



# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
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Office

## Substitute Bill Comparative Synopsis

**Sub. H.B. 303**

**136<sup>th</sup> General Assembly**

House Energy

Rocky Hernandez, Attorney

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (As Introduced)	Latest Version (I_136_0465-5)
<b>Township approval</b>	
Prohibits a person from commencing construction of a community energy facility (CEF) in a township unless: (1) the person holds a public meeting, according to certain requirements, and (2) the board of township trustees where the facility is proposed to be located fails to adopt a resolution to prohibit or limit the CEF's construction; requires the Public Utilities Commission (PUCO) to adopt rules to implement the township approval provisions ( <i>R.C. 519.216, 4934.15, and 4934.16</i> ).	No provision.

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<b>Ohio energy policy and PUCO rules to ensure Pilot Program guaranteed savings</b>	
Includes, in Ohio's policy under the Competitive Retail Electric Service Law, a requirement to establish evaluations and consumer protections for the Community Energy Pilot Program ("Pilot Program") that ensure subscribers are receiving guaranteed savings (the difference between the cost of a subscription to a CEF and the bill credit received) with their participation in the Pilot Program. Requires PUCO to establish evaluations and consumer protections to ensure subscribers are receiving guaranteed savings from the Pilot Program ( <i>R.C. 4928.02(S), 4934.01(G), and 4934.27(M)</i> ).	No provision.
<b>CEF criteria: Subscriber's proportional interest of CEF output</b>	
Prohibits a facility from being a CEF if any subscriber holds more than a 40% proportional interest in the CEF's output, measured as the sum total of all meters on the subscriber's property ( <i>R.C. 4934.01(D)(2)(d)</i> ).	Increases the percentage to 60% ( <i>R.C. 4934.01(D)(2)(d)</i> ).
<b>CEF criteria: Subscriptions of 40 kilowatts (kW) or less</b>	
Provides that for a facility to be a CEF, it must have not less than 60% of capacity subscribed by subscriptions of 40 kW or less based on the average annual demand for the prior 12-month period ( <i>R.C. 4934.01(D)(2)(e)</i> ).	Decreases the percentage to 40% ( <i>R.C. 4934.01(D)(2)(d)</i> ).
<b>"Subscriber" definition</b>	
Requires a CEF subscriber to be a retail electric customer that: <ul style="list-style-type: none"> <li>▪ Has a single unique tax identification number;</li> <li>▪ Has an electric meter on their property;</li> </ul>	Requires a CEF subscriber to be a retail electric customer that: <ul style="list-style-type: none"> <li>▪ Has an electric meter on their property;</li> <li>▪ Is located within the certified territory of an EDU;</li> </ul>

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<ul style="list-style-type: none"> <li>▪ Resides within the certified territory of an electric distribution utility (EDU);</li> <li>▪ Contracts for a subscription from a CEF located in the same certified territory as the customer;</li> <li>▪ Resides in the same, or a contiguous, county where the facility is located;</li> <li>▪ Is not a large industrial customer.</li> </ul> <p><i>(R.C. 4934.01(K)).</i></p>	<ul style="list-style-type: none"> <li>▪ Contracts for a subscription from a CEF located in the same certified territory as the customer;</li> <li>▪ For CEF customers with subscriptions of 40 kW or less to a CEF not located on a distressed site, the CEF must be located in either the same county as the customer or in a contiguous county to the customer's electric meter;</li> <li>▪ The customer is not a large industrial customer or mercantile customer.</li> </ul> <p><i>(R.C. 4934.01(M)).</i></p>
<b>"Mercantile customer" definition</b>	
No provision.	Defines "mercantile customer" the same way as under Ohio's Competitive Retail Electric Services Law, which is a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than 700,000 kilowatt hours per year or is part of a national account involving multiple facilities in one or more states <i>(R.C. 4934.01(I); R.C. 4928.01(A)(19), not in the bill)</i> .
<b>"Contiguous county" definition</b>	
No provision.	Defines "contiguous county" as a county that directly shares a border with another county, including, counties who only share a border with another county's endpoints, and counties that are adjacent geographically, with no intervening counties between them <i>(R.C. 4934.01(F)).</i>

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<b>“Political subdivision” definition</b>	
No provision.	Defines “political subdivision” as a county, township, or municipal corporation, or any other body corporate and politic responsible for governmental activities in a geographic area smaller than the state ( <i>R.C. 4934.01(L)</i> ).
<b>Expansion of the Pilot Program</b>	
No provision.	Provides that the amount of megawatts in the Pilot Program can only be expanded by the General Assembly ( <i>R.C. 4934.04</i> ).
<b>Customers excluded from the Pilot Program</b>	
Provides that a large industrial customer shall not participate in the Pilot Program or be charged, directly or indirectly, for any costs related to the Pilot Program ( <i>R.C. 4934.072</i> ).	Excludes large industrial and mercantile customers from the Pilot Program; specifies that large industrial customers and mercantile customers cannot be subjected to costs related to the bill credits given to CEF subscribers under the bill’s provisions ( <i>R.C. 4934.072</i> ).
<b>CEF bill credit: calculation</b>	
Requires PUCO, when determining the bill credit for each EDU, to ensure that it is set at a reasonably compensatory level to create a financeable community energy market and must consider certain things such as costs and benefits provided by CEFs participating in the Pilot Program and any other items PUCO determines is necessary ( <i>R.C. 4934.08(C), (D), and (E)</i> ).	No provision.

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<b>CEF bill credit: modification</b>	
Prohibits PUCO from modifying the initially established bill credit unless, after the 48-month review of the Pilot Program, PUCO determines a change is necessary to adjust for unallocated community energy capacity. Requires PUCO, if it makes a modification, to calculate the “value stack” (distributed generation compensation that recognizes the benefits of CEFs to the electrical grid) for each EDU and use it to revise the credit and use the revised credit to approve a new tariff ( <i>R.C. 4934.01(N), 4934.08(F), 4934.09, and 4934.37</i> ).	No provision.
<b>Net crediting program</b>	
Permits an EDU to establish a net crediting program under which the EDU makes an agreement with a community energy organization (CEO) that basically distributes among the EDUs, CEOs, and subscribers the costs, fees, charges, and credits for electric services and related to Pilot Program participation ( <i>R.C. 4934.17</i> ).	Requires each EDU to establish a net crediting program ( <i>R.C. 4934.19</i> ).
<b>PUCO jurisdiction</b>	
No provision.	Grants PUCO exclusive jurisdiction over the regulation of the interconnection of CEFs to electric utilities’ distribution systems and further provides that a board of county commissioners, a board of township trustees, or the legislative authority of a municipal corporation cannot adopt or enforce regulations governing the technical requirements, processes, or costs of interconnection for a CEF; provides that counties, townships, and municipal corporations still retain all powers to zone “small wind farms” and “small solar

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	farms” as under current law ( <i>R.C. 4934.17; R.C. 303.213, 519.213, and 713.081, not in the bill.</i> ).
<b>Brownfield Remediation Program</b>	
Makes a CEO that constructs a CEF on a brownfield eligible to receive a grant from the Brownfield Remediation Program under continuing law for the costs associated with construction and remediation ( <i>R.C. 4934.25(A); R.C. 122.6511, not in the bill.</i> ).	Limits the grant to cover costs associated with remediation only ( <i>R.C. 4934.25(A); R.C. 122.6511, not in the bill.</i> ).
<b>Stakeholder working group</b>	
Requires PUCO to convene and facilitate an ongoing stakeholder working group to assist with promulgating rules for the Pilot Program ( <i>R.C. 4934.26(A) and 4934.27.</i> ).	Allows for PUCO to alternatively designate an existing group to function as the working group ( <i>R.C. 4934.26(A) and 4934.27.</i> ).
<b>Pilot Program rules</b>	
Requires PUCO, not later than six months after the bill’s effective date, to promulgate rules to implement the Pilot Program, including the creation and establishment of CEFs and other rules ( <i>R.C. 4934.27.</i> ).	Requires PUCO, not later than 12 months after the bill’s effective date, to promulgate rules to implement the Pilot Program, which must also include rules for the collection of a reasonable application fee from each CEO participating in the program ( <i>R.C. 4934.27.</i> ).
<b>Pilot Program rules: cost recovery for administering the Pilot Program</b>	
Allows an EDU to recover reasonable costs associated with administering the Pilot Program ( <i>R.C. 4934.27(H).</i> ).	Allows an EDU to recover reasonable costs associated with administering the Pilot Program from community energy subscribers or CEOs ( <i>R.C. 4934.27(H).</i> ).

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<b>Pilot Program rules: recovery of costs from participating customers</b>	
Requires PUCO to establish rules that ensure that costs associated with the Pilot Program only be recovered from customer classes participating in the program and that no cross-subsidization of costs between customer classes occurs ( <i>R.C. 4934.27(l)</i> ).	Requires PUCO to establish rules that ensure the bill's provisions are construed to minimize direct or indirect costs related to CEFs to an EDU's nonsubscriber ratepayers and must maximize benefits to all rate classes, regardless of participation in a community energy program ( <i>R.C. 4934.27(l)</i> ).
<b>Distributed energy resources</b>	
No provision.	<p>Provides that a “distributed energy resource” that also meets the criteria to be a CEF, and meets certain other requirements, must retain its original position in the interconnection queue and remain eligible to participate in the Pilot Program if that facility meets program rules and requirements; PUCO must ensure that the projects do not restart the interconnection process or forfeit any completed engineering reviews or fees, and that projects commence any applicable study process within a certain time.</p> <p>Provides that a distributed energy resource owner or operator that fails to engage in good faith progression of the interconnection process may lose queue position or eligibility in the Pilot Program.</p> <p>Defines “distributed energy resource” as a small-scale electricity-generating or storage system connected to the distribution grid, including certain technologies that enhance grid resilience, provide energy security, and offer potential cost savings.</p> <p>(<i>R.C. 4934.28</i>).</p>

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<b>Pilot Program review</b>	
<p>Requires PUCO to conduct reviews of the Pilot Program 48 months after the program rules have been promulgated and submit a report to the General Assembly containing the following:</p> <ul style="list-style-type: none"> <li>▪ The number and location of operating CEFs and the amount of nameplate capacity certified;</li> <li>▪ The number of subscribers, how much energy was subscribed to by those subscribers, the types of customer classes that subscribed, and whether guaranteed savings were achieved by the subscribers.</li> </ul> <p>(R.C. 4934.37(A)).</p>	<p>Requires PUCO to conduct reviews of the Pilot Program 48 months after the program rules have been promulgated and <i>present</i> a report at a hearing before the appropriate committee in each chamber of the General Assembly containing the following:</p> <ul style="list-style-type: none"> <li>▪ The number and location of operating CEFs and the amount of nameplate capacity certified;</li> <li>▪ The number of subscribers, how much energy was subscribed to by those subscribers, the types of customer classes that subscribed;</li> <li>▪ Avoided costs for generation, capacity, and transmission;</li> <li>▪ Deferred transmission distribution investments;</li> <li>▪ Avoided line loss;</li> <li>▪ Increases in electric grid resiliency;</li> <li>▪ Other benefits associated with locally produced electricity;</li> <li>▪ An evaluation of the overall costs and benefits of the Pilot Program, including an assessment of whether the program has minimized costs related to CEFs to an EDU's nonsubscriber ratepayers and whether program costs and benefits have been allocated in proportion to customer participation within each rate class.</li> </ul> <p>(R.C. 4934.37(A)).</p>



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<b>PUCO review: provision of relevant information</b>	
Requires PUCO to promulgate rules to require CEOs and EDUs to provide PUCO with a report containing the information described directly above ( <i>R.C. 4934.37(B)</i> ).	No provision.