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# OHIO LEGISLATIVE SERVICE COMMISSION

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## Substitute Bill Comparative Synopsis

**Sub. H.B. 79**

**135<sup>th</sup> General Assembly**

House Public Utilities

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SU-135-0021

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (As Introduced)	Latest Version (I_135_0392-3)
<b>Lost distribution/decoupling mechanism</b>	
Requires an electric distribution utility's (EDU) application for a portfolio of energy savings programs to include a proposed mechanism for the recovery of lost distribution revenues, if applicable, including a decoupling mechanism under continuing law regarding energy efficiency (EE/PDR) savings ( <i>R.C. 4928.6633(E)(1)(c)</i> ).	Requires the Public Utilities Commission (PUCO) to decide which of the following mechanisms an EDU includes in the EDU's energy savings portfolio application: <ul style="list-style-type: none"> <li>▪ A mechanism for the recovery of lost distribution revenues; or</li> <li>▪ Any decoupling mechanism for energy efficiency or conservation programs under current law provisions addressing EE/PDR savings. (<i>R.C. 4928.6633(E)(1)(c)</i>.)</li> </ul>

Previous Version (As Introduced)	Latest Version (I_135_0392-3)
<b>Standard for choosing between lost distribution/decoupling mechanism</b>	
No provision.	Requires PUCO to specify according to established rate classes, if it approves an energy savings portfolio application, the use of either lost distribution revenue recovery or a decoupling mechanism for energy efficiency or conservation programs under current EE/PDR law ( <i>R.C. 4928.6633(E)(1)(c) and 4928.6634(B)</i> ).
<b>PUCO hearings</b>	
Allows PUCO to conduct hearings on an EDU's portfolio application at its discretion ( <i>R.C. 4928.6634(A)</i> ).	Requires PUCO to conduct hearings on a portfolio application ( <i>R.C. 4928.6634(A)</i> ).
<b>Accounting mechanisms for deferral and recovery of costs exceeding rate cap</b>	
Requires PUCO, upon approving or modifying and approving a portfolio application, to authorize accounting mechanisms under which the EDU may defer and recover costs that would otherwise exceed the \$1.50 rate cap established by the bill ( <i>R.C. 4928.6634(B) and 4928.6650(A)</i> ).	Requires PUCO, upon approving or modifying and approving a portfolio application, to authorize accounting mechanisms under which the EDU may defer and recover only those PUCO-approved program costs that would cause recovery in excess of the rate caps under the bill (\$1.50 for residential customers and \$7.50 for nonresidential retail customers) due to the level of customer participation that exceeded the EDU's expectations ( <i>R.C. 4928.6634(B)</i> ).
<b>Gross energy savings from physical devices</b>	
Excludes gross energy savings from any physical device or equipment that has not been delivered or installed with the permission or at the request of a participating customer ( <i>R.C. 4928.6639(F)</i> ).	Excludes such savings from any device or equipment that has not been enrolled in the program ( <i>R.C. 4928.6639(F)</i> ).

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<b>Gross energy savings from equipment under the energy savings portfolio</b>	
No provision.	Permits, for gross energy savings based on federal energy standards for appliances and other equipment or standards under the Ohio Building Code, an EDU to only claim savings for equipment in cases in which it has paid a customer incentive ( <i>R.C. 4928.6639(G)</i> ).
<b>Exclusion of federal energy efficiency measures/federal tax rebate or credit</b>	
No provision.	Requires an EDU's energy savings portfolio to ensure that any savings on a customer's monthly bills or reductions in energy usage as a result of the customer's participation in a federal energy efficiency program or use of a federal tax rebate or credit will not be attributed to the EDU's programs ( <i>R.C. 4928.6642</i> ).
<b>Annual energy savings portfolio review ensure compliance with exclusion of federal energy efficiency measures/federal tax rebate or credit</b>	
No provision.	Requires an EDU, as part of its annual cost effectiveness and compliance review over the energy savings portfolio's term, to review that it has met the requirements that any savings on a customer's monthly bill or reductions in energy usage as a result of the customer's participation in a federal energy efficiency program or use of a federal tax rebate or credit will not be attributed to the EDU's programs ( <i>R.C. 4928.6642 and 4928.6665(A)</i> ).
<b>Utility incentives cap</b>	
Provides that utility incentives an EDU receives through an energy savings portfolio cannot exceed 10% of net program costs on an after-tax basis ( <i>R.C. 4928.6644</i> ).	Provides that such incentives cannot exceed 10% of <i>actual program costs</i> , on an after tax basis and excluding any advertising or marketing dollars ( <i>R.C. 4928.6644</i> ).

Previous Version (As Introduced)	Latest Version (I_135_0392-3)
<b>Utility incentives exclusion regarding rate caps specific to nonresidential retail customers</b>	
No provision.	Excludes utility incentives from counting towards the \$7.50 rate cap for nonresidential retail customers (described immediately below) <i>(R.C. 4928.6644 and 4928.6650(A))</i> .
<b>Lost distribution revenue/decoupling mechanism exclusion regarding rate caps specific to nonresidential retail customers</b>	
No provision.	Excludes lost distribution revenue/decoupling mechanisms from counting towards the \$7.50 rate cap for nonresidential retail customers <i>(R.C. 4928.6646 and 4928.6650(A))</i> .
<b>Cost of energy savings program evaluation exclusion regarding rate caps specific to nonresidential retail customers</b>	
No provision.	Excludes reasonable costs for evaluation, measurement, and verification of each EDU's energy savings portfolio from counting towards the \$7.50 rate cap for nonresidential retail customers <i>(R.C. 4928.6650(A) and 4928.6665(D))</i> .
<b>Rate cap for nonresidential retail customers</b>	
No provision.	Prohibits an energy savings portfolio's costs from resulting in a rate for nonresidential retail customers that is greater than \$7.50 per customer per month <i>(R.C. 4928.6650(A))</i> .
<b>Customer identity verification</b>	
Requires an electric services company, if it is a third party to whom a customer can convey an energy savings incentive associated with participation in an energy savings program, to verify the customer's identification through the customer's EDU account number <i>(R.C. 4928.6660(B))</i> .	Allows for a company to verify a customer's identification through the customer's service delivery identifier number as well <i>(R.C. 4928.6660(B))</i> .

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