Ohio Legislative Service Commission

# Synopsis of Senate Committee Amendments*

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## Sub. H.B. 554

131st General Assembly
(S. Energy and Natural Resources)

### Shortening of the no-penalty period

- Changes the no-penalty period for the renewable energy, energy efficiency, and peak demand reduction provisions from three years (2017, 2018, and 2019) to two years (2017 and 2018).

### Efficiency and peak demand: shared savings, compliance, and incentives

- Removes language that would have required that if an electric distribution utility (EDU) applied banked energy efficiency savings or banked peak demand reductions to achieve compliance with an energy efficiency or peak demand reduction benchmark (as permitted under continuing law), the EDU would receive shared savings on the banked portion.

- Requires that EDUs be deemed in compliance with the energy efficiency and peak demand reduction requirements and are eligible for incentives approved by the Public Utilities Commission (PUCO) in any year in which their "actual cumulative energy efficiency and peak demand reduction savings" meet or exceed the "cumulative mandates."

### Improvements counted toward energy efficiency and peak demand

- Requires the following to be counted toward the energy efficiency and peak demand reduction requirements:
  - Energy intensity reductions resulting from heat rate improvements at electric generating plants (also prohibited from qualifying for shared savings);

* This synopsis does not address amendments that may have been adopted on the Senate Floor.

- Energy efficiency savings and peak demand reductions that occur as a consequence of consumer reductions in water usage or reductions and improvements in wastewater treatment;
- Nonelectric energy efficiency savings and nonelectric peak demand reductions that occur as a consequence of an EDU's energy efficiency and peak demand reduction portfolio plan;
- The savings and reduction associated with heat rate improvements, other efficiency improvements, or other energy intensity improvements, if proposed by an EDU and achieved since 2006 from an electric generating plant that is either owned by the EDU or, in some cases, owned and operated by an EDU affiliate (also prohibited from qualifying for shared savings).

- Requires the following to be counted toward the energy efficiency requirements only: any plan, policy, behavior, or practice that reduces the energy intensity of: a facility, pipeline, building, plant, or equipment; or any water supply function or water treatment function.

- Modifies the current definition of energy intensity and broadens the definition's applicability.

## PUCO report and testimony

- Makes the following changes regarding the annual report that the PUCO is currently required to make to the General Assembly on renewable energy:
  - Requires the report to be made by August 1st.
  - Requires the portion of the report that details EDU and electric services company (ESC) compliance with the renewable energy provisions to be based on the EDUs' and ESCs' reports to the PUCO.
  - Repeals a provision requiring the PUCO to allow and consider public comments on the report prior to its submission to the General Assembly.
  - Repeals a provision specifying that nothing in the report is binding on any person, including for the purpose of compliance with the renewable energy benchmarks.
  - Requires the report to include EDU compliance with the energy efficiency and peak demand reduction provisions, and requires that portion of the report to be based on the EDUs' reports to the PUCO.

- Requires the PUCO Chairperson to provide testimony, by September 1st of each year, on the August 1st report, to the standing committees of both houses of the General Assembly that deal with public utility matters.

## Funding for home energy assistance

- Changes funding allocations for federal funds from the Home Energy Assistance Block Grant; however, due to the effective date of the changes, they will likely have no effect.

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