



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 349 of the 131st G.A.
(LSC 131 1721-2)

Date: December 1, 2015

Status: In House Energy and Natural Resources

Sponsor: Reps. R. Smith and Ginter

Local Impact Statement Procedure Required: No

Contents: Carbon dioxide emission regulations

State Fiscal Highlights

- The bill may create additional costs for the Ohio Environmental Protection Agency beyond what it would have otherwise encountered complying with the U.S. Environmental Protection Agency's Clean Power Plan. The specific costs incurred are uncertain, but could be substantial.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

On August 3, 2015, the U.S. Environmental Protection Agency (U.S. EPA) issued final rules for the Clean Power Plan (CPP). CPP regulates carbon emissions from existing coal-fired and gas-fired electricity generating units. States are required to submit to the U.S. EPA a plan that provides for the implementation and enforcement of standards of performance for existing sources that achieve their carbon reduction targets. States are required to submit a final plan by September 6, 2016, or file an initial submittal requesting an extension to submit a final state plan. A state granted an extension is required to submit an update by September 6, 2017, and a final plan by September 6, 2018.

The bill provides the framework by which the Director of the Ohio Environmental Protection Agency (Ohio EPA) will comply with federal requirements under CPP. It requires the Director (1) to develop, evaluate, and provide a proposed state plan with four specified state options for consideration by the General Assembly in sufficient time to meet any deadlines established by the U.S. EPA, (2) prohibits the Director from submitting a plan to the U.S. EPA without express approval by the General Assembly, and (3) declares an emergency.

U.S. EPA only requires Ohio EPA to produce a single plan for submission. The bill however requires Ohio EPA to in effect develop four state plans. The agency expects that it will have to commit significantly more resources (time and personnel) to perform this task than would otherwise have been required to comply with U.S. EPA's requirements. The actual cost of those resources in budgetary terms is uncertain.