

As Introduced

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Representative Skindell

**Cosponsors: Representatives Foley, Brady, Lundy, Stewart, D., Letson,
Mallory, Hagan, R., Yuko, Celeste, Harwood, Chandler, Luckie, Ujvagi,
Williams, S., Fende**

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A B I L L

To enact sections 4905.66, 4905.661, 4905.662, 1
4905.663, and 4905.664 of the Revised Code to 2
create a renewable energy portfolio standard for 3
electric suppliers and authorize a state system of 4
tradable renewable energy credits. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4905.66, 4905.661, 4905.662, 6
4905.663, and 4905.664 of the Revised Code be enacted to read as 7
follows: 8

Sec. 4905.66. As used in sections 4905.66 to 4905.664 of the 9
Revised Code: 10

(A) "Biomass" means any organic matter, including any of the 11
following: 12

(1) Organic material from a plant that is grown exclusively 13
to be used in the production of electricity, either on land that 14
was in crop production on the effective date of this section, or 15
on land that is protected under the federal conservation reserve 16
program, provided the planting does not adversely affect the water 17

quality protection, soil erosion prevention, or wildlife habitat 18
enhancement purposes of that program; 19

(2) Solid, nonhazardous, cellulosic waste that is derived 20
from waste pallets, crates, dunnage, or landscape or right-of-way 21
tree trimmings; from agricultural sources including orchard tree 22
crops, vineyards, grains, legumes, or sugar; or from any crop 23
byproducts or residues; 24

(3) Animal and other organic waste; 25

(4) Municipal or unsegregated waste or garbage, but only if 26
it is converted to a clean burning fuel that is then used to 27
generate electricity. 28

"Biomass" excludes forestry resources, agricultural resource 29
waste that is useful for maintaining soil fertility or preventing 30
erosion, and paper that is commonly recycled. 31

(B) "Electric services company," "electric utility," and "net 32
metering system" have the same meanings as in section 4928.01 of 33
the Revised Code. 34

(C) "Renewable energy" means energy from biomass that is 35
available on a renewable basis; geothermal energy; wind energy; 36
energy from a hydroelectric facility that is certified on or after 37
two years following the effective date of this section as a 38
low-impact hydropower facility by the low-impact hydro institute 39
or by a comparable replacement for that institute; energy from an 40
anaerobic digester system; and energy from hydrogen but only to 41
the extent the hydrogen is a byproduct of any of the other 42
renewable energy sources listed in division (C) of this section. 43

"Renewable energy" excludes both energy produced using 44
waste-to-energy technologies, except as otherwise provided under 45
division (A)(4) of this section, and energy produced from any 46
fossil fuel. 47

(D) "Renewable energy system" means either of the following: 48

(1) A facility or energy system that uses renewable energy to generate electricity; 49
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(2) A net metering system that has renewable energy as its primary energy source. 51
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Sec. 4905.661. An electric utility that provides competitive retail electric generation service in this state and an electric services company shall derive, pursuant to periodic competitive bidding processes, such portion of its electricity supply as is specified in division (A)(1) of this section from renewable energy systems. 53
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(A)(1) The minimum aggregate amount of its electricity supply that the electric utility or electric services company shall derive from renewable energy systems shall be the following, calendar year percentages of the utility's or company's total retail electric sales in this state: 59
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<u>Year</u>	<u>Percentage</u>	64
<u>2009</u>	<u>2%</u>	65
<u>2010</u>	<u>4%</u>	66
<u>2011</u>	<u>6%</u>	67
<u>2012</u>	<u>8%</u>	68
<u>2013</u>	<u>10%</u>	69
<u>2014</u>	<u>12%</u>	70
<u>2015</u>	<u>14%</u>	71
<u>2016</u>	<u>16%</u>	72
<u>2017</u>	<u>18%</u>	73
<u>2018 and each subsequent calendar year</u>	<u>20%</u>	74

At minimum, one-half of each calendar year's percentage shall be derived from renewable energy systems that use wind energy to generate electricity. 75
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(2) For the purpose of division (A)(1) and (C) of this 78

section, a utility's or company's total retail electric sales for 79
a calendar year shall be determined by calculating, in kilowatt 80
hours, the average of its retail electric sales to consumers in 81
this state during each of the immediately preceding two calendar 82
years and those forecasted to occur in the current calendar year 83
as identified pursuant to section 4935.04 of the Revised Code. 84

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(3) For calendar year 2009 with respect to division (A)(1) of 86
this section, all of the specified percentages shall be derived 87
from one or more new systems as specified in division (B) of this 88
section. For subsequent calendar years, at minimum the entire 89
calendar year's percentage increase from the prior calendar year 90
shall be derived from one or more such new systems. 91

(4) The two standing committees of the house of 92
representatives and senate of the 132nd general assembly that have 93
primary responsibility for the topic of renewable energy shall 94
hold hearings to review the renewable energy market in the Ohio 95
region and the implementation of this section and to recommend to 96
the general assembly whether the renewable energy portfolio 97
standard percentage of division (A)(1) of this section should 98
increase after calendar year 2018. 99

(B)(1) The electric utility or electric services company 100
shall use any of the following means to comply with division 101
(A)(1) of this section: 102

(a) Acquiring electricity supply from any new renewable 103
energy system. Such a system may be one located outside this 104
state, provided that the utility or company can reasonably 105
demonstrate that the energy was sold into one of the regional 106
transmission organizations to which Ohio electric utilities 107
belong. The supply shall be that acquired only for the utility's 108
or company's customers in this state. 109

(b) Connecting to any new net metering system located in this state that has renewable energy as its primary energy source. In such instance, the utility or company may purchase the associated renewable energy credits from the owner of the net metering system and only then may count toward its compliance all of the electricity generated in the pertinent calendar year by the net metering system. 110
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(c) Acquiring any other new renewable energy credit, except that a renewable energy credit representing power generated outside this state shall be sufficient for the purpose of this section only if the state in which the power is generated has a renewable portfolio standard consistent with that established under this section. 117
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(2) For the purpose of division (B)(1) of this section, a renewable energy system is new if it was placed in operation after 1997; a net metering system is new in a calendar year if the system is first connected to the grid in the calendar year or the previous calendar year; and a renewable energy credit is new in a calendar year if it is acquired by the electric utility or electric services company in the calendar year or the previous calendar year. 123
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(C) Beginning with calendar year 2018 and for each year thereafter, each electric utility and electric services company subject to this section shall derive for its electricity supply such an amount of electricity generated from wind energy facilities located in Ohio's portion of Lake Erie that the total amount of that electricity derived for the electricity supply of all such utilities and companies equals, in the aggregate, at least two hundred fifty megawatt-hours. The public utilities commission shall adopt rules establishing the portion of that aggregate electricity amount each utility and company shall derive for its electricity supply. The rules shall determine each 131
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utility's or company's portion by dividing the utility's or 142
company's total retail electric sales in the state for the 143
preceding calendar year by the total electric retail sales in this 144
state of all the utilities and companies for that same calendar 145
year. 146

Sec. 4905.662. The public utilities commission shall 147
establish by rule a system of renewable energy credits, under 148
which each qualifying generator would receive renewable energy 149
credits as follows: 150

(A) For each megawatt-hour of renewable energy generated in 151
the state, one and one-half credits; 152

(B) For each megawatt-hour of renewable energy generated 153
outside the state, one credit. The rules shall specify the 154
allowable uses of a credit and may specify the requirements and 155
procedures for the sale or other transfer of a credit. To the 156
extent possible, the commission shall conform its rules such that 157
they are consistent with national standards. 158

Sec. 4905.663. An electric utility or electric services 159
company subject to section 4905.661 of the Revised Code shall file 160
with the public utilities commission and transmit to the 161
consumers' counsel an annual report that describes for the prior 162
year the utility's or company's compliance with that section as 163
applicable. The report shall contain such information as the 164
commission shall require by rule. The rule may require that the 165
report of a utility or company be filed as part of its annual 166
report filed pursuant to division (F) of section 4928.06 of the 167
Revised Code. 168

Sec. 4905.664. (A) The public utilities commission has 169
jurisdiction under section 4905.26 of the Revised Code, upon 170
complaint of any person or upon complaint or initiative of the 171

commission, to determine whether an electric utility or electric 172
services company has failed to comply with any provision of 173
section 4905.661 or 4905.663 of the Revised Code or any rule 174
adopted under section 4905.662 or 4905.663 of the Revised Code. 175

(B)(1) Sections 4905.54 to 4905.61 of the Revised Code shall 176
apply to any failure of a utility to comply with any provision of 177
section 4905.661 or 4905.663 of the Revised Code or any rule 178
adopted under section 4905.662 or 4905.663 of the Revised Code, 179
and shall apply to any failure of an electric services company to 180
so comply as if the company were a public utility under sections 181
4905.54 to 4905.61 of the Revised Code. The commission may assess 182
an additional forfeiture against a utility or company that it 183
finds has failed to comply with any provision of section 4905.661 184
of the Revised Code, to be collected pursuant to sections 4905.57, 185
4905.59, and 4905.60 of the Revised Code. That forfeiture shall be 186
in an amount, per kilowatt-hour of noncompliance per day, equal to 187
two times the arithmetic mean market value, during the period of 188
noncompliance, of a renewable energy credit issued pursuant to 189
section 4905.662 of the Revised Code. 190

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(2) Money collected from any forfeiture assessed pursuant to 192
section 4905.54 of the Revised Code or from any additional 193
forfeiture assessed as authorized under division (B)(1) of this 194
section shall be deposited as provided in section 4905.57 of the 195
Revised Code. 196