



Ohio Legislative Service Commission

Bill Analysis

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H.B. 204

129th General Assembly
(As Introduced)

Reps. Foley, R. Hagan, Yuko, Antonio, Ramos, Letson, Williams, Pillich, Milkovich, Garland, Murray, Fedor

BILL SUMMARY

- Reimposes, for purposes of funding the Advanced Energy Program, the revenue rider on retail electric distribution service rates for the following monthly amounts: 10¢ for residential customers, 25¢ for commercial customers, and 50¢ for industrial customers.
- Removes provisions relating to municipal electric utilities and electric cooperatives that choose to participate in the Advanced Energy Fund.
- Requires the amount of Advanced Energy Program grants to be based on the market price of energy and the advice of the Public Benefits Advisory Board, and to decrease annually to allow for the issuance of more grants.

CONTENT AND OPERATION

Advanced Energy Fund rider for electric-distribution rates

Reimposition, with specific amounts per customer class

The bill reimposes the Advanced Energy Fund revenue rider on retail electric distribution service rates for particular amounts specified in statute for various customer classes. This rider expired on January 1, 2011. Precisely, the rider is to be reimposed as of the effective date of the bill, continuing until January 1, 2025. The monthly amounts are specified as follows:

Customer class	Monthly amount
Residential	10 cents
Commercial	25 cents
Industrial	50 cents

The customer classes are to be defined by rule of the Public Utilities Commission.¹

Rider remittance

The bill requires electric distribution utilities to remit amounts collected on a quarterly basis, within 30 days after each quarter ends, to the Director of Development.² The rider revenues are required (and were required, under current law before the rider expired) to go into the Advanced Energy Fund. The fund is to be used for the exclusive purpose of funding the Advanced Energy Program and for paying the program's administrative costs.³ The program, administered by the Director of Development, provides financial, technical, and related assistance for advanced energy projects in Ohio, or for economic development assistance in furtherance of certain purposes, including public welfare and economic stability.⁴ An advanced energy project is any technology, product, activity, or management practice or strategy that facilitates electricity or energy generation or use and that supports reductions in energy consumption or clean, renewable energy production. Advanced energy projects include, but are not limited to, resources defined as advanced or renewable energy resources under Ohio law.⁵

Amount of the expired rider

The amount of the expired rider was required to be a uniform amount statewide, determined by the Director of Development after consultation with a Public Benefits Advisory Board.⁶ This board is charged, under current law, with ensuring the affordable provision of energy services to low-income consumers, consistent with state policy regarding electric service.⁷ The statewide amount was to be determined based on a total revenue target not to exceed \$5 million per year (for each year after 2005). The rider was to be applied evenly across all customer classes,⁸ whereas the bill provides specific allocation based on customer class.⁹

¹ R.C. 4928.611.

² R.C. 4928.612.

³ R.C. 4928.61.

⁴ R.C. 4928.62; R.C. 4928.63 (not in the bill).

⁵ R.C. 4928.01 (not in the bill).

⁶ R.C. 4928.61(B)(1).

⁷ R.C. 4928.58.

⁸ R.C. 4928.61(B)(1).

⁹ R.C. 4928.611.

Municipals and cooperatives participating in the Advanced Energy Fund

The bill removes provisions relating to municipal electric utilities and electric cooperatives that choose to participate in the Advanced Energy Fund. Specifically, these provisions require those entities to contribute quarterly revenues to the fund. The removed provisions also require the distribution of assistance from the fund in the territories of these entities, in proportion to their fund contributions.¹⁰

Advanced Energy Program grants

The bill requires the amount of each grant made under the program to be based on the market price of energy and the advice of the Public Benefits Advisory Board. The bill also specifies that the amount of each grant is to decrease annually so that the program may provide more grants.¹¹ Accordingly, the bill expands the board's duties to include advising the Director of Development on grant levels. Finally, the bill requires the board to hold public hearings to carry out its advisement duties relating to the program, the fund, and grant levels.¹²

No effect on certain current law provisions

The bill specifies that its changes have no effect on either of the following:

- Pending or effected program assistance, pending or effected purchases or exchanges of property, or pending or effected contracts or agreements;
- A provision allowing the Department of Development to own any unclaimed energy efficiency and renewable energy emission allowances that result from advanced energy projects that receive program assistance, and to use the allowances to further the public interest in advanced energy projects or for economic development.¹³

Removal of obsolete language

The bill removes certain outdated provisions regarding moneys collected in rates for non-low-income customer energy efficiency programs as of October 5, 1999.¹⁴

¹⁰ R.C. 4928.61(B)(3) and 4928.62(A).

¹¹ R.C. 4928.62(A).

¹² R.C. 4928.58(E)(2) and (3).

¹³ R.C. 4928.62(E).

¹⁴ R.C. 4928.61(D).

HISTORY

ACTION

DATE

Introduced

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