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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 427
(with AMo815)
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 427's Bill Analysis](#)

Version: In House Energy

Primary Sponsor: Rep. Klopfenstein

Local Impact Statement Procedure Required: No

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Highlights

- The bill allows the Public Utilities of Commission of Ohio (PUCO) to approve nondiscriminatory demand response programs for residential customers and small commercial customers, with minimal administrative costs expected for PUCO.

Detailed Analysis

The bill authorizes the Public Utilities of Commission Ohio (PUCO) to approve nondiscriminatory programs for residential customers and small commercial customers that reduce demand at peak times in a rate increase application and requires that competitive retail electric service (CRES) providers be allowed to offer their customers access to these programs. It also allows electric distribution utilities (EDUs), subject to PUCO approval, to establish a voluntary demand response program (DRP) that reduces customer load during peak times through measures such as adjusting appliance settings. Customers may override these reductions but must receive compensation for participation.

The bill also permits EDUs and CRES providers to bid DRP reductions into the capacity market, with revenues required to offset program costs. PUCO may approve performance incentives for EDUs based on DRP savings and must evaluate the success of DRPs within three years of the bill's effective date, recommending potential modifications to the legislature that will enhance customer benefits.

The fiscal effect of this bill would be limited to participating utilities and their customers, as participation in the programs is voluntary and the programs are nondiscriminatory. PUCO would incur additional administrative costs to review and approve DRPs, monitor compliance, and evaluate program performance, though these costs are expected to be relatively modest. The bill would not create any direct costs for local governments.