AN ACT

To amend sections 3706.25, 4928.01, 4928.20, 4928.53, 4928.64, 4928.65, and 4928.66, to amend, for the purpose of adopting a new section number as indicated in parentheses, section 4928.65 (4928.645), and to enact new section 4928.65 and sections 4928.112, 4928.641, 4928.643, 4928.644, 4928.662, 4928.6610, 4928.6611, 4928.6612, 4928.6613, 4928.6614, 4928.6615, and 4928.6616 of the Revised Code to make changes to the renewable energy, energy efficiency, and peak demand reduction requirements, to prohibit the imposition of a waiting period before enrolling an eligible customer in the percentage of income payment plan, and to create a study committee.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 3706.25, 4928.01, 4928.20, 4928.53, 4928.64, 4928.65, and 4928.66 be amended, section 4928.65 (4928.645) be amended for the purpose of adopting a new section number as indicated in parentheses, and new section 4928.65 and sections 4928.112, 4928.641, 4928.643, 4928.644, 4928.662, 4928.6610, 4928.6611, 4928.6612, 4928.6613, 4928.6614, 4928.6615, and 4928.6616 of the Revised Code be enacted to read as follows:

Sec. 3706.25. As used in sections 3706.25 to 3706.30 of the Revised Code:

(A) "Advanced energy project" means any technologies, products, activities, or management practices or strategies that facilitate the generation or use of electricity or energy and that reduce or support the reduction of energy consumption or support the production of clean, renewable energy for industrial, distribution, commercial, institutional, governmental, research, not-for-profit, or residential energy users including, but not limited to, advanced energy resources and renewable energy resources. "Advanced
energy project" includes any project described in division (A), (B), or (C) of section 4928.621 of the Revised Code.

(B) "Advanced energy resource" means any of the following:

1. Any method or any modification or replacement of any property, process, device, structure, or equipment that increases the generation output of an electric generating facility to the extent such efficiency is achieved without additional carbon dioxide emissions by that facility;
2. Any distributed generation system consisting of customer cogeneration technology, primarily to meet the energy needs of the customer's facilities;
3. Advanced nuclear energy technology consisting of generation III technology as defined by the nuclear regulatory commission; other, later technology; or significant improvements to existing facilities;
4. Any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell;
5. Advanced solid waste or construction and demolition debris conversion technology, including, but not limited to, advanced stoker technology, and advanced fluidized bed gasification technology, that results in measurable greenhouse gas emissions reductions as calculated pursuant to the United States environmental protection agency's waste reduction model (WARM).

(C) "Air contaminant source" has the same meaning as in section 3704.01 of the Revised Code.

(D) "Cogeneration technology" means technology that produces electricity and useful thermal output simultaneously.

(E) "Renewable energy resource" means solar photovoltaic or solar thermal energy, wind energy, power produced by a hydroelectric facility, power produced by a run-of-the-river hydroelectric facility placed in service on or after January 1, 1980, that is located within this state, relies upon the Ohio river, and operates, or is rated to operate, at an aggregate capacity of forty or more megawatts, geothermal energy, fuel derived from solid wastes, as defined in section 3734.01 of the Revised Code, through fractionation, biological decomposition, or other process that does not principally involve combustion, biomass energy, energy produced by cogeneration technology that is placed into service on or before December 31, 2015, and for which more than ninety per cent of the total annual energy input is from combustion of a waste or byproduct gas from an air contaminant source in this state, which source has been in operation since on or before January 1, 1985, provided that the cogeneration technology is a part of a facility
located in a county having a population of more than three hundred sixty-five thousand but less than three hundred seventy thousand according to the most recent federal decennial census, biologically derived methane gas, heat captured from a generator of electricity, boiler, or heat exchanger fueled by biologically derived methane gas, or energy derived from nontreated by-products of the pulping process or wood manufacturing process, including bark, wood chips, sawdust, and lignin in spent pulping liquors. "Renewable energy resource" includes, but is not limited to, any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell; wind turbine located in the state's territorial waters of Lake Erie; methane gas emitted from an abandoned coal mine; storage facility that will promote the better utilization of a renewable energy resource that primarily generates off peak; or distributed generation system used by a customer to generate electricity from any such energy. As used in this division, "hydroelectric facility" means a hydroelectric generating facility that is located at a dam on a river, or on any water discharged to a river, that is within or bordering this state or within or bordering an adjoining state and meets all of the following standards:

(1) The facility provides for river flows that are not detrimental for fish, wildlife, and water quality, including seasonal flow fluctuations as defined by the applicable licensing agency for the facility.

(2) The facility demonstrates that it complies with the water quality standards of this state, which compliance may consist of certification under Section 401 of the "Clean Water Act of 1977," 91 Stat. 1598, 1599, 33 U.S.C. 1341, and demonstrates that it has not contributed to a finding by this state that the river has impaired water quality under Section 303(d) of the "Clean Water Act of 1977," 114 Stat. 870, 33 U.S.C. 1313.

(3) The facility complies with mandatory prescriptions regarding fish passage as required by the federal energy regulatory commission license issued for the project, regarding fish protection for riverine, anadromous, and catadromous fish.

(4) The facility complies with the recommendations of the Ohio environmental protection agency and with the terms of its federal energy regulatory commission license regarding watershed protection, mitigation, or enhancement, to the extent of each agency's respective jurisdiction over the facility.

(6) The facility does not harm cultural resources of the area. This can be shown through compliance with the terms of its federal energy regulatory commission license or, if the facility is not regulated by that commission, through development of a plan approved by the Ohio historic preservation office, to the extent it has jurisdiction over the facility.

(7) The facility complies with the terms of its federal energy regulatory commission license or exemption that are related to recreational access, accommodation, and facilities or, if the facility is not regulated by that commission, the facility complies with similar requirements as are recommended by resource agencies, to the extent they have jurisdiction over the facility; and the facility provides access to water to the public without fee or charge.

(8) The facility is not recommended for removal by any federal agency or agency of any state, to the extent the particular agency has jurisdiction over the facility.

Sec. 4928.01. (A) As used in this chapter:

(1) "Ancillary service" means any function necessary to the provision of electric transmission or distribution service to a retail customer and includes, but is not limited to, scheduling, system control, and dispatch services; reactive supply from generation resources and voltage control service; reactive supply from transmission resources service; regulation service; frequency response service; energy imbalance service; operating reserve-spinning reserve service; operating reserve-supplemental reserve service; load following; back-up supply service; real-power loss replacement service; dynamic scheduling; system black start capability; and network stability service.

(2) "Billing and collection agent" means a fully independent agent, not affiliated with or otherwise controlled by an electric utility, electric services company, electric cooperative, or governmental aggregator subject to certification under section 4928.08 of the Revised Code, to the extent that the agent is under contract with such utility, company, cooperative, or aggregator solely to provide billing and collection for retail electric service on behalf of the utility company, cooperative, or aggregator.

(3) "Certified territory" means the certified territory established for an electric supplier under sections 4933.81 to 4933.90 of the Revised Code.

(4) "Competitive retail electric service" means a component of retail electric service that is competitive as provided under division (B) of this section.

(5) "Electric cooperative" means a not-for-profit electric light company that both is or has been financed in whole or in part under the "Rural
Electrification Act of 1936," 49 Stat. 1363, 7 U.S.C. 901, and owns or operates facilities in this state to generate, transmit, or distribute electricity, or a not-for-profit successor of such company.

(6) "Electric distribution utility" means an electric utility that supplies at least retail electric distribution service.

(7) "Electric light company" has the same meaning as in section 4905.03 of the Revised Code and includes an electric services company, but excludes any self-generator to the extent that it consumes electricity it so produces, sells that electricity for resale, or obtains electricity from a generating facility it hosts on its premises.

(8) "Electric load center" has the same meaning as in section 4933.81 of the Revised Code.

(9) "Electric services company" means an electric light company that is engaged on a for-profit or not-for-profit basis in the business of supplying or arranging for the supply of only a competitive retail electric service in this state. "Electric services company" includes a power marketer, power broker, aggregator, or independent power producer but excludes an electric cooperative, municipal electric utility, governmental aggregator, or billing and collection agent.

(10) "Electric supplier" has the same meaning as in section 4933.81 of the Revised Code.

(11) "Electric utility" means an electric light company that has a certified territory and is engaged on a for-profit basis either in the business of supplying a noncompetitive retail electric service in this state or in the businesses of supplying both a noncompetitive and a competitive retail electric service in this state. "Electric utility" excludes a municipal electric utility or a billing and collection agent.

(12) "Firm electric service" means electric service other than nonfirm electric service.

(13) "Governmental aggregator" means a legislative authority of a municipal corporation, a board of township trustees, or a board of county commissioners acting as an aggregator for the provision of a competitive retail electric service under authority conferred under section 4928.20 of the Revised Code.

(14) A person acts "knowingly," regardless of the person's purpose, when the person is aware that the person's conduct will probably cause a certain result or will probably be of a certain nature. A person has knowledge of circumstances when the person is aware that such circumstances probably exist.

(15) "Level of funding for low-income customer energy efficiency
programs provided through electric utility rates" means the level of funds specifically included in an electric utility's rates on October 5, 1999, pursuant to an order of the public utilities commission issued under Chapter 4905. or 4909. of the Revised Code and in effect on October 4, 1999, for the purpose of improving the energy efficiency of housing for the utility's low-income customers. The term excludes the level of any such funds committed to a specific nonprofit organization or organizations pursuant to a stipulation or contract.

(16) "Low-income customer assistance programs" means the percentage of income payment plan program, the home energy assistance program, the home weatherization assistance program, and the targeted energy efficiency and weatherization program.

(17) "Market development period" for an electric utility means the period of time beginning on the starting date of competitive retail electric service and ending on the applicable date for that utility as specified in section 4928.40 of the Revised Code, irrespective of whether the utility applies to receive transition revenues under this chapter.

(18) "Market power" means the ability to impose on customers a sustained price for a product or service above the price that would prevail in a competitive market.

(19) "Mercantile customer" means a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than seven hundred thousand kilowatt hours per year or is part of a national account involving multiple facilities in one or more states.

(20) "Municipal electric utility" means a municipal corporation that owns or operates facilities to generate, transmit, or distribute electricity.

(21) "Noncompetitive retail electric service" means a component of retail electric service that is noncompetitive as provided under division (B) of this section.

(22) "Nonfirm electric service" means electric service provided pursuant to a schedule filed under section 4905.30 of the Revised Code or pursuant to an arrangement under section 4905.31 of the Revised Code, which schedule or arrangement includes conditions that may require the customer to curtail or interrupt electric usage during nonemergency circumstances upon notification by an electric utility.

(23) "Percentage of income payment plan arrears" means funds eligible for collection through the percentage of income payment plan rider, but uncollected as of July 1, 2000.

(24) "Person" has the same meaning as in section 1.59 of the Revised Code.
(25) "Advanced energy project" means any technologies, products, activities, or management practices or strategies that facilitate the generation or use of electricity or energy and that reduce or support the reduction of energy consumption or support the production of clean, renewable energy for industrial, distribution, commercial, institutional, governmental, research, not-for-profit, or residential energy users, including, but not limited to, advanced energy resources and renewable energy resources. "Advanced energy project" also includes any project described in division (A), (B), or (C) of section 4928.621 of the Revised Code.

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

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

(28) "Starting date of competitive retail electric service" means January 1, 2001.

(29) "Customer-generator" means a user of a net metering system.

(30) "Net metering" means measuring the difference in an applicable
billing period between the electricity supplied by an electric service provider and the electricity generated by a customer-generator that is fed back to the electric service provider.

(31) "Net metering system" means a facility for the production of electrical energy that does all of the following:
   (a) Uses as its fuel either solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine or a fuel cell;
   (b) Is located on a customer-generator's premises;
   (c) Operates in parallel with the electric utility's transmission and distribution facilities;
   (d) Is intended primarily to offset part or all of the customer-generator's requirements for electricity.

(32) "Self-generator" means an entity in this state that owns or hosts on its premises an electric generation facility that produces electricity primarily for the owner's consumption and that may provide any such excess electricity to another entity, whether the facility is installed or operated by the owner or by an agent under a contract.

(33) "Rate plan" means the standard service offer in effect on the effective date of the amendment of this section by S.B. 221 of the 127th general assembly, July 31, 2008.

(34) "Advanced energy resource" means any of the following:
   (a) Any method or any modification or replacement of any property, process, device, structure, or equipment that increases the generation output of an electric generating facility to the extent such efficiency is achieved without additional carbon dioxide emissions by that facility;
   (b) Any distributed generation system consisting of customer cogeneration technology;
   (c) Clean coal technology that includes a carbon-based product that is chemically altered before combustion to demonstrate a reduction, as expressed as ash, in emissions of nitrous oxide, mercury, arsenic, chlorine, sulfur dioxide, or sulfur trioxide in accordance with the American society of testing and materials standard D1757A or a reduction of metal oxide emissions in accordance with standard D5142 of that society, or clean coal technology that includes the design capability to control or prevent the emission of carbon dioxide, which design capability the commission shall adopt by rule and shall be based on economically feasible best available technology or, in the absence of a determined best available technology, shall be of the highest level of economically feasible design capability for which there exists generally accepted scientific opinion;
   (d) Advanced nuclear energy technology consisting of generation III
(e) Any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell;

(f) Advanced solid waste or construction and demolition debris conversion technology, including, but not limited to, advanced stoker technology, and advanced fluidized bed gasification technology, that results in measurable greenhouse gas emissions reductions as calculated pursuant to the United States environmental protection agency's waste reduction model (WARM);

(g) Demand-side management and any energy efficiency improvement;

(h) Any new, retrofitted, refueled, or repowered generating facility located in Ohio, including a simple or combined-cycle natural gas generating facility or a generating facility that uses biomass, coal, modular nuclear, or any other fuel as its input;

(i) Any uprated capacity of an existing electric generating facility if the uprated capacity results from the deployment of advanced technology.

"Advanced energy resource" does not include a waste energy recovery system that is, or has been, included in an energy efficiency program of an electric distribution utility pursuant to requirements under section 4928.66 of the Revised Code.

(35) "Air contaminant source" has the same meaning as in section 3704.01 of the Revised Code.

(36) "Cogeneration technology" means technology that produces electricity and useful thermal output simultaneously.

(37)(a) "Renewable energy resource" means any of the following:

(i) Solar photovoltaic or solar thermal energy;

(ii) Wind energy;

(iii) Power produced by a hydroelectric facility;

(iv) Power produced by a run-of-the-river hydroelectric facility placed in service on or after January 1, 1980, that is located within this state, relies upon the Ohio river, and operates, or is rated to operate, at an aggregate capacity of forty or more megawatts;

(v) Geothermal energy;

(vi) Fuel derived from solid wastes, as defined in section 3734.01 of the Revised Code, through fractionation, biological decomposition, or other process that does not principally involve combustion;

(vii) Biomass energy;

(viii) Energy produced by cogeneration technology that is placed
into service on or before December 31, 2015, and for which more than ninety per cent of the total annual energy input is from combustion of a waste or byproduct gas from an air contaminant source in this state, which source has been in operation since on or before January 1, 1985, provided that the cogeneration technology is a part of a facility located in a county having a population of more than three hundred sixty-five thousand but less than three hundred seventy thousand according to the most recent federal decennial census;

(viii)(ix) Biologically derived methane gas;

(ix) Heat captured from a generator of electricity, boiler, or heat exchanger fueled by biologically derived methane gas;

(xi) Energy derived from nontreated by-products of the pulping process or wood manufacturing process, including bark, wood chips, sawdust, and lignin in spent pulping liquors.

"Renewable energy resource" includes, but is not limited to, any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell; wind turbine located in the state's territorial waters of Lake Erie; methane gas emitted from an abandoned coal mine; waste energy recovery system placed into service or retrofitted on or after the effective date of the amendment of this section by S.B. 315 of the 129th general assembly, September 10, 2012, except that a waste energy recovery system described in division (A)(38)(b) of this section may be included only if it was placed into service between January 1, 2002, and December 31, 2004; storage facility that will promote the better utilization of a renewable energy resource; or distributed generation system used by a customer to generate electricity from any such energy.

"Renewable energy resource" does not include a waste energy recovery system that is, or was, on or after January 1, 2012, included in an energy efficiency program of an electric distribution utility pursuant to requirements under section 4928.66 of the Revised Code.

(b) As used in division (A)(37) of this section, "hydroelectric facility" means a hydroelectric generating facility that is located at a dam on a river, or on any water discharged to a river, that is within or bordering this state or within or bordering an adjoining state and meets all of the following standards:

(i) The facility provides for river flows that are not detrimental for fish, wildlife, and water quality, including seasonal flow fluctuations as defined by the applicable licensing agency for the facility.

(ii) The facility demonstrates that it complies with the water quality

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standards of this state, which compliance may consist of certification under
U.S.C. 1341, and demonstrates that it has not contributed to a finding by this
state that the river has impaired water quality under Section 303(d) of the

(iii) The facility complies with mandatory prescriptions regarding fish
passage as required by the federal energy regulatory commission license
issued for the project, regarding fish protection for riverine, anadromous,
and catadromous fish.

(iv) The facility complies with the recommendations of the Ohio
environmental protection agency and with the terms of its federal energy
regulatory commission license regarding watershed protection, mitigation,
or enhancement, to the extent of each agency's respective jurisdiction over
the facility.

(v) The facility complies with provisions of the "Endangered Species

(vi) The facility does not harm cultural resources of the area. This can
be shown through compliance with the terms of its federal energy regulatory
commission license or, if the facility is not regulated by that commission,
through development of a plan approved by the Ohio historic preservation
office, to the extent it has jurisdiction over the facility.

(vii) The facility complies with the terms of its federal energy regulatory
commission license or exemption that are related to recreational access,
accommodation, and facilities or, if the facility is not regulated by that
commission, the facility complies with similar requirements as are
recommended by resource agencies, to the extent they have jurisdiction over
the facility; and the facility provides access to water to the public without
fee or charge.

(viii) The facility is not recommended for removal by any federal
agency or agency of any state, to the extent the particular agency has
jurisdiction over the facility.

(38) "Waste energy recovery system" means either of the following:

(a) A facility that generates electricity through the conversion of energy
from either of the following:

(i) Exhaust heat from engines or manufacturing, industrial, commercial,
or institutional sites, except for exhaust heat from a facility whose primary
purpose is the generation of electricity;

(ii) Reduction of pressure in gas pipelines before gas is distributed
through the pipeline, provided that the conversion of energy to electricity is
achieved without using additional fossil fuels.
(b) A facility at a state institution of higher education as defined in section 3345.011 of the Revised Code that recovers waste heat from electricity-producing engines or combustion turbines and that simultaneously uses the recovered heat to produce steam, provided that the facility was placed into service between January 1, 2002, and December 31, 2004.

(39) "Smart grid" means capital improvements to an electric distribution utility's distribution infrastructure that improve reliability, efficiency, resiliency, or reduce energy demand or use, including, but not limited to, advanced metering and automation of system functions.

(40) "Combined heat and power system" means the coproduction of electricity and useful thermal energy from the same fuel source designed to achieve thermal-efficiency levels of at least sixty per cent, with at least twenty per cent of the system's total useful energy in the form of thermal energy.

(B) For the purposes of this chapter, a retail electric service component shall be deemed a competitive retail electric service if the service component is competitive pursuant to a declaration by a provision of the Revised Code or pursuant to an order of the public utilities commission authorized under division (A) of section 4928.04 of the Revised Code. Otherwise, the service component shall be deemed a noncompetitive retail electric service.

Sec. 4928.112. (A) In the event of an interruption of electric service during a period of emergency or disaster, an electric distribution utility's service restoration plan shall give priority to hospitals that are customers of the electric distribution utility.

(B) If requested by a hospital that is its customer, an electric distribution utility shall confer at least biennially with that hospital regarding power quality issues and concerns related to the utility's facilities, including voltage sags, spikes, and harmonic disturbances, in an effort to minimize those events or their impact on the hospital.

(C) The public utilities commission shall adopt rules to carry out this section.

Sec. 4928.20. (A) The legislative authority of a municipal corporation may adopt an ordinance, or the board of township trustees of a township or the board of county commissioners of a county may adopt a resolution, under which, on or after the starting date of competitive retail electric service, it may aggregate in accordance with this section the retail electrical loads located, respectively, within the municipal corporation, township, or unincorporated area of the county and, for that purpose, may enter into
service agreements to facilitate for those loads the sale and purchase of electricity. The legislative authority or board also may exercise such authority jointly with any other such legislative authority or board. For customers that are not mercantile customers, an ordinance or resolution under this division shall specify whether the aggregation will occur only with the prior, affirmative consent of each person owning, occupying, controlling, or using an electric load center proposed to be aggregated or will occur automatically for all such persons pursuant to the opt-out requirements of division (D) of this section. The aggregation of mercantile customers shall occur only with the prior, affirmative consent of each such person owning, occupying, controlling, or using an electric load center proposed to be aggregated. Nothing in this division, however, authorizes the aggregation of the retail electric loads of an electric load center, as defined in section 4933.81 of the Revised Code, that is located in the certified territory of a nonprofit electric supplier under sections 4933.81 to 4933.90 of the Revised Code or an electric load center served by transmission or distribution facilities of a municipal electric utility.

(B) If an ordinance or resolution adopted under division (A) of this section specifies that aggregation of customers that are not mercantile customers will occur automatically as described in that division, the ordinance or resolution shall direct the board of elections to submit the question of the authority to aggregate to the electors of the respective municipal corporation, township, or unincorporated area of a county at a special election on the day of the next primary or general election in the municipal corporation, township, or county. The legislative authority or board shall certify a copy of the ordinance or resolution to the board of elections not less than ninety days before the day of the special election. No ordinance or resolution adopted under division (A) of this section that provides for an election under this division shall take effect unless approved by a majority of the electors voting upon the ordinance or resolution at the election held pursuant to this division.

(C) Upon the applicable requisite authority under divisions (A) and (B) of this section, the legislative authority or board shall develop a plan of operation and governance for the aggregation program so authorized. Before adopting a plan under this division, the legislative authority or board shall hold at least two public hearings on the plan. Before the first hearing, the legislative authority or board shall publish notice of the hearings once a week for two consecutive weeks in a newspaper of general circulation in the jurisdiction or as provided in section 7.16 of the Revised Code. The notice shall summarize the plan and state the date, time, and location of each
hearing.

(D) No legislative authority or board, pursuant to an ordinance or resolution under divisions (A) and (B) of this section that provides for automatic aggregation of customers that are not mercantile customers as described in division (A) of this section, shall aggregate the electrical load of any electric load center located within its jurisdiction unless it in advance clearly discloses to the person owning, occupying, controlling, or using the load center that the person will be enrolled automatically in the aggregation program and will remain so enrolled unless the person affirmatively elects by a stated procedure not to be so enrolled. The disclosure shall state prominently the rates, charges, and other terms and conditions of enrollment. The stated procedure shall allow any person enrolled in the aggregation program the opportunity to opt out of the program every three years, without paying a switching fee. Any such person that opts out before the commencement of the aggregation program pursuant to the stated procedure shall default to the standard service offer provided under section 4928.14 or division (D) of section 4928.35 of the Revised Code until the person chooses an alternative supplier.

(E)(1) With respect to a governmental aggregation for a municipal corporation that is authorized pursuant to divisions (A) to (D) of this section, resolutions may be proposed by initiative or referendum petitions in accordance with sections 731.28 to 731.41 of the Revised Code.

(2) With respect to a governmental aggregation for a township or the unincorporated area of a county, which aggregation is authorized pursuant to divisions (A) to (D) of this section, resolutions may be proposed by initiative or referendum petitions in accordance with sections 731.28 to 731.40 of the Revised Code, except that:

(a) The petitions shall be filed, respectively, with the township fiscal officer or the board of county commissioners, who shall perform those duties imposed under those sections upon the city auditor or village clerk.

(b) The petitions shall contain the signatures of not less than ten per cent of the total number of electors in, respectively, the township or the unincorporated area of the county who voted for the office of governor at the preceding general election for that office in that area.

(F) A governmental aggregator under division (A) of this section is not a public utility engaging in the wholesale purchase and resale of electricity, and provision of the aggregated service is not a wholesale utility transaction. A governmental aggregator shall be subject to supervision and regulation by the public utilities commission only to the extent of any competitive retail electric service it provides and commission authority under this chapter.
This section does not apply in the case of a municipal corporation that supplies such aggregated service to electric load centers to which its municipal electric utility also supplies a noncompetitive retail electric service through transmission or distribution facilities the utility singly or jointly owns or operates.

(H) A governmental aggregator shall not include in its aggregation the accounts of any of the following:

1. A customer that has opted out of the aggregation;
2. A customer in contract with a certified electric services company;
3. A customer that has a special contract with an electric distribution utility;
4. A customer that is not located within the governmental aggregator's governmental boundaries;
5. Subject to division (C) of section 4928.21 of the Revised Code, a customer who appears on the "do not aggregate" list maintained under that section.

(I) Customers that are part of a governmental aggregation under this section shall be responsible only for such portion of a surcharge under section 4928.144 of the Revised Code that is proportionate to the benefits, as determined by the commission, that electric load centers within the jurisdiction of the governmental aggregation as a group receive. The proportionate surcharge so established shall apply to each customer of the governmental aggregation while the customer is part of that aggregation. If a customer ceases being such a customer, the otherwise applicable surcharge shall apply. Nothing in this section shall result in less than full recovery by an electric distribution utility of any surcharge authorized under section 4928.144 of the Revised Code. Nothing in this section shall result in less than the full and timely imposition, charging, collection, and adjustment by an electric distribution utility, its assignee, or any collection agent, of the phase-in-recovery charges authorized pursuant to a final financing order issued pursuant to sections 4928.23 to 4928.2318 of the Revised Code.

(J) On behalf of the customers that are part of a governmental aggregation under this section and by filing written notice with the public utilities commission, the legislative authority that formed or is forming that governmental aggregation may elect not to receive standby service within the meaning of division (B)(2)(d) of section 4928.143 of the Revised Code from an electric distribution utility in whose certified territory the governmental aggregation is located and that operates under an approved electric security plan under that section. Upon the filing of that notice, the electric distribution utility shall not charge any such customer to whom
competitive retail electric generation service is provided by another supplier under the governmental aggregation for the standby service. Any such consumer that returns to the utility for competitive retail electric service shall pay the market price of power incurred by the utility to serve that consumer plus any amount attributable to the utility's cost of compliance with the alternative renewable energy resource provisions of section 4928.64 of the Revised Code to serve the consumer. Such market price shall include, but not be limited to, capacity and energy charges; all charges associated with the provision of that power supply through the regional transmission organization, including, but not limited to, transmission, ancillary services, congestion, and settlement and administrative charges; and all other costs incurred by the utility that are associated with the procurement, provision, and administration of that power supply, as such costs may be approved by the commission. The period of time during which the market price and alternative renewable energy resource amount shall be so assessed on the consumer shall be from the time the consumer so returns to the electric distribution utility until the expiration of the electric security plan. However, if that period of time is expected to be more than two years, the commission may reduce the time period to a period of not less than two years.

(K) The commission shall adopt rules to encourage and promote large-scale governmental aggregation in this state. For that purpose, the commission shall conduct an immediate review of any rules it has adopted for the purpose of this section that are in effect on the effective date of the amendment of this section by S.B. 221 of the 127th general assembly, July 31, 2008. Further, within the context of an electric security plan under section 4928.143 of the Revised Code, the commission shall consider the effect on large-scale governmental aggregation of any nonbypassable generation charges, however collected, that would be established under that plan, except any nonbypassable generation charges that relate to any cost incurred by the electric distribution utility, the deferral of which has been authorized by the commission prior to the effective date of the amendment of this section by S.B. 221 of the 127th general assembly, July 31, 2008.

Sec. 4928.53. (A) Beginning July 1, 2000, the director of development is hereby authorized to administer the low-income customer assistance programs. For that purpose, the public utilities commission shall cooperate with and provide such assistance as the director requires for administration of the low-income customer assistance programs. The director shall consolidate the administration of and redesign and coordinate the operations of those programs within the department to provide, to the maximum extent
possible, for efficient program administration and a one-stop application and
eligibility determination process at the local level for consumers.

(B)(1) Not later than March 1, 2000, the director, in accordance with
Chapter 119. of the Revised Code, shall adopt rules to carry out sections 4928.51 to 4928.58 of the Revised Code and ensure the effective and
efficient administration and operation of the low-income customer assistance programs. The rules shall take effect on the July 1, 2000.

(2) The director's authority to adopt rules under this division for the
Ohio energy credit program shall be subject to such rule-making authority as
is conferred on the director by sections 5117.01 to 5117.12 of the Revised
Code, as amended by Sub. S.B. No. 3 of the 123rd general assembly, except
that rules initially adopted by the director for the Ohio energy credit
program shall incorporate the substance of those sections as they exist on
the effective date of this section.

(3) The director's authority to adopt rules under this division for the
percentage of income payment plan program shall include authority to adopt
rules prescribing criteria for customer eligibility and policies regarding
payment and crediting arrangements and responsibilities, procedures for
verifying customer eligibility, procedures for disbursing public funds to
suppliers and otherwise administering funds under the director's jurisdiction,
and requirements as to timely remittances of revenues described in division
(B) of section 4928.51 of the Revised Code. The rules shall prohibit the
imposition of a waiting period before enrolling an eligible customer in the
percentage of income payment plan. The director's authority in division
(B)(3) of this section excludes authority to prescribe service disconnection
and customer billing policies and procedures and to address complaints
against suppliers under the percentage of payment plan program, which
excluded authority shall be exercised by the public utilities commission, in
coordination with the director. Rules adopted by the director under this
division for the percentage of income payment plan program shall specify a
level of payment responsibility to be borne by an eligible customer based on
a percentage of the customer's income. Rules initially adopted by the
director for the percentage of income payment plan program shall
incorporate the eligibility criteria and payment arrangement and
responsibility policies set forth in rule 4901:1-18-04(B) of the Ohio
Administrative Code in effect on the effective date of this section.

Sec. 4928.64. (A)(1) As used in sections 4928.64 and 4928.65 of the
Revised Code this section, "alternative qualifying renewable energy
resource" means an advanced energy resource or a renewable energy
resource, as defined in section 4928.01 of the Revised Code that has a
placed-in-service date of on or after January 1, 1998, or after with respect to any run-of-the-river hydroelectric facility, an in-service date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior to January 1, 1998; or a mercantile customer-sited advanced energy resource or renewable energy resource, whether new or existing, that the mercantile customer commits for integration into the electric distribution utility's demand-response, energy efficiency, or peak demand reduction programs as provided under division (A)(2)(c) of section 4928.66 of the Revised Code, including, but not limited to, any of the following:

(a) A resource that has the effect of improving the relationship between real and reactive power;

(b) A resource that makes efficient use of waste heat or other thermal capabilities owned or controlled by a mercantile customer;

(c) Storage technology that allows a mercantile customer more flexibility to modify its demand or load and usage characteristics;

(d) Electric generation equipment owned or controlled by a mercantile customer that uses an advanced energy resource or a renewable energy resource;

(e) Any advanced energy resource or renewable energy resource of the mercantile customer that can be utilized effectively as part of any advanced energy resource plan of an electric distribution utility and would otherwise qualify as an alternative energy resource if it were utilized directly by an electric distribution utility.

(2) For the purpose of this section and as it considers appropriate, the public utilities commission may classify any new technology as such an advanced energy resource or a qualifying renewable energy resource.

(B)(1) By 2025 and thereafter, an electric distribution utility shall provide from alternative qualifying renewable energy resources, including, at its discretion, alternative qualifying renewable energy resources obtained pursuant to an electricity supply contract, a portion of the electricity supply required for its standard service offer under section 4928.141 of the Revised Code, and an electric services company shall provide a portion of its electricity supply for retail consumers in this state from alternative qualifying renewable energy resources, including, at its discretion, alternative qualifying renewable energy resources obtained pursuant to an electricity supply contract. That portion shall equal twenty-five and one-half per cent of the total number of kilowatt hours of electricity sold by the subject utility or company to any and all retail electric consumers whose electric load centers are served by that utility and are located within the
utility's certified territory or, in the case of an electric services company, are served by the company and are located within this state. However, nothing in this section precludes a utility or company from providing a greater percentage. The baseline for a utility's or company's compliance with the alternative energy resource requirements of this section shall be the average of such total kilowatt hours it sold in the preceding three calendar years, except that the commission may reduce a utility's or company's baseline to adjust for new economic growth in the utility's certified territory or, in the case of an electric services company, in the company's service area in this state.

Of the alternative energy resources implemented by the subject utility or company by 2025 and thereafter:

(1) Half may be generated from advanced energy resources;

(2) At least half of the portion required under division (B)(1) of this section shall be generated from renewable energy resources, including one-half per cent from solar energy resources, in accordance with the following benchmarks:

<table>
<thead>
<tr>
<th>By end of year</th>
<th>Renewable energy resources</th>
<th>Solar energy resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>0.25%</td>
<td>0.004%</td>
</tr>
<tr>
<td>2010</td>
<td>0.50%</td>
<td>0.010%</td>
</tr>
<tr>
<td>2011</td>
<td>1%</td>
<td>0.030%</td>
</tr>
<tr>
<td>2012</td>
<td>1.5%</td>
<td>0.060%</td>
</tr>
<tr>
<td>2013</td>
<td>2%</td>
<td>0.090%</td>
</tr>
<tr>
<td>2014</td>
<td>2.5%</td>
<td>0.12%</td>
</tr>
<tr>
<td>2015</td>
<td>3.5% 2.5%</td>
<td>0.15 0.12%</td>
</tr>
<tr>
<td>2016</td>
<td>4.5% 2.5%</td>
<td>0.18 0.12%</td>
</tr>
<tr>
<td>2017</td>
<td>5.5% 3.5%</td>
<td>0.22 0.15%</td>
</tr>
<tr>
<td>2018</td>
<td>6.5% 4.5%</td>
<td>0.26 0.18%</td>
</tr>
<tr>
<td>2019</td>
<td>7.5% 5.5%</td>
<td>0.30 0.22%</td>
</tr>
<tr>
<td>2020</td>
<td>8.5% 6.5%</td>
<td>0.34 0.26%</td>
</tr>
<tr>
<td>2021</td>
<td>9.5% 7.5%</td>
<td>0.38 0.3%</td>
</tr>
<tr>
<td>2022</td>
<td>10.5% 8.5%</td>
<td>0.42 0.34%</td>
</tr>
<tr>
<td>2023</td>
<td>11.5% 9.5%</td>
<td>0.46 0.38%</td>
</tr>
<tr>
<td>2024 and each calendar year thereafter</td>
<td>12.5 10.5%</td>
<td>0.5 0.42%</td>
</tr>
<tr>
<td>2025</td>
<td>11.5%</td>
<td>0.46%</td>
</tr>
<tr>
<td>2026 and each calendar year thereafter</td>
<td>12.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

(3) At least one-half of the qualifying renewable energy resources
implemented by the utility or company shall be met through either:

(a) Through facilities located in this state; the remainder shall be met with or

(b) With resources that can be shown to be deliverable into this state.

(C)(1) The commission annually shall review an electric distribution utility's or electric services company's compliance with the most recent applicable benchmark under division (B)(2) of this section and, in the course of that review, shall identify any undercompliance or noncompliance of the utility or company that it determines is weather-related, related to equipment or resource shortages for advanced energy or qualifying renewable energy resources as applicable, or is otherwise outside the utility's or company's control.

(2) Subject to the cost cap provisions of division (C)(3) of this section, if the commission determines, after notice and opportunity for hearing, and based upon its findings in that review regarding avoidable undercompliance or noncompliance, but subject to division (C)(4) of this section, that the utility or company has failed to comply with any such benchmark, the commission shall impose a renewable energy compliance payment on the utility or company.

(a) The compliance payment pertaining to the solar energy resource benchmarks under division (B)(2) of this section shall be an amount per megawatt hour of undercompliance or noncompliance in the period under review, starting at four, as follows:

(i) Three hundred fifty dollars for 2009, four 2014, 2015, and 2016;
(ii) Two hundred fifty dollars for 2010 2017 and 2011, and similarly 2018;
(iii) Two hundred dollars for 2019 and 2020;
(iv) Similarly reduced every two years thereafter through 2024 2026 by fifty dollars, to a minimum of fifty dollars.

(b) The compliance payment pertaining to the renewable energy resource benchmarks under division (B)(2) of this section shall equal the number of additional renewable energy credits that the electric distribution utility or electric services company would have needed to comply with the applicable benchmark in the period under review times an amount that shall begin at forty-five dollars and shall be adjusted annually by the commission to reflect any change in the consumer price index as defined in section 101.27 of the Revised Code, but shall not be less than forty-five dollars.

(c) The compliance payment shall not be passed through by 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)(1) or (2) of this section to the extent that its reasonably expected cost of that compliance exceeds its reasonably expected cost of otherwise producing or acquiring the requisite electricity by three per cent or more. The cost of compliance shall be calculated as though any exemption from taxes and assessments had not been granted under section 5727.75 of the Revised Code.

(4)(a) An electric distribution utility or electric services company may request the commission to make a force majeure determination pursuant to this division regarding all or part of the utility’s or company’s compliance with any minimum benchmark under division (B)(2) of this section during the period of review occurring pursuant to division (C)(2) of this section. The commission may require the electric distribution utility or electric services company to make solicitations for renewable energy resource credits as part of its default service before the utility’s or company’s request of force majeure under this division can be made.

(b) Within ninety days after the filing of a request by an electric distribution utility or electric services company under division (C)(4)(a) of this section, the commission shall determine if qualifying renewable energy resources are reasonably available in the marketplace in sufficient quantities for the utility or company to comply with the subject minimum benchmark during the review period. In making this determination, the commission shall consider whether the electric distribution utility or electric services company has made a good faith effort to acquire sufficient qualifying renewable energy or, as applicable, solar energy resources to so comply, including, but not limited to, by banking or seeking renewable energy resource credits or by seeking the resources through long-term contracts. Additionally, the commission shall consider the availability of qualifying renewable energy or solar energy resources in this state and other jurisdictions in the PJM interconnection regional transmission organization, L.L.C., or its successor and the midwest midcontinent independent system operator or its successor.

(c) If, pursuant to division (C)(4)(b) of this section, the commission determines that qualifying renewable energy or solar energy resources are not reasonably available to permit the electric distribution utility or electric
services company to comply, during the period of review, with the subject minimum benchmark prescribed under division (B)(2) of this section, the commission shall modify that compliance obligation of the utility or company as it determines appropriate to accommodate the finding. Commission modification shall not automatically reduce the obligation for the electric distribution utility's or electric services company's compliance in subsequent years. If it modifies the electric distribution utility or electric services company obligation under division (C)(4)(c) of this section, the commission may require the utility or company, if sufficient renewable energy resource credits exist in the marketplace, to acquire additional renewable energy resource credits in subsequent years equivalent to the utility's or company's modified obligation under division (C)(4)(c) of this section.

(5) The commission shall establish a process to provide for at least an annual review of the alternative renewable energy resource market in this state and in the service territories of the regional transmission organizations that manage transmission systems located in this state. The commission shall use the results of this study to identify any needed changes to the amount of the renewable energy compliance payment specified under divisions (C)(2)(a) and (b) of this section. Specifically, the commission may increase the amount to ensure that payment of compliance payments is not used to achieve compliance with this section in lieu of actually acquiring or realizing energy derived from qualifying renewable energy resources. However, if the commission finds that the amount of the compliance payment should be otherwise changed, the commission shall present this finding to the general assembly for legislative enactment.

(D)(4) The commission annually shall submit to the general assembly in accordance with section 101.68 of the Revised Code a report describing all of the following:

(a)(1) The compliance of electric distribution utilities and electric services companies with division (B) of this section;

(b)(2) The average annual cost of renewable energy credits purchased by utilities and companies for the year covered in the report;

(e)(3) Any strategy for utility and company compliance or for encouraging the use of alternative qualifying renewable energy resources in supplying this state's electricity needs in a manner that considers available technology, costs, job creation, and economic impacts.

The commission shall begin providing the information described in division (D)(4)(b)(2) of this section in each report submitted after the effective date of the amendment of this section by S.B. 315 of the 120th
general assembly September 10, 2012. The commission shall allow and consider public comments on the report prior to its submission to the general assembly. Nothing in the report shall be binding on any person, including any utility or company for the purpose of its compliance with any benchmark under division (B) of this section, or the enforcement of that provision under division (C) of this section.

(2) The governor, in consultation with the commission chairperson, shall appoint an alternative energy advisory committee. The committee shall examine available technology for and related timetables, goals, and costs of the alternative energy resource requirements under division (B) of this section and shall submit to the commission a semiannual report of its recommendations.

(E) All costs incurred by an electric distribution utility in complying with the requirements of this section shall be bypassable by any consumer that has exercised choice of supplier under section 4928.03 of the Revised Code.

Sec. 4928.641. (A) If an electric distribution utility has executed a contract before April 1, 2014, to procure renewable energy resources and there are ongoing costs associated with that contract that are being recovered from customers through a bypassable charge as of the effective date of S.B. 310 of the 130th general assembly, that cost recovery shall continue on a bypassable basis until the prudently incurred costs associated with that contract are fully recovered.

(B) Division (A) of this section applies only to costs associated with the original term of a contract described in that division and entered into before April 1, 2014. This section does not permit recovery of costs associated with an extension of such a contract. This section does not permit recovery of costs associated with an amendment of such a contract if that amendment was made on or after April 1, 2014.

Sec. 4928.643. (A) Except as provided in division (B) of this section and section 4928.644 of the Revised Code, the baseline for an electric distribution utility's or an electric services company's compliance with the qualified renewable energy resource requirements of section 4928.64 of the Revised Code shall be the average of total kilowatt hours sold by the utility or company in the preceding three calendar years to the following:

(1) In the case of an electric distribution utility, any and all retail electric consumers whose electric load centers are served by that utility and are located within the utility's certified territory;

(2) In the case of an electric services company, any and all retail electric consumers who are served by the company and are located within this state.
(B) Beginning with compliance year 2014, a utility or company may choose for its baseline for compliance with the qualified renewable energy resource requirements of section 4928.64 of the Revised Code to be the total kilowatt hours sold to the applicable consumers, as described in division (A)(1) or (2) of this section, in the applicable compliance year.

(C) A utility or company that uses the baseline permitted under division (B) of this section may use the baseline described in division (A) of this section in any subsequent compliance year. A utility or company that makes this switch shall use the baseline described in division (A) of this section for at least three consecutive compliance years before again using the baseline permitted under division (B) of this section.

Sec. 4928.644. The public utilities commission may reduce either baseline described in section 4928.643 of the Revised Code to adjust for new economic growth in the electric distribution utility's certified territory or in the electric services company's service area in this state.

Sec. 4928.645. (A) An electric distribution utility or electric services company may use, for the purpose of complying with the requirements under divisions (B)(1) and (2) of section 4928.64 of the Revised Code, renewable energy credits any time in the five calendar years following the date of their purchase or acquisition from any entity, including, but not limited to, the following:

1. A mercantile customer of an electric distribution utility or an electric services company that has purchased or acquired renewable energy credits.
2. An owner or operator of a hydroelectric generating facility that is located at a dam on a river, or on any water discharged to a river, that is within or bordering this state or within or bordering an adjoining state, for the purpose of complying with the renewable energy and solar energy resource requirements of division (B)(2) of section 4928.64 of the Revised Code or that produces power that can be shown to be deliverable into this state.
3. A seller of compressed natural gas that has been produced from biologically derived methane gas, provided that the seller may only provide renewable energy credits for metered amounts of gas.

(B)(1) The public utilities commission shall adopt rules specifying that one unit of credit shall equal one megawatt hour of electricity derived from renewable energy resources, except that, for a generating facility of seventy-five megawatts or greater that is situated within this state and has committed by December 31, 2009, to modify or retrofit its generating unit or units to enable the facility to generate principally from biomass energy by June 30, 2013, each megawatt hour of electricity generated principally from that biomass energy shall equal, in units of credit, the product obtained by...
multiplying the actual percentage of biomass feedstock heat input used to generate such megawatt hour by the quotient obtained by dividing the then existing unit dollar amount used to determine a renewable energy compliance payment as provided under division (C)(2)(b) of section 4928.64 of the Revised Code by the then existing market value of one renewable energy credit, but such megawatt hour shall not equal less than one unit of credit. Renewable energy resources do not have to be converted to electricity in order to be eligible to receive renewable energy credits. The rules shall specify that, for purposes of converting the quantity of energy derived from biologically derived methane gas to an electricity equivalent, one megawatt hour equals 3,412,142 British thermal units.

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

Sec. 4928.65. (A) Not later than January 1, 2015, the public utilities commission shall adopt rules governing the disclosure of the costs to customers of the renewable energy resource, energy efficiency savings, and peak demand reduction requirements of sections 4928.64 and 4928.66 of the Revised Code. The rules shall include both of the following requirements:

(1) That every electric distribution utility list, on all customer bills sent by the utility, including utility consolidated bills that include both electric distribution utility and electric services company charges, the individual customer cost of the utility's compliance with all of the following for the applicable billing period:

(a) The renewable energy resource requirements under section 4928.64 of the Revised Code, subject to division (B) of this section;
(b) The energy efficiency savings requirements under section 4928.66 of the Revised Code;
(c) The peak demand reduction requirements under section 4928.66 of the Revised Code.

(2) That every electric services company list, on all customer bills sent by the company, the individual customer cost, subject to division (B) of this section, of the company's compliance with the renewable energy resource requirements under section 4928.64 of the Revised Code for the applicable billing period.

(B)(1) For purposes of division (A)(1)(a) of this section, the cost of
compliance with the renewable energy resource requirements shall be calculated by multiplying the individual customer's monthly usage by the combined weighted average of renewable-energy-credit costs, including solar-renewable-energy-credit costs, paid by all electric distribution utilities, as listed in the commission's most recently available alternative energy portfolio standard report.

(2) For purposes of division (A)(2) of this section, the cost of compliance with the renewable energy resource requirements shall be calculated by multiplying the individual customer's monthly usage by the combined weighted average of renewable-energy-credit costs, including solar-renewable-energy-credit costs, paid by all electric service companies, as listed in the commission's most recently available alternative energy portfolio standard report.

(C) The costs required to be listed under division (A)(1) of this section shall be listed on each customer's monthly bill as three distinct line items. The cost required to be listed under division (A)(2) of this section shall be listed on each customer's monthly bill as a distinct line item.

Sec. 4928.66. (A)(1)(a) Beginning in 2009, an electric distribution utility shall implement energy efficiency programs that achieve energy savings equivalent to at least three-tenths of one per cent of the total, annual average, and normalized kilowatt-hour sales of the electric distribution utility during the preceding three calendar years to customers in this state. An energy efficiency program may include a combined heat and power system placed into service or retrofitted on or after the effective date of the amendment of this section by S.B. 315 of the 129th general assembly, September 10, 2012, or a waste energy recovery system placed into service or retrofitted on or after the same date September 10, 2012, except that a waste energy recovery system described in division (A)(38)(b) of section 4928.01 of the Revised Code may be included only if it was placed into service between January 1, 2002, and December 31, 2004. For a waste energy recovery or combined heat and power system, the savings shall be as estimated by the public utilities commission. The savings requirement, using such a three-year average, shall increase to an additional five-tenths of one per cent in 2010, seven-tenths of one per cent in 2011, eight-tenths of one per cent in 2012, nine-tenths of one per cent in 2013, and one per cent from in 2014 to . In 2015 and 2016, an electric distribution utility shall achieve energy savings equal to the result of subtracting the cumulative energy savings achieved since 2009 from the product of multiplying the baseline for energy savings, described in division (A)(2)(a) of this section, by four and two-tenths of one per cent. If the result is zero or less for the year for which
the calculation is being made, the utility shall not be required to achieve additional energy savings for that year, but may achieve additional energy savings for that year. Thereafter, the annual savings requirements shall be, for years 2017, 2018, 2019, and 2020, one per cent of the baseline, and two per cent each year thereafter, achieving a cumulative, annual energy savings in excess of twenty-two per cent by the end of 2025 2027. For purposes of a waste energy recovery or combined heat and power system, an electric distribution utility shall not apply more than the total annual percentage of the electric distribution utility's industrial-customer load, relative to the electric distribution utility's total load, to the annual energy savings requirement.

(b) Beginning in 2009, an electric distribution utility shall implement peak demand reduction programs designed to achieve a one per cent reduction in peak demand in 2009 and an additional seventy-five hundredths of one per cent reduction each year through 2014 2014. In 2015 2015 and 2016, the standing committees in the house of representatives and the senate primarily dealing with energy issues shall make recommendations to the general assembly regarding future an electric distribution utility shall achieve a reduction in peak demand equal to the result of subtracting the cumulative peak demand reductions achieved since 2009 from the product of multiplying the baseline for peak demand reduction, described in division (A)(2)(a) of this section, by four and seventy-five hundredths of one per cent. If the result is zero or less for the year for which the calculation is being made, the utility shall not be required to achieve an additional reduction in peak demand for that year, but may achieve an additional reduction in peak demand for that year. In 2017 and each year thereafter through 2020, the utility shall achieve an additional seventy-five hundredths of one per cent reduction in peak demand reduction targets.

(2) For the purposes of divisions (A)(1)(a) and (b) of this section:

(a) The baseline for energy savings under division (A)(1)(a) of this section shall be the average of the total kilowatt hours the electric distribution utility sold in the preceding three calendar years, and the baseline for a peak demand reduction under division (A)(1)(b) of this section shall be the average peak demand on the utility in the preceding three calendar years, except that the commission may reduce either baseline to adjust for new economic growth in the utility's certified territory. Neither baseline shall include the load and usage of any of the following customers:

(i) Beginning January 1, 2017, a customer for which a reasonable arrangement has been approved under section 4905.31 of the Revised Code;

(ii) A customer that has opted out of the utility's portfolio plan under
section 4928.6611 of the Revised Code;

(iii) A customer that has opted out of the utility's portfolio plan under Section 8 of S.B. 310 of the 130th general assembly.

(b) The commission may amend the benchmarks set forth in division (A)(1)(a) or (b) of this section if, after application by the electric distribution utility, the commission determines that the amendment is necessary because the utility cannot reasonably achieve the benchmarks due to regulatory, economic, or technological reasons beyond its reasonable control.

(c) Compliance with divisions (A)(1)(a) and (b) of this section shall be measured by including the effects of all demand-response programs for mercantile customers of the subject electric distribution utility, all waste energy recovery systems and all combined heat and power systems, and all such mercantile customer-sited energy efficiency, including waste energy recovery and combined heat and power, and peak demand reduction programs, adjusted upward by the appropriate loss factors. Any mechanism designed to recover the cost of energy efficiency, including waste energy recovery and combined heat and power, and peak demand reduction programs under divisions (A)(1)(a) and (b) of this section may exempt mercantile customers that commit their demand-response or other customer-sited capabilities, whether existing or new, for integration into the electric distribution utility's demand-response, energy efficiency, including waste energy recovery and combined heat and power, and peak demand reduction programs, if the commission determines that that exemption reasonably encourages such customers to commit those capabilities to those programs. If a mercantile customer makes such existing or new demand-response, energy efficiency, including waste energy recovery and combined heat and power, or peak demand reduction programs available to an electric distribution utility pursuant to division (A)(2)(c) of this section, the electric utility's baseline under division (A)(2)(a) of this section shall be adjusted to exclude the effects of such programs that may have existed during the period used to establish the baseline. The baseline also shall be normalized for changes in numbers of customers, sales, weather, peak demand, and other appropriate factors so that the compliance measurement is not unduly influenced by factors outside the control of the electric distribution utility.

(d)(i) Programs implemented by a utility may include demand response the following:

(I) Demand-response programs grid;

(II) Smart grid investment programs, provided that such programs are
demonstrated to be cost-beneficial, customer-sited;

(III) Customer-sited programs, including waste energy recovery and combined heat and power systems, and transmission;

(IV) Transmission and distribution infrastructure improvements that reduce line losses;

(V) Energy efficiency savings and peak demand reduction that are achieved, in whole or in part, as a result of funding provided from the universal service fund established by section 4928.51 of the Revised Code to benefit low-income customers through programs that include, but are not limited to, energy audits, the installation of energy efficiency insulation, appliances, and windows, and other weatherization measures.

(ii) No energy efficiency or peak demand reduction achieved under divisions (A)(2)(d)(i)(IV) and (V) of this section shall qualify for shared savings.

(iii) Division (A)(2)(c) of this section shall be applied to include facilitating efforts by a mercantile customer or group of those customers to offer customer-sited demand-response, energy efficiency, including waste energy recovery and combined heat and power, or peak demand reduction capabilities to the electric distribution utility as part of a reasonable arrangement submitted to the commission pursuant to section 4905.31 of the Revised Code.

(e) No programs or improvements described in division (A)(2)(d) of this section shall conflict with any statewide 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 an annual report containing the results of its verification of the annual levels of energy efficiency and of peak demand reductions achieved by each electric distribution utility pursuant to division (A) of this section. A copy of the report shall be provided to the consumers' counsel.

(C) If the commission determines, after notice and opportunity for hearing and based upon its report under division (B) of this section, that an electric distribution utility has failed to comply with an energy efficiency or peak demand reduction requirement of division (A) of this section, the commission shall assess a forfeiture on the utility as provided under sections 4905.55 to 4905.60 and 4905.64 of the Revised Code, either in the amount, per day per undercompliance or noncompliance, relative to the period of the report, equal to that prescribed for noncompliances under section 4905.54 of the Revised Code, or in an amount equal to the then existing market value of one renewable energy credit per megawatt hour of undercompliance or
noncompliance. Revenue from any forfeiture assessed under this division shall be deposited to the credit of the advanced energy fund created under section 4928.61 of the Revised Code.

(D) The commission may establish rules regarding the content of an application by an electric distribution utility for commission approval of a revenue decoupling mechanism under this division. Such an application shall not be considered an application to increase rates and may be included as part of a proposal to establish, continue, or expand energy efficiency or conservation programs. The commission by order may approve an application under this division if it determines both that the revenue decoupling mechanism provides for the recovery of revenue that otherwise may be forgone by the utility as a result of or in connection with the implementation by the electric distribution utility of any energy efficiency or energy conservation programs and reasonably aligns the interests of the utility and of its customers in favor of those programs.

(E) The commission additionally shall adopt rules that require an electric distribution utility to provide a customer upon request with two years' consumption data in an accessible form.

Sec. 4928.662. For the purpose of measuring and determining compliance with the energy efficiency and peak demand reduction requirements under section 4928.66 of the Revised Code, the public utilities commission shall count and recognize compliance as follows:

(A) Energy efficiency savings and peak demand reduction achieved through actions taken by customers or through electric distribution utility programs that comply with federal standards for either or both energy efficiency and peak demand reduction requirements, including resources associated with such savings or reduction that are recognized as capacity resources by the regional transmission organization operating in Ohio in compliance with section 4928.12 of the Revised Code, shall count toward compliance with the energy efficiency and peak demand reduction requirements.

(B) Energy efficiency savings and peak demand reduction achieved on and after the effective date of S.B. 310 of the 130th general assembly shall be measured on the higher of an as found or deemed basis, except that, solely at the option of the electric distribution utility, such savings and reduction achieved since 2006 may also be measured using this method. For new construction, the energy efficiency savings and peak demand reduction shall be counted based on 2008 federal standards, provided that when new construction replaces an existing facility, the difference in energy consumed, energy intensity, and peak demand between the new and replaced facility.
shall be counted toward meeting the energy efficiency and peak demand reduction requirements.

(C) The commission shall count both the energy efficiency savings and peak demand reduction on an annualized basis.

(D) The commission shall count both the energy efficiency savings and peak demand reduction on a gross savings basis.

(E) The commission shall count energy efficiency savings and peak demand reductions associated with transmission and distribution infrastructure improvements that reduce line losses. No energy efficiency or peak demand reduction achieved under division (E) of this section shall qualify for shared savings.

(F) Energy efficiency savings and peak demand reduction amounts approved by the commission shall continue to be counted toward achieving the energy efficiency and peak demand reduction requirements as long as the requirements remain in effect.

(G) Any energy efficiency savings or peak demand reduction amount achieved in excess of the requirements may, at the discretion of the electric distribution utility, be banked and applied toward achieving the energy efficiency or peak demand reduction requirements in future years.

Sec. 4928.6610. As used in sections 4928.6611 to 4928.6616 of the Revised Code:

(A) "Customer" means any customer of an electric distribution utility to which either of the following applies:

1) The customer receives service above the primary voltage level as determined by the utility's tariff classification.

2) The customer is a commercial or industrial customer to which both of the following apply:

(a) The customer receives electricity through a meter of an end user or through more than one meter at a single location in a quantity that exceeds forty-five million kilowatt hours of electricity for the preceding calendar year.

(b) The customer has made a written request for registration as a self-assessing purchaser pursuant to section 5727.81 of the Revised Code.

(B) "Energy intensity" means the amount of energy, from electricity, used or consumed per unit of production.

(C) "Portfolio plan" means the comprehensive energy efficiency and peak-demand reduction program portfolio plan required under rules adopted by the public utilities commission and codified in Chapter 4901:1-39 of the Administrative Code or hereafter recodified or amended.

Sec. 4928.6611. Beginning January 1, 2017, a customer of an electric
distribution utility may opt out of the opportunity and ability to obtain direct benefits from the utility's portfolio plan. Such an opt out shall extend to all of the customer's accounts, irrespective of the size or service voltage level that are associated with the activities performed by the customer and that are located on or adjacent to the customer's premises.

Sec. 4928.6612. Any customer electing to opt out under section 4928.6611 of the Revised Code shall do so by providing a verified written notice of intent to opt out to the electric distribution utility from which it receives service and submitting a complete copy of the opt-out notice to the secretary of the public utilities commission.

The notice provided to the utility shall include all of the following:
(A) A statement indicating that the customer has elected to opt out;
(B) The effective date of the election to opt out;
(C) The account number for each customer account to which the opt out shall apply;
(D) The physical location of the customer's load center;
(E) The date upon which the customer established, or plans to establish a process and implement, cost-effective measures to improve its energy efficiency savings and peak demand reductions.

Sec. 4928.6613. Upon a customer's election to opt out under section 4928.6611 of the Revised Code and commencing on the effective date of the election to opt out, no account properly identified in the customer's verified notice under division (C) of section 4928.6612 of the Revised Code shall be subject to any cost recovery mechanism under section 4928.66 of the Revised Code or eligible to participate in, or directly benefit from, programs arising from electric distribution utility portfolio plans approved by the public utilities commission.

Sec. 4928.6614. (A) A customer subsequently may opt in to an electric distribution utility's portfolio plan after a previous election to opt out under section 4928.6611 of the Revised Code if both of the following apply:
(1) The customer has previously opted out for a period of at least three consecutive calendar years.
(2) The customer gives twelve months' advance notice of its intent to opt in to the public utilities commission and the electric distribution utility from which it receives service.

(B) A customer that opts in under this section shall maintain its opt-in status for three consecutive calendar years before being eligible subsequently to exercise its right to opt out after giving the utility twelve months' advance notice.

Sec. 4928.6615. Any customer electing to opt in under section
of the Revised Code shall do so by providing a written notice of intent to opt in to the electric distribution utility from which it receives service and submitting a complete copy of the opt-in notice to the secretary of the public utilities commission. The notice shall include all of the following:

(A) A statement indicating that the customer has elected to opt in;

(B) The effective date of the election to opt in;

(C) The account number for each customer account to which the opt in shall apply;

(D) The physical location of the customer's load center.

Sec. 4928.6616. (A) Not later than sixty days after the effective date at a customer's election to opt out under section 4928.6611 of the Revised Code, the customer shall prepare and submit an initial report to the staff of the public utilities commission. The report shall summarize the projects, actions, policies, or practices that the customer may consider implementing, based on the customer's cost-effectiveness criteria, for the purpose of reducing energy intensity.

(B) For as long as the opt out is in effect, the customer shall, at least once every twenty-four months, commencing with the effective date of the election to opt out, prepare and submit, to the staff of the commission, an updated report. The updated report shall include a general description of any cumulative amount of energy-intensity reductions achieved by the customer during the period beginning on the effective date of the election to opt out and ending not later than sixty days prior to the date that the updated report is submitted.

(C) All reports filed under this section shall be verified by the customer.

(D) Upon submission of any updated report under division (B) of this section, the staff of the commission may request the customer to provide additional information on the energy-intensity-reducing projects, actions, policies, or practices implemented by the customer and the amount of energy-intensity reductions achieved during the period covered by the updated report.

(E) Any information contained in any report submitted under this section and any customer responses to requests for additional information shall be deemed to be confidential, proprietary, and a trade secret. No such information or response shall be publicly divulged without written authorization by the customer or used for any purpose other than to identify the amount of energy-intensity reductions achieved by the customer.

(F) If the commission finds, after notice and a hearing, that the customer has failed to achieve any substantial cumulative reduction in energy
intensity identified by the customer in an updated report submitted under division (B) of this section, and if the failure is not excusable for good cause shown by the customer, the commission may suspend the opt out for the period of time that it may take the customer to achieve the cumulative reduction in energy intensity identified by the customer but no longer.

SECTION 2. That existing sections 3706.25, 4928.01, 4928.20, 4928.53, 4928.64, 4928.65, and 4928.66 of the Revised Code are hereby repealed.

SECTION 3. It is the intent of the General Assembly to ensure that customers in Ohio have access to affordable energy. It is the intent of the General Assembly to incorporate as many forms of inexpensive, reliable energy sources in the state of Ohio as possible. It is also the intent of the General Assembly to get a better understanding of how energy mandates impact jobs and the economy in Ohio and to minimize government mandates. Because the energy mandates in current law may be unrealistic and unattainable, it is the intent of the General Assembly to review all energy resources as part of its efforts to address energy pricing issues.

Therefore, it is the intent of the General Assembly to enact legislation in the future, after taking into account the recommendations of the Energy Mandates Study Committee, that will reduce the mandates in sections 4928.64 and 4928.66 of the Revised Code and provide greater transparency to electric customers on the costs of future energy mandates, if there are to be any.

SECTION 4. (A) There is hereby created the Energy Mandates Study Committee to study Ohio's renewable energy, energy efficiency, and peak demand reduction mandates. The Committee shall consist of the following members:

(1) Six members of the House of Representatives appointed by the Speaker of the House of Representatives, with not more than four members from the same political party;

(2) Six members of the Senate appointed by the President of the Senate, with not more than four members from the same political party;

(3) The chairperson of the Public Utilities Commission, as an ex officio, nonvoting member.

(B) The Speaker of the House of Representatives and the President of the Senate shall each appoint one member of the Committee to serve as a
cochairperson of the Committee. Any vacancies that occur on the Committee shall be filled in the same manner as the original appointment.

(C) Not later than September 30, 2015, the Committee shall submit a report of its findings to the House of Representatives and the Senate in accordance with division (B) of section 101.68 of the Revised Code. The Committee shall cease to exist on October 1, 2015. The report shall include, at a minimum, all of the following:

1. A cost-benefit analysis of the renewable energy, energy efficiency, and peak demand reduction mandates, including the projected costs on electric customers if the mandates were to remain at the percentage levels required under sections 4928.64 and 4928.66 of the Revised Code, as amended by this act;

2. A recommendation of the best, evidence-based standard for reviewing the mandates in the future, including an examination of readily available technology to attain such a standard;

3. The potential benefits of an opt-in system for the mandates, in contrast to an opt-out system for the mandates, and a recommendation as to whether an opt-in system should apply to all electric customers, whether an opt-out system should apply to only certain customers, or whether a hybrid of these two systems is recommended;

4. A recommendation on whether costs incurred by an electric distribution utility or an electric services company pursuant to any contract, which may be entered into by the utility or company on or after the effective date of S.B. 310 of the 130th General Assembly for the purpose of procuring renewable energy resources or renewable energy credits and complying with the requirements of section 4928.64 of the Revised Code, may be passed through to any consumer, if such costs could have been avoided with the inclusion of a change of law provision in the contract;

5. A review of the risk of increased grid congestion due to the anticipated retirement of coal-fired generation capacity and other factors; the ability of distributed generation, including combined heat and power and waste energy recovery, to reduce electric grid congestion; and the potential benefit to all energy consumers resulting from reduced grid congestion;

6. An analysis of whether there are alternatives for the development of advanced energy resources as that term is defined in section 4928.01 of the Revised Code;

7. An assessment of the environmental impact of the renewable energy, energy efficiency, and peak demand reduction mandates on reductions of greenhouse gas and fossil fuel emissions;

8. A review of payments made by electric distribution utilities to
third-party administrators to promote energy efficiency and peak demand reduction programs under the terms of the utilities' portfolio plans. The review shall include, but shall not be limited to, a complete analysis of all fixed and variable payments made to those administrators since the effective date of S.B. 221 of the 127th General Assembly, jobs created, retained, and impacted, whether those payments outweigh the benefits to ratepayers, and whether those payments should no longer be recovered from ratepayers. The review also shall include a recommendation regarding whether the administrators should submit periodic reports to the Commission documenting the payments received from utilities.

SECTION 5. As used in Sections 6, 7, 8, 9, 10, and 11 of this act:
"Customer," "energy intensity," and "portfolio plan" have the same meanings as in section 4928.6610 of the Revised Code.
"Electric distribution utility" has the same meaning as in section 4928.01 of the Revised Code.

SECTION 6. (A) If an electric distribution utility has a portfolio plan that is in effect on the effective date of this section, the utility shall do either of the following, at its sole discretion:
(1) Continue to implement the portfolio plan with no amendments to the plan, for the duration that the Public Utilities Commission originally approved, subject to divisions (D) and (E) of this section;
(2) Seek an amendment of the portfolio plan under division (B) of this section.

(B)(1) An electric distribution utility that seeks to amend its portfolio plan under division (A)(2) of this section shall file an application with the Commission to amend the plan not later than thirty days after the effective date of this section. The Commission shall review the application in accordance with its rules as if the application were for a new portfolio plan. The Commission shall review and approve, or modify and approve, the application not later than sixty days after the date that the application is filed. Any portfolio plan amended under this division shall take effect on January 1, 2015, and expire on December 31, 2016. If the Commission fails to review and approve, or modify and approve, the application on or before January 1, 2015, the plan shall be deemed approved as amended in the application and shall take effect on January 1, 2015, and expire on December 31, 2016.
(2) Section 4928.66 of the Revised Code, as amended by this act, shall
apply to an electric distribution utility that applies to amend its portfolio plan under division (B) of this section.

(C) If an electric distribution utility fails to file an application to amend its portfolio plan under division (B) of this section within the required thirty-day period, the electric distribution utility shall proceed in accordance with division (A)(1) of this section.

(D) If an electric distribution utility implements its portfolio plan under division (A)(1) of this section for the plan's original duration and if the plan expires before December 31, 2016, the Commission shall automatically extend the plan through December 31, 2016, with no amendments to the plan.

(E)(1) The provisions of section 4928.66 of the Revised Code, as it existed prior to the effective date of this section, shall apply to an electric distribution utility that has a portfolio plan that is implemented under division (A)(1) of this section for either of the following time periods:

   (a) The plan's original duration;

   (b) The plan's original duration and then, until December 31, 2016, if the plan is extended under division (D) of this section.

   (2) Beginning January 1, 2017, the provisions of section 4928.66 of the Revised Code as amended by this act shall apply to the electric distribution utility.

SECTION 7. (A) The Public Utilities Commission shall neither review nor approve an application for a portfolio plan if the application is pending on the effective date of this section.

(B) Prior to January 1, 2017, the Commission shall not take any action with regard to any portfolio plan or application regarding a portfolio plan, except those actions expressly authorized or required by Section 6 of this act and actions necessary to administer the implementation of existing portfolio plans.

SECTION 8. Beginning January 1, 2015, a customer of an electric distribution utility may opt out of the opportunity and ability to obtain direct benefits from the utility’s portfolio plan that is amended under division (B) of Section 6 of this act. The opt out shall apply only to the amended plan. The opt out shall extend to all of the customer's accounts, irrespective of the size or service voltage level that are associated with the activities performed by the customer and that are located on or adjacent to the customer's premises.
SECTION 9. Any customer electing to opt out under Section 8 of this act shall do so by providing a verified written notice of intent to opt out to the electric distribution utility from which it receives service and submitting a complete copy of the opt-out notice to the Secretary of the Public Utilities Commission.

The notice provided to the utility shall include all of the following:
(A) A statement indicating that the customer has elected to opt out;
(B) The effective date of the election to opt out;
(C) The account number for each customer account to which the opt out shall apply;
(D) The physical location of the customer's load center;
(E) The date upon which the customer established, or plans to establish, a process and implement, cost-effective measures to improve its energy efficiency savings and peak demand reductions.

SECTION 10. Upon a customer's election to opt out under Section 8 of this act and commencing on the effective date of the election to opt out, no account properly identified in the customer's verified notice under division (C) of Section 9 of this act shall be subject to any cost recovery mechanism under section 4928.66 of the Revised Code, as amended by this act, for the duration of the amended portfolio plan or eligible to participate in, or directly benefit from, programs arising from the amended portfolio plan.

SECTION 11. (A) Not later than sixty days after the effective date of a customer's election to opt out under Section 8 of this act, the customer shall prepare and submit an initial report to the staff of the Public Utilities Commission. The report shall summarize the projects, actions, policies, or practices that the customer may consider implementing, based on the customer's cost-effectiveness criteria, for the purpose of reducing energy intensity.

(B) Not later than November 1, 2016, the customer shall prepare and submit to the staff of the Commission an updated report. The updated report shall include a general description of any cumulative amount of energy-intensity reductions achieved by the customer during the period beginning on the effective date of the election to opt out and ending not later than sixty days prior to the date that the updated report is submitted.

(C) Any report filed under this section shall be verified by the customer.
(D) Upon submission of the updated report, the staff of the Commission may request the customer to provide additional information on the energy-intensity-reducing projects, actions, policies, or practices implemented by the customer and the amount of energy-intensity reductions achieved during the period covered by the updated report.

(E) Any information contained in any report submitted under this section and any customer responses to requests for additional information shall be deemed to be confidential, proprietary, and a trade secret. No such information or response shall be publicly divulged without written authorization by the customer or used for any purpose other than to identify the amount of energy-intensity reductions achieved by the customer.
Sub. S. B. No. 310 130th G.A.

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Speaker ___________________________ of the House of Representatives.

________________________________________

President __________________________ of the Senate.

Passed _______________________________, 20____

Approved ____________________________, 20____

________________________________________

Governor.
The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

______________________________
Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of ____________, A. D. 20____.

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Secretary of State.

File No. ___________    Effective Date _____________________