



Ohio Legislative Service Commission

Bill Analysis

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Sub. H.B. 349

131st General Assembly
(LSC 131 1721-2)
(As Proposed)

BILL SUMMARY

- Prohibits the Director of Environmental Protection from submitting a state plan regarding greenhouse gas emissions to the U.S. Environmental Protection Agency (USEPA) without the express approval of the General Assembly.
- Specifies that a state plan approved by the General Assembly remains in effect only to the extent that specific federal emission guidelines are in effect.
- Requires the Director to submit a timely initial submittal and a progress report to the USEPA as required by applicable federal regulations.
- Specifically requires the Director to develop, evaluate, and provide a proposed state plan for consideration to the General Assembly.
- Requires the proposed state plan to maximize flexibility for the state and minimize adverse impacts on the cost and reliability of electricity, employment, and the economy of Ohio.
- Requires the Director, before submitting the proposed state plan to the General Assembly, to develop and evaluate four specified state plan options.
- Requires the Director, with respect to each state plan option, to analyze eight factors, including projected impacts on energy cost and reliability, market-based considerations in achieving performance standards, and negative impacts to the competitiveness of manufacturing in Ohio.
- Requires the Director to satisfy all applicable federal requirements regarding public comment and involvement when developing the proposed state plan.

- Requires the Director to provide the proposed state plan with a report containing the state plan options and their analyses to the General Assembly in sufficient time to meet any deadlines established by USEPA.
- Declares an emergency.

CONTENT AND OPERATION

The bill prohibits the Director of Environmental Protection from submitting a state plan, or a part of a plan or revision, regarding greenhouse gas emissions to the U.S. Environmental Protection Agency (USEPA) without the express approval of the General Assembly.¹ It also specifies that a state plan approved by the General Assembly under the bill remains in effect only to the extent that specific federal emission guidelines are in effect.²

The bill then requires the Director to submit a timely initial submittal and a progress report to the USEPA as required by federal regulations governing emission guidelines for greenhouse gas emissions and compliance times for electric utility generating units that specify what must be included in an initial submittal. The federal regulations refer to greenhouse gases and define what constitutes those gases. The bill specifically requires the Director to develop, evaluate, and provide a proposed state plan for consideration to the General Assembly.³ The proposed state plan must maximize flexibility for the state and minimize adverse impacts on the cost and reliability of electricity, employment, and the economy of Ohio consistent with applicable law.⁴

The bill requires the Director, before submitting the proposed state plan to the General Assembly, to develop and evaluate all of the following state plan options:

(1) An option that is identical to USEPA's final model federal implementation plan and trading rules;

(2) An option that is consistent with and no more stringent than emission guidelines established in federal regulations;

¹ R.C. 3704.10(G).

² R.C. 3704.10(H).

³ R.C. 3704.10(A).

⁴ R.C. 3704.10(B).

(3) An option that requires no greater reduction in aggregate emissions than the level that the USEPA found could be achieved at power plants in Ohio through heat rate improvement measures; and

(4) An option that is less stringent than the emission guidelines to the extent the Director finds, for power plants on a case-by-case basis or for classes of power plants, that any of the following applies:

--There is an unreasonable cost of control resulting from a plant's age, location, or basic process design;

--It is physically impossible to install necessary control equipment; or

--Other factors exist that are specific to the power plant or class of power plants that make application of a less stringent standard significantly more reasonable.⁵

The bill also requires the Director, with respect to each state plan option described above, to analyze all of the following factors:

(1) Whether legislation or other changes to state law are required;

(2) Consumer impacts, including any disproportionate impacts of energy price increases on lower-income individuals;

(3) Nonair quality health and environmental impacts;

(4) Projected impacts on energy cost and reliability;

(5) Market-based considerations in achieving performance standards;

(6) Impacts of closing a generating unit, including economic consequences such as expected job losses or shifts at the unit and in fossil fuel production areas and any other worker dislocations;

(7) Negative impacts to the competitiveness of manufacturing in Ohio; and

(8) Revenue impacts on affected municipal corporations, townships, counties, and school districts.⁶

⁵ R.C. 3704.10(C).

⁶ R.C. 3704.10(D).

The bill requires the Director to satisfy all applicable federal requirements regarding public comment and involvement when developing the proposed state plan.⁷ Finally, it requires the Director to provide the proposed state plan together with a report containing the state plan options and their analyses to the General Assembly in sufficient time to meet any deadlines established by USEPA.⁸

Stating that the time-consuming development of a response to federal regulations governing carbon dioxide emissions must be commenced immediately in order to ensure the protection of the health and safety of Ohio's citizens, the bill declares an emergency.⁹

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⁷ R.C. 3704.10(E).

⁸ R.C. 3704.10(F).

⁹ Section 2.

