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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 118
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Romanchuk

Rocky Hernandez, Attorney

SUMMARY

- Repeals the renewable resource credit program provisions enacted in H.B. 6 of the 133rd General Assembly, which do the following:
 - Allows owners or operators of a qualifying renewable resource to apply to the Ohio Air Quality Development Authority (OAQDA) to receive payments for renewable energy credits earned for each megawatt hour of electricity reported by the resource and approved by OAQDA;
 - Requires all electric distribution utilities (EDU) in the state to collect a per-customer monthly charge from all Ohio ratepayers to produce a revenue requirement of \$20 million for the Renewable Generation Fund, which the bill also eliminates.
- Repeals the requirement that the Public Utilities Commission reduce the number of kilowatt hours required for compliance with the renewable resource benchmarks for all EDUs and electric service companies based on the number of kilowatt hours produced by all qualifying renewable resources during the preceding year.
- Repeals the prohibition enacted in H.B. 6 against recovery of credit payments under H.B. 6 for a renewable resource and also for a renewable energy credit under existing law governing competitive retail electric service.
- Lowers the charges that may be imposed by an EDU on retail electric customers in Ohio for nuclear resource credits, reflecting the elimination of the renewable energy resource credit program and related customer charges.

DETAILED ANALYSIS

Repeal of renewable resource provisions of H.B. 6

The bill repeals all provisions of the in-state renewable resource payment provisions of law enacted in H.B. 6 of the 133rd General Assembly. The repeal includes all provisions related

to the per-customer monthly charges that an electric distribution utility (EDU) must collect starting January 1, 2021, and ending on December 31, 2027, to subsidize the renewable resources. The bill, in turn, repeals the renewable energy credit program, including provisions regarding the application for, the issuance of, and the payment for, renewable energy credits administered primarily by the Ohio Air Quality Development Authority (OAQDA).

The bill further repeals the requirement that the Public Utilities Commission reduce the number of kilowatt hours required for compliance with the renewable energy benchmarks for all EDUs and electric service companies in Ohio.

A detailed discussion of the law being repealed is available on pages 16 to 18 and part of page 19 of LSC's Final Analysis of H.B. 6, As Passed by the General Assembly, [available here](#).¹

Double recovery prohibition for solar energy repealed

The bill repeals the prohibition enacted in H.B. 6 against recovery of credit payments under H.B. 6 for a renewable resource (which is an in-state solar energy resource) and also for a renewable energy credit under existing law governing competitive retail electric service. The repeal is included in the bill in order to conform with the repeal of the renewable resource credit program as described above.²

Nuclear generation charge

Consistent with the repeal of the renewable energy repeal provisions of H.B. 6, the bill lowers the charges that may be imposed by an EDU on retail electric customers in Ohio for nuclear resource credits, reflecting the elimination of the renewable energy credit program and related customer charges to meet the revenue requirements for the repealed program. The bill retains the nuclear charge in an amount necessary to meet an annual \$150 million revenue requirement. The bill, in turn, reduces the maximum monthly charge imposed to meet the revenue requirement from 85¢ to 75¢ per month for residential customers and from \$2,400 to \$2,158 per month for industrial customers.³

H.B 118 and recently enacted H.B 128

H.B. 128 of the 134th General Assembly repeals all provisions of the in-state nuclear resource payment provisions of law enacted in H.B. 6. The repeal includes all provisions related to the per-customer monthly charges that an EDU must collect starting January 1, 2021, and ending on December 31, 2027, to subsidize the nuclear resources. The act, in turn, repeals the nuclear resource credit program, including provisions regarding the application for, the issuance of, and the payment for, nuclear resource credits administered primarily by OAQDA. A detailed discussion of the law repealed by H.B. 128 is available on pages 11 to 16 of LSC's

¹ R.C. 3706.40 to 3706.49, 3706.55, and 3706.59; R.C. 3706.53 and 4928.462, repealed by the bill.

² R.C. 4928.645.

³ R.C. 3706.46; R.C. 3706.53, repealed by the bill.

analysis of H.B. 6, As Passed by the General Assembly, [available here](#).⁴ If both H.B. 128 and S.B. 118 become law, the result will be that the entirety of the H.B. 6 nuclear and renewable credit program will be eliminated with no charges being imposed on ratepayers.

Please note, however, S.B. 118 repeals the renewable resource payment provisions from H.B. 6 as described above without cognizance of, or reference to, H.B. 128. If the latter bill is signed into law, then S.B. 118 would need to be updated in order to account for the changes enacted by H.B. 128. It would be difficult otherwise to adequately harmonize, as required under R.C. 1.52, the two acts if S.B. 118 were also to be enacted.

HISTORY

Action	Date
Introduced	03-09-21

S0118-I-134/ec

⁴ R.C. 3706.40 to 3706.49, 3706.55, and 3706.59 amended by H.B. 128; R.C. 3706.53 and 3706.61, repealed by H.B. 128.