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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 174
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Sens. Wilkin and Lang

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SUMMARY

- Allows a retail natural gas supplier (RNGS) to submit an application to the Public Utilities Commission (PUCO) for approval to begin a voluntary carbon offset program to allow all customer classes the chance to purchase carbon offsets, which are certified instruments that meet certain requirements that represent one ton of greenhouse gas removed from the atmosphere.
- Requires an application for a voluntary carbon offset program to include a copy of an agreement with a carbon offset registry or registries containing certain terms, the types of offsets offered to customers, and how the RNGS will prevent double counting.
- Requires PUCO to approve an application once it has verified that the RNGS is working with the registry or registries it lists on the application.
- Provides that an application cannot be denied unless verification of the identified carbon registry or registries cannot be established.
- Requires a voluntary carbon offset program to include certain procedures and terms such as: allowing for opting in and out of the program, and providing information to customers showing the amount of emissions that have been offset due to their enrollment in the program.
- Requires a RNGS to file an annual review of its voluntary carbon offset program with PUCO, which must contain certain information for PUCO to review.
- Provides that PUCO can audit an RNGS' voluntary carbon offset program under certain circumstances and requires the RNGS to provide any information requested by PUCO to complete the audit.

DETAILED ANALYSIS

Carbon offset registries

The bill allows a retail natural gas supplier (RNGS) to submit an application with the Public Utilities Commission (PUCO) for approval to begin a voluntary carbon offset program. The program allows all customer classes to enroll and purchase carbon offsets, which are instruments certified by a carbon offset registry (a nationally recognized entity that engages primarily in the development of carbon offset standards, methodologies, program registration, verification oversight, and issuance of the offsets) that represents one ton of greenhouse gas removed from the atmosphere by any method of mitigation (including, for example, planting trees and capturing and burning landfill gas), to offset any emissions that are the result of the customer's consumption and use of natural gas utility services.¹

Application requirements

The bill requires an application for a voluntary carbon offset program to include the following:

- A copy of an agreement between the RNGS and one or more carbon offset registries that show the offsets being sold meet the necessary criteria for a carbon offset and that the registry or registries will conduct regular verification to assure that the offsets are being applied correctly by the RNGS;
- A description of the types of carbon offsets the RNGS will offer to customers and a description of how the RNGS will prevent double counting (meaning when an RNGS: (1) sells the same carbon offset to two or more customers, or (2) attributes the offset produced from a single mitigation method to two or more mitigation methods).

The bill requires PUCO to approve an application once it verifies that the RNGS is working with the carbon offset registry or registries it lists on the application. An application cannot be denied, unless verification of the identified carbon registry or registries cannot be established.²

Program requirements

The bill requires a voluntary carbon offset program to include at least the following:

- Procedures to allow for customers to opt in and out of the program;
- Provide information on a customer's monthly natural gas utility service bill that shows the amount of emissions offset due to the carbon offsets the customer receives for enrollment into the program (the information may also be given as a certification by a

¹ R.C. 4929.50(A) and (B) and 4929.51.

² R.C. 4929.50(C) and 4929.53.

carbon offset registry (1) confirming the amount of offset emissions or (2) in quantifiable units of measurement detailing that information);

- An RNGS must work cooperatively with applicable natural gas companies to ensure customers receiving natural gas service through those companies will see the information described above on their monthly natural gas utility bill.³

Annual review

The bill requires an RNGS with a voluntary carbon offset program to file an annual review with PUCO, which must contain at least the following:

- The name and contact information of the carbon registry or registries the RNGS is working with;
- The type of carbon offsets available to customers;
- The total quantity of greenhouse gases that have been offset by the RNGS' carbon offset program, which must match the total amount of carbon offsets sold to customers.⁴

Potential audit

The bill allows PUCO to conduct an audit of an RNGS' voluntary carbon offset program to ensure the offsets are being applied correctly. The bill specifies that these audits can only be conducted if PUCO receives a sufficient number of customer complaints, as determined by PUCO, regarding the offsets not being applied correctly. If an RNGS is subject to an audit, it must provide any information PUCO determines is necessary to complete the audit.⁵

HISTORY

Action	Date
Introduced	10-17-23

ANSB0174IN-135/ar

³ R.C. 4929.55.

⁴ R.C. 4929.57.

⁵ R.C. 4929.59.