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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 303**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 303's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Ray and Hoops

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill establishes a Community Energy Pilot Program, requires the Public Utilities Commission of Ohio (PUCO) to certify and oversee community energy facilities, ensures subscriber bill credits, and mandates administrative and reporting duties, which are expected to increase PUCO's administrative costs.

### **Detailed Analysis**

The bill requires the Public Utilities Commission of Ohio (PUCO) to establish a Community Energy Pilot Program ("Pilot Program") consisting of 1,500 megawatts (MWs) of community energy facilities (CEFs) to be implemented throughout Ohio. Under the bill, large industrial customers are prohibited from subscribing to CEFs. It also prohibits an electric distribution utility (EDU) from discriminating against CEFs or their subscribers, including imposing extraordinary fees and charges not applied to similar facilities.

The bill defines a CEF as a single facility that generates electricity by means of a solar photovoltaic device, or uses as its fuel either solar, wind, biomass, landfill gas, or hydroelectric power, or uses a microturbine, natural gas-fired generator, energy storage system, or a fuel cell and meets certain other requirements. The bill requires PUCO to annually certify 250 MWs of CEFs, based on nameplate capacity, until 1,000 MWs from such facilities are certified, and must be allocated proportionally based on the size of each EDU's retail electric sales published by the U.S. Energy Information Administration. Additionally, 500 MWs are specifically allocated for CEFs constructed exclusively on distressed sites or on commercial or public sector rooftops. A CEF must have a nameplate capacity of 10 MWs or less, or 20 MWs or less if the facility is on a distressed site or one or more commercial or public sector rooftops, as measured at the point of interconnection.

The bill requires a subscriber of a CEF to be eligible for a bill credit (the monetary value approved or revised by PUCO for each kilowatt hour of electricity generated by a CEF) from the subscriber's EDU for the proportional output of a CEF attributable to the subscriber. PUCO must set the credit equal to the EDU's retail rate (generation, transmission, and distribution), minus certain approved distribution charges, ensuring it is reasonably compensatory to support a financeable community energy market. EDUs must file tariffs reflecting the initial credit within nine months of the bill's effective date. PUCO may only adjust the credit after a program review, using a "value stack" if unallocated capacity exists, and approve revised tariffs within 12 months.

The bill further allows for a community energy organization (CEO) to account for unsubscribed electricity on a monthly basis and accumulate bill credits for the unsubscribed electricity for a period up to 12 months after it was generated with bill credits for unsubscribed electricity to be allocated to future subscribers at the CEO's direction.

## **Fiscal effect**

The bill requires PUCO to promulgate and administer rules regarding the establishment of the Pilot Program within six months of the effective date of the bill. It also requires PUCO to convene and facilitate an ongoing stakeholder working group to assist PUCO staff with effectively and efficiently promulgating rules for the Pilot Program. Four years following the establishment of such rules, PUCO is required to conduct a review of the program and submit a report of its findings to the General Assembly. Under provisions of the bill, PUCO may certify over 100 CEFs.

Additionally, CEOs are also required under the bill to decommission CEFs that have ceased generating electricity and provide for a bond, obligated to the local board of county commissioners, evidencing sufficient financial assurances to that effect. Increased administrative costs to PUCO from requirements in the bill are expected. However, it is uncertain whether these new duties could be handled by existing staff. Any additional costs would likely be paid from PUCO's largest operating expense appropriation line item, Dedicated Purpose Fund (DPF) line item 870622, Utility and Railroad Regulation.

Minimal costs are expected from the provision in the bill requiring the Department of Development to promulgate rules to award grants to eligible CEFs under the Brownfield Remediation Program. The grants and associated administrative costs from the provision of such awards are paid from DPF line item 1956A2, Brownfield Remediation.