# **Public Utilities Commission of Ohio**

#### Executive

## PUCCD2 Rehearing request

## R.C. 4903.10

Stipulates that a final order issued by PUCO is affirmed by operation of law if PUCO does not affirm, abrogate, or modify the original order within 150 days of the date it granted a rehearing request.

## Fiscal effect: None.

PUCCD6 Electric light company

## R.C. 4905.03

Excludes a facility for the production of electricity from being an "electric light company" in the public utilities law if it is located on a customergenerator's premises or, for mercantile customers, within the certified territory of the electric utility providing service to the mercantile customer, operates in parallel with the electric utility's transmission and distribution facilities, and is primarily intended to offset part or all of the customergenerator's or mercantile customer's electricity requirements.

## Fiscal effect: Potential savings in PUCO's administrative costs through decreased regulatory oversight and compliance requirements.

### PUCCD4 Net metering systems

## R.C. 4928.01, 4928.67

Modifies the definition of "net metering system" to include facilities that use fully dispatchable green energy as fuel and facilities not located on the customer-generator's premises but within the certified territory of the electric utility serving a mercantile customer.

Requires mercantile customers with off-site net metering systems to be billed for the net electricity supplied by the utility if the electricity provided exceeds the electricity generated and fed back by the customer-generator during the billing period, and for distribution and transmission services for all electricity used, according to the rates and charges in the utility's tariffs.

## Fiscal effect: Potential increase in administrative costs to regulate modified net metering systems.

#### PUCCD5 Competitive retail electric service state policy

#### R.C. 4928.02

Modifies the existing competitive retail electric service state policy by encouraging the development of customer-sited generation and expanding the current policy to ensure that a customer-generator or owner can market and deliver the electricity it produces to apply to marketing and delivering that electricity through power purchase agreements or other contractual agreements.

## Fiscal effect: None.

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#### PUCCD3 Customer sited green energy resource

## R.C. 4928.47

Allows an electric distribution utility to enter into an agreement with a mercantile customer or group of mercantile customers to construct a customer sited "green energy resource" in Ohio (in addition to customer sited renewable energy resources allowed under current law).

Fiscal effect: Potential indirect revenue increases as the inclusion of natural gas in green energy resources could boost development, leading to higher tax revenue.

PUCCD7 Percentage of Income Payment Plan (PIPP) Rider creation and Universal Service Rider repeal

#### R.C. 4928.52, 4928.53, 4928.54, 4928.542, 4928.543, 4928.544, 4928.545

Replaces the Universal Service rider with the Percentage of Income Payment Plan (PIPP) rider on retail electric distribution rates as determined by PUCO.

Requires the PIPP rider to recover the prudently incurred costs of providing the PIPP program for each electric distribution utility (EDU), the EDUs' allocated shares for funding the low-income customer assistance programs administered by ODJFS, according to each electric distribution utility's annual distribution service revenues, and any amount necessary to fund administrative costs of the low-income customer assistance programs.

Requires each EDU's allocation to include a separately designated allocation equal to the EDU's share of an amount not to exceed \$15 million annually for funding the consumer education program and requires each EDU to remit to ODJFS the EDU's allocated share for the consumer education program and its administrative costs of the low-income customer assistance programs by June 30 each year.

Requires PUCO to administer the PIPP rider and perform periodic audits of each EDU's PIPP rider, and requires PUCO to adopt rules for the administration of the PIPP rider and to cooperate with, and provide assistance to, the ODJFS Director regarding low-income customer assistance program administration.

Requires PUCO (instead of DEV) to establish a competitive procurement process for the supply of competitive retail electric service for PIPP program customers and to aggregate program customers for this purpose.

Fiscal effect: Potential increase in costs for ODJFS and PUCO and potential decrease in costs for DEV, both likely minimal. The Universal Service Fund (Fund 5M40) collected over \$357 million in FY 2024. Costs for agencies for this purpose are reimbursed by the PIPP rider, paid by electric consumers. Potential minimal change in costs of electricity for the state and local governments as ratepayers.

#### Executive

## JFSCD32 Electric Partnership Plan Fund

## R.C. 4928.51, 4928.66, 5117.07

Replaces the Universal Service Fund with the Electric Partnership Plan (EPP) Fund to provide funding for the low-income customer assistance and consumer education programs.

Requires the EPP fund to consist of (1) amounts allocated to each electric distribution utility (EDU) for consumer education programs and (2) any amount necessary to fund administrative costs of the low-income customer assistance programs.

## Fiscal effect: The budget appropriates \$176.2 million in new Fund 5M40 ALI 6006B2 Low Income Energy Assistance, in FY 2027, under ODJFS.

#### JFSCD31 Low-income customer assistance program administration

## R.C. 4928.53, 4928.55, 4928.56, 4928.75, 4928.43; Section 525.20

Transfers administration of the low-income customer assistance programs and the consumer education program beginning on July 1, 2026, and the energy efficiency and weatherization program from the DEV Director to the ODJFS Director.

Requires the ODJFS Director to submit a federal waiver request to expend 25% of federal low-income Home Energy Assistance Programs funds from the Home Energy Assistance Block Grants for weatherization services.

Requires that any business beginning before, but not completed by, July 1, 2027 within DEV that will be transferred with these programs must be completed in the same manner by ODJFS.

Requires that by July 1, 2026, the DEV and ODJFS directors must develop a plan to implement the transfer of the programs' duties and function, and the directors must enter a memorandum of understanding concerning the transfer.

Permits DEV and ODJFS to jointly or separately enter into contracts with public or private entities for staff training and development to facilitate the transfer.

Requires that all employees associated with these programs are transferred from DEV to ODJFS with the same positions and benefits by July 1, 2027. Permits ODJFS to establish, change, and abolish positions, as well as to assign, reassign, classify, reclassify, transfer, reduce, promote, or demote all employees not subject to collective bargaining. Permits ODJFS (or DEV, in the case of an employee transferred outside of ODJFS) to assign or reassign an exempt employee to a bargaining unit classification. Excludes the transfer of programs and employees under this section and the reassignment of certain functions and duties from appropriate subjects of collective bargaining.

Permits ODJFS, with approval of OBM, to establish a retirement incentive plan for transferred employees.

Requires all rules, orders, and determinations made or undertaken by the transferred programs to continue in effect until ODJFS modifies or rescinds them.

Requires OBM to make budget and accounting changes to implement the transfer. Permits OBM to cancel or establish encumbrances or parts of encumbrances. Permits OBM to transfer appropriations between ODJFS and DEV.

# **Public Utilities Commission of Ohio**

#### Executive

Fiscal effect: The budget establishes the following FY 2027 appropriations under ODJFS to support this transfer: \$180.0 million to Fund 3K90 ALI 6006B3, Home Energy Assistance Block Grant; \$45.0 million to Fund 3FI0 ALI 6006B2, Home Weatherization Program; and \$44.0 million to Fund 3K90 ALI 6006B7, HEAP Weatherization (see also JFSCD32).

## JFSCD33 Public Advisory Board

### R.C. 4928.58, 4928.63, 4928.62

Adds the ODJFS Director to the Public Advisory Board (replacing the DEV Director) and requires the Board to advise the ODJFS Director. Limits the Board's duties to advising the ODJFS Director regarding the low-income customer assistance programs.

Repeals the Board duty to give advice regarding the Universal Service Fund and Rider and the Advanced Energy Program and Advanced Energy Fund. Eliminates reimbursements to Board members for expenses incurred for the Advanced Energy Program.

Repeals Board powers and duties regarding economic development and stability, energy, and pollution matters in Ohio.

Fiscal effect: Minimal.