



Ohio Legislative Service Commission

Bill Analysis

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H.B. 301

128th General Assembly
(As Introduced)

Reps. Foley, Celeste, Skindell, Hagan, Stewart, Letson, Murray, Harris, Pryor, Yuko, Domenick, Ujvagi, Yates, Harwood, Winburn, S. Williams

BILL SUMMARY

- Alters and extends until January 1, 2025, the imposition of the Advanced Energy Fund revenue rider on retail electric distribution service rates.
- Authorizes certain aerospace institutes to receive Advanced Energy Fund money from the Director of Development for advanced energy projects and economic development.

CONTENT AND OPERATION

Advanced Energy Fund revenues

(R.C. 4928.61)

Under current law, the Advanced Energy Fund, which is used for the exclusive purposes of funding the Advanced Energy Program¹ and paying its administrative costs, consists of various revenues remitted to the Director of Development. The revenues include (1) a temporary rider on retail electric distribution service rates, (2) revenues from payments, repayments, and collections under the Advanced Energy Program and from Program income, (3) revenues remitted to the Director after collection by a municipal electric utility or electric cooperative in Ohio upon the utility's or cooperative's decision to participate in the Fund, (4) revenues from an electric distribution utility's or electric services company's renewable energy compliance payments, (5) revenues from an electric distribution utility's forfeiture for failure to

¹ The Advanced Energy Program, which is administered by the Director of Development, uses money in the Advanced Energy Fund for financial, technical, and related assistance for advanced energy projects in Ohio or for economic development assistance (R.C. 4928.62).

comply with energy efficiency or peak demand reduction requirements, and (6) interest earnings on the Advanced Energy Fund.

Temporary rider on retail electric distribution service rates

Under current law, the temporary rider on retail electric distribution service rates is to be a uniform amount statewide. The amount is determined by dividing an aggregate revenue target for a given year as determined by the Director, after consultation with the Public Benefits Advisory Board,² by the number of customers of electric distribution utilities in Ohio in the prior year. The aggregate revenue target is not to exceed more than \$15 million in any year through 2005 and not more than \$5 million in any year after 2005. The rider is to terminate on January 1, 2011 or when the Advanced Energy Fund, including interest, reaches \$100 million, whichever is first.

The bill requires the temporary rider to continue until January 1, 2025. Additionally, the bill alters the rider by requiring it to be imposed on residential, commercial, and industrial customers, as defined by PUCO rules, as follows: \$1 per month for residential customers, \$10 per month for commercial customers, and \$50 per month for industrial customers.

Aerospace institute eligibility for Advanced Energy Program money

(R.C. 4928.622)

The bill provides that any aerospace institute in Ohio is eligible to receive up to \$2.5 million in assistance annually for advanced energy projects and economic development from the Director through the Advanced Energy Program. An institute can receive such money if it meets the following requirements: (1) its mission is to develop the state's aerospace economy through research, technology, education, and collaboration, (2) it is exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," (3) it works in conjunction with the state and with federal research laboratories, private enterprises, and public and private institutions of higher education statewide, and (4) it offers its members access to seminars, workshops, and other aerospace education opportunities.

² The Public Benefits Advisory Board has the purpose of ensuring that energy services are provided to low-income consumers in Ohio in an affordable manner consistent with state policy (R.C. 4928.58).

HISTORY

ACTION

DATE

Introduced

10-06-09

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