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Office

H.B. 197
(1_135_1111-3)
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 197's Bill Analysis](#)

Version: In House Public Utilities

Primary Sponsors: Reps. Hoops and Ray

Local Impact Statement Procedure Required: No

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Highlights

- The bill adds provisions to state electric policy relating to community solar facilities (CSFs) and establishes a Community Solar Pilot Program (CSPP) to be implemented by the Public Utilities Commission of Ohio (PUCO).
- The bill requires PUCO to convene and facilitate an ongoing stakeholder working group to assist Commission staff with implementing the CSPP. PUCO must promulgate and administer rules to implement the CSPP within six months following the legislation's effective date, likely increasing the Commission's administrative costs.
- Minimal cost to the Department of Development is expected from the provision in the bill requiring the agency to promulgate rules to award grants to community solar facilities on brownfield sites eligible under the Brownfield Remediation Program.
- Four years after rules for the CSPP are established, the bill requires PUCO to conduct a review of the program and submit a report of its findings to the General Assembly.

Detailed Analysis

The bill amends state electric energy policy to encourage the development of community solar facilities (CSFs). A Community Solar Pilot Program (CSPP) consisting of 1,500 megawatts (MW) of capacity implemented among community solar facilities statewide, 500 MW of which is exclusively allocated to distressed sites, is established in the bill. The Public Utilities Commission of Ohio (PUCO) must convene and facilitate an ongoing stakeholder working group to assist Commission staff with implementing the CSPP. PUCO must promulgate and administer rules regarding the establishment of the CSPP within six months of the effective date of the bill. 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 a hundred community solar facilities. “Large industrial customers,” newly defined in the bill, are prohibited from subscribing to a share of the output of a CSF purchased from a community solar organization, or from participating in the CSPP. “Regional government aggregators,” authorized under R.C. 4928.20, conversely, are expressly authorized to participate in the program through the purchase of electricity or renewable energy credits (RECs).

Community solar organizations are also required under the bill to decommission CSFs 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 is expected; however, LBO 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) item 870622, Utility and Railroad Regulation.

Minimal cost is expected from the provision in the bill requiring the Department of Development to promulgate rules to award grants to community solar facilities eligible under the Brownfield Remediation Program. The grants and associated administrative costs from the provision of such awards are paid from DPF item 1956A2, Brownfield Remediation. The bill also requires PUCO to establish consumer protections for subscribers to CSFs and ensure that any costs associated with the CSPP only be recovered from customer classes participating in the program, with no cross-subsidization of costs between customer classes.

Synopsis of Fiscal Effect Changes

The substitute bill (I_135_1111-3) removes the establishment of the solar development program (SDP), previously to be implemented in the Appalachian region of Ohio.

Regional government aggregators, authorized under R.C. 4928.20, are expressly authorized to purchase electricity or renewable energy credits (RECs) from a community solar facility under the bill, while large industrial customers are prohibited from subscribing to a share of the output of a community solar facility (CSF).

Community solar organizations are also required under the bill to decommission CSFs 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.

The cost to the Department of Development remains minimal, with requirements for the Public Utilities Commission of Ohio (PUCO) to promulgate and administer rules still expected to increase the Commission’s administrative costs; no substantial change in fiscal effect from the substitute bill is expected.