



MEMORANDUM

TO: Chairman Randazzo, Greg Price
FROM: Maura McClelland
CC: Scott Elisar, Jimmy Wolf, John Ryan
DATE: September 24, 2020
RE: H.B. 260 (133rd General Assembly)

Per your request, below is a summary of the audit and nuclear-credit provisions of H.B. 260 (133rd General Assembly, Representatives Denson and Weinstein, cosponsors). Some of the provisions in H.B. 260, which was introduced on May 23, 2019, are identical to provisions in Sub. H.B. 6 As Reported by the House Energy and Natural Resources Committee (H. ENR). This version of H.B. 6 was reported on the same day as H.B. 260's introduction—May 23, 2019. This memorandum notes the identical provisions.

Credits for nuclear resources, use of funds, and financial disclosures

Under H.B. 260's "Ohio Clean Air Program," a nuclear resource meeting certain criteria is eligible for clean air credits and payments for those credits. Application and other qualifying criteria for the resources include making significant contributions to air quality or reducing emissions, demonstrating that participation in the Ohio Clean Air Program will permit the resource to reduce future emissions in Ohio, and that, without participation, positive contributions to the air quality of Ohio that the resource has made may be diminished or eliminated. Resources may be decertified by the Ohio Air Quality Development Authority (OAQDA) following a public hearing.¹ The foregoing provisions are identical to those in Sub. H.B. 6 As Reported by H. ENR.

The monthly charges for the qualifying nuclear units are to be collected from all EDU customers from January 1, 2020, through December 31, 2029. The charge amounts are capped but are to be established by the PUCO in accordance with information provided by OAQDA from the financial disclosures required under the bill. The PUCO must periodically review the charges based on information from the most recent financial disclosures to determine the continued need for the charges and whether the charges are reasonable. The bill caps the charges at the following amounts:

- For customers classified by the utility as residential, \$1.25/month;
- For customers classified by the utility as commercial, \$15/month;
- For customers classified by the utility as industrial, \$200/month;

¹ R.C. 3706.40, 3706.42, and 3706.44.



- The bill further caps the charges by requiring them to cease upon reaching a total amount of \$160 million in the Ohio Clean Air Program Fund.²

A resource earns a clean air credit for each megawatt hour of electricity it produces. The price of a clean air credit is to be established by OAQDA in accordance with the information from the financial disclosures. The bill requires OAQDA to adjust the price as it determines necessary based on the most recent financial disclosures.³

The bill requires the money from clean air credits to be used only for the operation and maintenance of the resources and to cover any shortfalls regarding that operation or maintenance, including shortfalls for employee wages, salaries, and benefits. The bill prohibits the money from being applied to subsidize any profit, return on investment, or earned rate of return.⁴

The bill requires each owner of a certified resource to submit, beginning on July 1, 2021, and every six months thereafter, a financial disclosure to OAQDA. The disclosures must provide financial information regarding the operation and maintenance of the resource, including employee wages, salaries, and benefits. The disclosures must also demonstrate compliance with the bill's restrictions on the use of funds, and must provide any other financial information required under rules adopted by OAQDA.⁵

Audit and reporting requirements

The bill requires OAQDA to audit the Ohio Clean Air Program annually according to rules that the bill requires OAQDA to adopt.⁶ This provision is identical to the audit provision in Sub. H.B. 6 As Reported by H. ENR.

The bill also requires an owner of a resource receiving clean air credits to annually, beginning February 1, 2021, provide to the Governor, the General Assembly, and OAQDA a report of the following information for the prior calendar year:

- The amount of jobs created in Ohio by the resource, and the wage and salary ranges of the jobs;
- The amount of carbon dioxide emissions prevented due to the use of the resource;
- Annual tax disbursements to or from Ohio and any political subdivision of Ohio;
- The number of megawatts of electricity produced and sold by the resource and the price per megawatt hour received by the resource.⁷

² R.C. 3706.40(C) and 3706.47.

³ R.C. 3706.40(E), 3706.481, and 3706.482(B).

⁴ R.C. 3706.485.

⁵ R.C. 3706.486.

⁶ R.C. 3706.50.

⁷ R.C. 3706.51.