



Ohio Legislative Service Commission

Bill Analysis

Kathleen A. Luikart

S.B. 156

131st General Assembly
(As Introduced)

Sens. Jones, Lehner, LaRose, Manning

BILL SUMMARY

- Requires, rather than permits, the Director of Development Services to aggregate percentage of income payment plan (PIPP) program customers and hold an auction for their electric service.
- Requires the auction to result in the best value for universal service plan rider payers, rather than the lowest and best value for PIPP customers.
- Requires the auction to be held until a winning bid is selected.
- Requires a winning bid to reduce the cost of the PIPP program relative to the otherwise applicable standard service offer established under Ohio law.
- Eliminates the requirement that the Director adopt bidder eligibility rules.
- Eliminates the requirement that any difference between Universal Service Fund revenues and savings resulting from a competitive auction for the PIPP supply be reinvested in the Targeted Energy Efficiency and Weatherization Program.

CONTENT AND OPERATION

PIPP aggregation and auction

The bill

The bill makes the following changes to the method of procuring electric service under the percentage of income payment plan (PIPP) program established in Ohio law.¹

¹ R.C. 4928.54 to 4928.55.

Subject	The bill	Current law
Aggregation and Auction	Requires the Director of Development Services to aggregate PIPP program customers for purposes of a competitive auction for the supply of competitive retail electric service to such customers.	Permits , instead of requires, the aggregation and competitive auction. Provides that the auction is for the supply of competitive retail electric generation service.
Auction length	Requires the auction to be held until a winning bid is selected.	No provision.
Value of winning bid	Requires a winning bid to result in the best value for persons paying the universal service rider (retail electric distribution customers).	Provides that the auction objective is to result in a winning bid for retail electric generation service at the lowest and best value to PIPP customers.
Reduce PIPP costs	Requires a winning bid to reduce the cost of the PIPP program relative to the otherwise applicable standard service offer established under Ohio law.	No provision.
Mandatory bidder eligibility rules	No provision (repeals the current law requirement).	Requires bidders to be qualified under eligibility criteria the Director of Development Services prescribes by rule under the Administrative Procedure Act. Requires the rules to be adopted after consultation with the Public Utilities Commission and electric light companies.
Reinvestment of Universal Service Fund revenues	No provision (repeals the current law requirement).	Requires any difference between Universal Service Fund revenues and savings in PIPP program costs after a competitive auction for electric supply for PIPP customers to be reinvested in the Targeted Energy Efficiency and Weatherization Program, which targets high-cost, high-volume structures occupied by customers eligible for PIPP.

Background

The PIPP program allows certain low income customers to pay a percentage of their household income rather than the actual bill for residential electric service.² The program is funded by a portion of the Universal Service Rider, which is charged to

² O.A.C. 122:5-3-01; R.C. 4928.53, not in the bill.

retail electric distribution service customers.³ Under continuing law, the purpose of the aggregation of and auction for PIPP customers is to provide reliable electric service to those customers through a fair and unbiased auction process. The process will continue to require bidders to be certified to provide competitive retail electric services, and the PIPP program rules adopted by the Director will continue to ensure the performance of a winning bidder.⁴

HISTORY

ACTION	DATE
Introduced	04-30-15

S0156-I-131.docx/emr

³ R.C. 4928.52, not in the bill.

⁴ R.C. 4928.54, 4928.542, and 4928.543; R.C. 4928.53, not in the bill.

