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OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 264*
133rd General Assembly

Bill Analysis

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Version: As Reported by Senate Energy and Public Utilities

Primary Sponsors: Reps. Wilkin and O'Brien

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SUMMARY

Ohio Water Development Authority (OWDA)

- Authorizes the Ohio Water Development Authority (OWDA) to make loans and grants to persons and government agencies for the refinancing of certain public water and waste water infrastructure projects.
- Authorizes the OWDA to provide for the financing and refinancing of loans made for those projects and to adopt rules governing the financing and refinancing of loans to government agencies.
- Authorizes the OWDA to issue water development revenue bonds and notes for the purpose of paying any part of refinancing one or more projects.

Ohio Air Quality Development Authority (OAQDA)

Administrative funding

- Beginning January 1, 2021, and ending June 30, 2028, permits the Ohio Air Quality Development Authority (OAQDA) to use up to \$300,000 each fiscal year to pay for that year's administrative costs under the law governing nuclear resource and renewable energy credits.
- Specifies that up to \$150,000 of the funding may be provided from each of the following:

* This analysis was completed before the report of the Senate Energy and Public Utilities Committee appeared in the Senate Journal. Note that the legislative history may be incomplete.

- The Nuclear Generation Fund (the fund into which charges collected from electric distribution utility (EDU) customers are deposited to pay credits for nuclear generation);
- The Renewable Generation Fund (the fund into which charges collected from EDU customers are deposited to pay credits for certain renewable energy generation).
- Allows, for fiscal year 2021, amounts approved to be used for administrative costs incurred for both fiscal years 2020 and 2021 but prohibits the amount from exceeding \$300,000 per fiscal year.
- Requires Controlling Board approval before OAQDA may access the funds.

Energy credit application changes

- Requires OAQDA to accept, review, and approve a renewable energy credit application submitted by a qualifying renewable resource, if the application was submitted after the February 1, 2020, deadline but before March 1, 2020.

Megawatt report deadline changes

- Exempts a qualifying renewable resource from the requirement to submit its first quarterly report by April 7, 2020, if the resource's renewal energy credit application was approved by OAQDA as required under the bill.

DETAILED ANALYSIS

Ohio Water Development Authority's refinancing abilities

The bill alters the authorized activities of the Ohio Water Development Authority (OWDA). Specifically, the bill authorizes the OWDA to do the following:

1. Make loans and grants to persons¹ and governmental agencies for the refinancing of waste water or water management facilities;
2. Provide for the financing and refinancing of loans and grants;
3. Adopt rules governing the financing and refinancing of loans to government agencies; and
4. Issue revenue bonds for refinancing costs.

Current law allows the ODWA to make loans and grants to persons and governmental agencies, but only for the acquisition or construction of facilities not for their refinancing. Consequently, OWDA bonding authority is similarly limited.²

¹ "Person" includes any individual, firm, partnership, association, or corporation. R.C. 6121.01, not in the bill.

² R.C. 6121.03(B)(2) and (3) and 6121.04(E).

Ohio Air Quality Development Authority (OAQDA)

Administrative funding

The bill permits the Ohio Air Quality Development Authority (OAQDA), beginning July 1, 2021, and ending June 30, 2028, to use up to \$300,000 each fiscal year to pay for OAQDA's administrative costs for that fiscal year to administer the law governing nuclear resource and renewable energy credits enacted in H.B. 6 of the 133rd General Assembly. Of that amount, OAQDA may use up to \$150,000 from the Nuclear Generation Fund and up to \$150,000 from the Renewable Generation Fund.

The bill allows amounts approved for FY 2021 to be used for costs incurred in FYs 2020 and 2021, but prohibits the use of more than \$300,000 per fiscal year. The bill requires Controlling Board approval before OAQDA may access the funds.³

Current law requires that an electric distribution utility (EDU) must collect a per-customer monthly charge from all of its retail electric customers in Ohio as authorized by the Public Utilities Commission (PUCO) for a seven-year period ending December 31, 2027. The charges collected are deposited in the Nuclear Generation Fund and the Renewable Generation Fund.⁴

Consultation with PUCO

The bill specifies that distributions for administrative costs do not require OAQDA to consult with PUCO for funds distributed to OAQDA for administrative costs. Under continuing law, according to the OAQDA instructions, distributions from the Nuclear Generation Fund and the Renewable Generation Fund are made for payments to qualifying nuclear resources for credits for nuclear generation and qualifying renewable generation resources for credits for certain renewable energy generation. OAQDA must consult with PUCO before giving the Treasurer of State instructions for these distributions.⁵

Qualifying resource definitions

Under ongoing law, a "qualifying nuclear resource" is an electric generating facility in Ohio fueled by nuclear power.⁶ A "qualifying renewable resource" is an electric generating facility in Ohio that (1) uses or will use solar energy as its primary energy source, (2) the facility obtained a certificate for construction of a major utility facility from the Power Siting Board prior to June 1, 2019, and (3) the facility is interconnected with the transmission grid that is subject to the operational control of PJM Interconnection, L.L.C., or its successor.⁷

³ R.C. 3706.491.

⁴ R.C. 3706.49; R.C. 3706.46, not in the bill.

⁵ R.C. 3706.49.

⁶ R.C. 3706.40(A), not in the bill.

⁷ R.C. 3706.40(B), not in the bill.

Energy credit application deadline change

The bill requires OAQDA to accept, review, and approve an application for renewable energy credits for a qualifying renewable resource, if the resource submitted its application before March 1, 2020, notwithstanding the application deadline in existing law.⁸ Current law requires that a qualifying renewable resource must submit its renewable energy credit application by February 1, 2020.⁹

Megawatt report deadline change

A qualifying renewable resource that has its application approved under the bill is exempt from the requirement to submit its first quarterly report by April 7, 2020.¹⁰ If OAQDA approves an application for a qualifying renewable resource, current law requires the owner or operator of the resource to submit quarterly reports to OAQDA that provide the number of megawatt hours the resource produced during the previous quarter, if any. The first report deadline was April 7, 2020, and the last report deadline is January 7, 2027.¹¹

HISTORY

Action	Date
Introduced	05-28-19
Reported, H. State & Local Government	11-26-19
Passed House (86-0)	12-12-19
Reported, S. Energy & Public Utilities	---

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⁸ R.C. 3706.551(A).

⁹ R.C. 3706.41(A), not in the bill.

¹⁰ R.C. 3706.551(B).

¹¹ R.C. 3706.45(A), not in the bill.