a court.

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