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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 308
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 308's Bill Analysis](#)

Version: As Reported by Senate Energy and Public Utilities

Primary Sponsors: Reps. Stein and Brennan

Local Impact Statement Procedure Required: No

Michael Kerr, Budget Analyst, and other LBO staff

Highlights

Green energy defined for electric utility policy

- The bill labels nuclear energy as “green energy.” No direct fiscal effect on the state or local governments is expected from this change in definition.

Broadband Pole Replacement and Undergrounding Program

- The Department of Development will incur negligible costs to update the reimbursement formula for the Broadband Pole Replacement and Undergrounding Program. H.B. 33 appropriated \$50.0 million during the FY 2024-FY 2025 biennium for the program under appropriation line item (ALI) 1956G9, Broadband Pole Replacement and Undergrounding Program.

Oil and gas standard lease term

- The bill increases the term of the standard lease used by a state agency when leasing oil and gas rights on a property owned or managed by the state agency from three years to five years. It is unclear what fiscal effect this would have for state agencies that lease property for oil and gas development.

Construction and demolition debris

- Expands the purposes for which money derived from the general disposal fee on construction and demolition debris (C&DD) disposed of at a C&DD facility or a solid waste facility may be used by a board of health.

Detailed Analysis

The bill addresses multiple policy areas that are separately analyzed in the following sections.

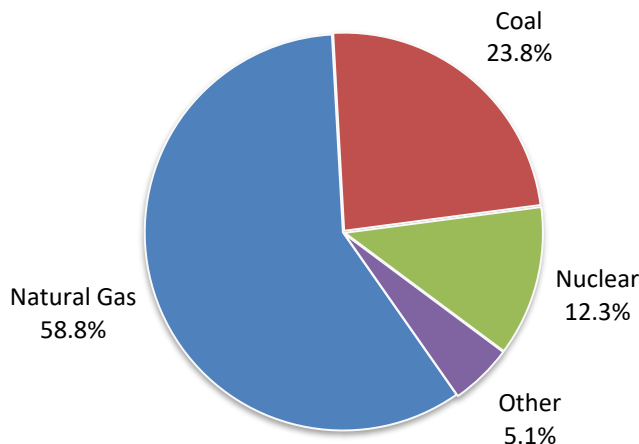
Green energy defined for electric utility policy

Nuclear energy currently comprises roughly 12% of the net electricity generation in the state, with the majority of generation derived from natural gas and about one-fourth from coal.¹ See the chart below. The bill adds nuclear energy to the list of energy resources labeled as “green energy”; current law defines the characteristics of this distinction and explicitly includes energy generated from natural gas.

At present, Ohio has two nuclear power plants statewide.² However, several commercial companies have expressed interest in developing novel small modular reactors (SMRs) for construction in Ohio in recent years, including one that has already received design approval from the U.S. Nuclear Regulatory Commission.³ In addition, a newly built uranium enrichment plant, under contract with the U.S. Department of Energy, recently opened in Piketon, Ohio.⁴ This facility is capable of providing the fuel needed for many SMRs.

Green energy is defined as any energy generated using a resource that releases reduced air pollutants or is more sustainable and reliable relative to some fossil fuels. The term “green energy” is not used elsewhere in the Revised Code. This purely definitional change is not expected to increase costs to the state or local governments.

2023 Ohio Net Electricity Generation by Fuel Type



¹ The U.S. Energy Information Administration (EIA), Electricity Data Browser, Net Annual Generation, Ohio, [Fuel Types](#) (check all), 2023.

² The U.S. EIA, Electricity Data Browser, [Plant Level Data](#), Ohio, 2023.

³ [Businesswire](#), October 6, 2023; [Cleveland.com](#), May 26, 2023; U.S. Department of Energy, Office of Nuclear Energy, [NRC Certifies First U.S. Small Modular Reactor Design](#), January 20, 2023.

⁴ U.S. Department of Energy, Office of Nuclear Energy, [HALEU Demonstration Project Starts Enrichment Operations in Ohio](#), October 11, 2023.

Broadband Pole Replacement and Undergrounding Program

The Department of Development will incur negligible costs to update the reimbursement formula for the Broadband Pole Replacement and Undergrounding Program. The bill specifies that reimbursements to perform a pole replacement or mid-span pole installation are equal to the lesser of \$7,500 multiplied by the number of pole replacements and mid-pole installations in an application, or 75% of the total eligible costs therein. Reimbursement costs for undergrounding must not exceed 75% of eligible costs and are equal to the reimbursement if the applicant did a pole replacement or mid-span pole installation. To the list of eligible expenses for reimbursement, the bill adds costs incurred if the undergrounding is needed because the process for obtaining access to poles is causing, or reasonably anticipated to cause, a delay that will impact the ability of the provider to meet deadlines required by an agreement or terms of support to provide qualifying broadband service to an address within an unserved area.

Currently, the pole replacement or mid-span pole installation reimbursement is the lesser of \$7,500 or 75% of the total amount paid for each replacement or installation. The total reimbursement for undergrounding costs must not exceed what otherwise would be available if pole replacement or mid-span pole installation were done instead.

The Broadband Pole Replacement and Undergrounding Program was created in H.B. 33 of the 135th General Assembly and supported by a cash transfer of up to \$50.0 million from the FY 2023 GRF ending balance. This appropriation line item (ALI) is used to provide reimbursements to providers of qualifying broadband service for utility pole replacements, mid-span pole installations, and undergrounding that accommodate facilities used to provide qualifying broadband service access under the new Broadband Pole Replacement and Undergrounding Program.

Oil and gas standard lease term

The bill increases the term of the standard lease used by a state agency when leasing oil and gas rights on a property owned or managed by the state agency from three years to five years. The possible fiscal effects of expanding the lease term on state agencies that lease property for oil and gas development are unknown, and would likely vary depending on oil and gas pricing and other market conditions prevailing through the lease period.

Construction and demolition debris

The bill expands the purposes for which money derived from the general disposal fee on construction and demolition debris (C&DD) disposed of at a C&DD facility or a solid waste facility may be used by a board of health to include both of the following:

1. The administration and enforcement of the law governing solid and hazardous waste; and
2. The mitigation of any impacts to public health, safety, and welfare of any C&DD facility and solid waste disposal or transfer facility within the health district, including ensuring appropriate inspection of any such facility to prevent any negative public health, safety, and welfare impact.