



OHIO LEGISLATIVE SERVICE COMMISSION

Final Analysis

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Sub. H.B. 554

131st General Assembly
(As Passed by the General Assembly)

Reps. Amstutz, Hill, Landis, Schaffer

Sens. Balderson, Burke, Coley, Eklund, Faber, Jones, Jordan

Effective date: Vetoed*

ACT SUMMARY

** This act was vetoed in its entirety. A detailed description of the vetoed provisions is available in LSC's analysis of Sub. H.B. 554, As Reported by S. Energy & Natural Resources. Since the act was not amended on the Senate floor, that analysis accurately describes all of the provisions that were vetoed. However, note that on p. 5 of that analysis, the chart column "L-131-2143-5" should be referring to the As Reported bill version. The analysis is available online at <https://www.legislature.ohio.gov/download?key=6202&format=pdf>.*

- Would have effectively made the renewable energy, energy efficiency, and peak demand reduction requirements for 2017 and 2018 no longer true requirements.
- Would have decreased the energy efficiency benchmarks, which would have resulted in a decrease to the current cumulative requirement from 22.2% to 17.2%.
- Would have required that electric distribution utilities (EDUs) be deemed in compliance with the energy efficiency and peak demand reduction requirements and 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."
- Would have required certain savings, reductions, plans, policies, behaviors, and practices to be counted toward the energy efficiency and peak demand reduction requirements.

- Would have required every EDU and electric services company (ESC) to annually report to the PUCO its status of compliance with the renewable energy, energy efficiency, and peak demand reduction provisions, as applicable.
- Would have made changes regarding the annual report that the PUCO is currently required to make to the General Assembly on renewable energy, including requiring the report to be made by August 1 and repealing a provision requiring consideration of public comments on the report.
- Would have required the PUCO Chairperson to provide testimony, by September 1 each year, on the August 1 report, to the standing committees of both houses of the General Assembly that deal with public utility matters.
- Would have added mercantile customers to those customers that may opt out of an EDU's energy efficiency and peak demand reduction portfolio plan, effective in 2019.

CONTENT AND OPERATION

Renewable energy, energy efficiency, and peak demand requirements

The act would have effectively made the renewable energy, energy efficiency, and peak demand reduction requirements for 2017 and 2018 no longer true requirements. Other provisions would have decreased the energy efficiency benchmarks in years 2021-2025, resulting in a decrease to the cumulative requirement from 22.2% to 17.2%.¹

Compliance with and incentives for energy efficiency and peak demand

The act would have required an electric distribution utility (EDU) to be deemed in compliance with the energy efficiency and "peak demand reduction savings" requirements, and to be eligible for PUCO-approved incentives, in any year in which the EDU's "actual cumulative energy efficiency and peak demand reduction savings" meet or exceed the "cumulative mandates" under provisions governing energy efficiency and peak demand reduction.²

¹ R.C. 4928.64, 4928.643, 4928.645, 4928.65, 4928.66, and 5727.75; Section 5.

² R.C. 4928.6621(B).



Energy efficiency savings and peak demand reductions

The act would have required certain savings, reductions, plans, policies, behaviors, and practices to be counted toward the energy efficiency and peak demand reduction requirements.³

Reports, reviews, and testimony

The act would have required every EDU and electric services company (ESC) to submit an annual report for the prior calendar year to the PUCO by July 1, detailing the EDU's or ESC's status of compliance with the renewable energy, energy efficiency, and peak demand reduction provisions, as applicable.⁴

The act would have made changes to the law governing the PUCO's review of EDU and ESC compliance with the renewable energy requirements and the annual report that the PUCO is currently required to make to the General Assembly on renewable energy. The changes would have included requiring the report to be made by August 1 each year and repealing a provision requiring the PUCO to allow and consider public comments on the report prior to its submission to the General Assembly. The changes would also have required the August 1 report to include EDU compliance with the energy efficiency and peak demand reduction provisions.⁵

The act would have required the PUCO Chairperson to provide testimony on the August 1 report to the standing committees of both houses of the General Assembly that deal with public utility matters.⁶

Mercantile customer opt-out

The act would have added, effective January 1, 2019, mercantile customers to those customers that may opt out of an EDU's energy efficiency and peak demand reduction portfolio plan. Such an opt-out would have made them exempt from associated cost recovery and unable to participate in or directly benefit from the plan and associated programs.⁷

³ R.C. 4928.66(A)(2)(d)(i)(V) and (A)(2)(d)(ii), 4928.662, and 4928.6610(B).

⁴ R.C. 4928.6620(A).

⁵ R.C. 4928.64(C)(1) and (D) and 4928.6620(B).

⁶ R.C. 4928.6620(C).

⁷ R.C. 4928.6610(A) and Section 6; R.C. 4928.6611 and 4928.6613, not in the act.



Funding for home energy assistance

A provision of the act would have purported to change allocations for federal funds from the Home Energy Assistance Block Grant. Due to the associated effective date of the changes, however, they would likely have had no effect.⁸

HISTORY

ACTION	DATE
Introduced	05-09-16
Reported, H. Public Utilities	12-01-16
Passed House (56-41)	12-06-16
Motion to Reconsider (92-4)	12-06-16
Passed House (55-41)	12-06-16
Reported, S. Energy & Natural Resources	12-08-16
Passed Senate (18-13)	12-08-16
House concurred in Senate amendments (56-34)	12-08-16

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⁸ Sections 7, 8, and 9; Section 257.80 of Am. Sub. H.B. 64 of the 131st General Assembly.

