



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 363
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Hoagland

Rocky Hernandez, Attorney

SUMMARY

- Repeals the ability of a municipal corporation, township, or county (“political subdivision”) to automatically enroll all nonmercantile customers into a government aggregation program for the provision of retail electric service or retail natural gas service.
- Repeals the following requirements related to an automatic governmental aggregation program:
 - That the board of elections for a political subdivision submits the question of automatic aggregation to the electors of the subdivision.
 - The disclosure given to each person explaining that they will be automatically enrolled into the aggregation, the right to opt out, and the rates, charges, and other terms of enrollment.
 - Repeals the requirement that the Public Utilities Commission continue to maintain the “do not aggregate” list for electric customers.
- Allows customers that have been automatically enrolled in a governmental aggregation program to opt out at any time, without paying a switching fee.

DETAILED ANALYSIS

Repeal of automatic governmental aggregation

The bill repeals the ability of a municipal corporation, township, or county (“political subdivision”) to adopt an ordinance or resolution, as applicable, to automatically enroll nonmercantile retail electric loads or retail natural gas loads located within the political subdivision into a governmental aggregation program for the provision of retail electric service

or retail natural gas service.¹ Under continuing law, a political subdivision can still aggregate loads, but only with the prior consent from customers for enrollment.²

Aggregation requirements repealed

The bill repeals the following provisions necessary to the implementation of an automatic aggregation:

- The requirement that a board of elections for a political subdivision submit the question of the legislative authority to automatically aggregate to the electors at a special election on the day of the next primary or general election.³
- The requirement that the legislative authority of a political subdivision provide a disclosure to each person whose retail electric or natural gas load is to be aggregated stating that they will be enrolled automatically in the aggregation program unless they affirmatively elect, by a stated procedure, not to be enrolled, and the rates, charges, and other terms and conditions of enrollment.
- The provisions allowing customers to opt out of the aggregation after a certain number of years (three years for electric; two years for natural gas) without paying a switching fee.⁴

Electric “do not aggregate” list requirement repealed

The bill repeals the requirement that the Public Utilities Commission (PUCO) maintain a “do not aggregate” list for electric customers. Under prior law, such a customer could register with the PUCO to appear on the “do not aggregate” list if they did not want to be enrolled in a governmental aggregation for the provision of retail electric service. Political subdivisions must look at the list and exclude those appearing on the list from the aggregation. Those that added themselves to the list after being automatically enrolled in the aggregation would then be removed at the next three-year opt-out opportunity.⁵

Opt out of aggregation at any time

The bill allows customers that have been automatically enrolled in a governmental aggregation prior to the effective date of this bill to opt out at any time without paying a

¹ R.C. 4928.20; R.C. 4929.26, repealed by the bill. Mercantile customers under prior and continuing law were not, and continue not to be, subject to automatic aggregation. A “mercantile customer” is generally a commercial or industrial customer consuming electricity (1) for nonresidential use and (2) exceeding 750,000 Kwh per year or the consumer is part of a national account with multiple facilities in one or more states. R.C. 4928.10(A)(19), not in the bill.

² R.C. 4928.20; R.C. 4929.27(A)(1), not in the bill.

³ R.C. 4928.20(B); R.C. 4929.26(B), repealed by the bill.

⁴ R.C. 4928.20(D); R.C. 4929.26(D), repealed by the bill.

⁵ R.C. 4928.20(F)(5); R.C. 4928.21.

switching fee. The customer will then default to the applicable standard service offer (regarding electric customers) or the natural gas company providing the natural gas customer’s distribution service until the customer chooses an alternative supplier.⁶

HISTORY

Action	Date
Introduced	09-02-20

S0363-I-133/ks

⁶ R.C. 4928.201; R.C 4929.271.