



Corrected Version\*\*

# Ohio Legislative Service Commission

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## Synopsis of House Committee Amendments\*

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other LSC staff

### Sub. S.B. 315

129th General Assembly  
(H. Public Utilities)

#### Oil and gas changes

##### Additional information required with oil and gas permit application

With respect to an application for a permit to drill a new horizontal well, requires the submission of the results of sampling of water wells within 1,500 feet of the proposed horizontal *wellhead* prior to commencement of drilling rather than of the proposed horizontal *well* as in the Senate-passed version of the bill.

##### Posting of approval of oil and gas permits on Division of Oil and Gas Resources Management's web site

Requires the Chief of the Division of Oil and Gas Resources Management to post notice of each oil and gas permit that has been approved on the Division of Oil and Gas Resources Management's web site no later than two business days after the application for a permit has been approved.

##### Trade secrets

Authorizes an owner or person to designate the identity, amount, concentration, or purpose of a product, fluid, or substance or of a chemical component in a product, fluid, or substance as a trade secret rather than the product, fluid, or substance or the chemical component in a product, fluid, or substance as in the Senate-passed version of the bill.

##### Trade secrets and medical professionals

Specifies that a medical professional is not precluded from making any report required by law or professional ethical standards by the provision of the bill requiring a medical professional to keep trade secret information confidential.

\* This synopsis does not address amendments that may have been adopted on the House Floor.

\*\* The correction addresses rules governing the reporting of brine and other waste substances from a registered transporter.

### **Civil action challenging trade secret**

Authorizes a property owner, an adjacent property owner, or any person or state agency that has an interest that is or may be adversely affected by a product, fluid, or substance or by a chemical component in a product, fluid, or substance to commence a civil action in the Franklin County Court of Common Pleas challenging the validity of trade secret protection for the identity, amount, concentration, or purpose of the product, fluid, or substance or of the chemical component in a product, fluid, or substance.

Requires the person commencing the civil action to provide notice of the action to the Chief in a manner prescribed by the Chief.

Requires the court to conduct an in camera review of information submitted in a civil action to determine if the identity, amount, concentration, or purpose of a product, fluid, or substance or of a chemical component in a product, fluid, or substance is entitled to trade secret protection.

### **Well completion record**

Revises the information pertaining to chemicals used in the drilling and stimulation of a well that an owner of a well must provide in the well completion record by excluding any information that is designated as a trade secret pursuant to the bill.

### **Record retention**

Requires an owner or person who has designated the identity, amount, concentration, or purpose of a product, fluid, or substance or of a chemical component in a product, fluid, or substance as a trade secret to maintain the records for such a product, fluid, or substance or for a chemical component in a product, fluid, or substance for two years after it is placed in a well.

Requires the owner or person, upon the request of the Chief, to disclose the records to the Chief if the information is necessary to respond to a spill, release, or investigation, and prohibits the Chief from disclosing information so received that is designated as a trade secret.

### **Materials to rework well**

Removes from the Senate-passed version of the bill the reporting of all materials placed into the formation to rework a well after the well is initially completed and stimulated and until the well is plugged, but retains the reporting of materials to refracture, restimulate, or newly complete a well.

## **Rules governing oil and gas injection wells**

Requires the adoption of rules requiring an injection well owner to *quarterly* submit electronic information regarding each shipment of brine or other waste substances received by the owner for injection into an injection well rather than requiring the information for each shipment to be submitted electronically as in the Senate-passed version of the bill.

Requires the adoption of rules governing the provision and electronic reporting *quarterly* of information concerning brine and other waste substances from a registered transporter.

## **Pipeline safety definitions**

Specifies that a gas gathering pipeline transports raw natural gas and a gas processing plant processes raw natural gas, rather than wet natural gas.

Defines raw natural gas as hydrocarbons that are produced in a gaseous state from gas wells that include certain elements and substances.

## **Removal of tubular steel product disclosure requirement**

Removes the requirement that each operator and pipeline company file with the Public Utilities Commission a disclosure of the country in which each tubular steel product used in the exploration, gathering, or transportation of gas or hazardous liquids was manufactured.

## **Exclusion from Power Siting Board certification**

Excludes from the definition of major utility facility for Power Siting Board certification requirements:

- Associated facilities of gathering lines, gas gathering pipelines, and processing plant gas stub pipelines;
- Any compressor station used by a gathering line.

## **Power Siting Board review for gas pipelines**

Adds "or specific customer" to the bill's provision permitting accelerated review by the Power Siting Board for a construction certificate for a short gas pipeline (five miles or less in length) needed to meet the requirements of a specific customer.

## **Annual Ohio Workforce Report**

Removes the requirement that the report include a separate breakdown of jobs created or retained for minorities based on race, ethnicity, and gender.

Requires that the report include a review of the state's regional workforce development plans required by the federal Workforce Investment Act, rather than a review of the Department of Development's recommendations for the establishment of an overall workforce investment public education agenda.

### **Fire safety standards for shale oil processing premises**

Grants the State Fire Marshal and the Board of Building Standards exclusive authority to adopt fire safety standards relating to construction at a shale oil processing premise of any structure subject to the Nonresidential Building Code.

Grants the State Fire Marshal exclusive authority to adopt all other fire safety standards relating to these premises, and requires the standards established by the State Fire Marshal to be part of the State Fire Code.

Grants the State Fire Marshal exclusive authority to enforce all fire safety standards applicable to shale oil processing premises.

Permits the State Fire Marshal to establish and collect reasonable permit and inspection fees for the regulation of a shale oil processing premise.

Defines "shale oil processing premise" as a single parcel or contiguous parcels of real estate, including any structures, facilities, appurtenances, equipment, devices and activities thereon, where the processing of substances extracted from the Point Pleasant, Utica, and Marcellus formations occurs at a natural gas liquids fractionation or natural gas processing facility; excludes from the definition a well pad or a production operation, as those terms are defined in the Oil and Gas Law.

## **Advanced- and renewable-energy changes**

### **Advanced energy resource definition**

Adds to the definition of an advanced energy resource within the competitive retail electric service law:

- Any uprated capacity, of an existing electric generating facility, resulting from the deployment of advanced technology;
- Any refueled or retrofitted generating facility located in Ohio;
- A *modular* nuclear generating facility.

## **Renewable energy resource definition**

Repeals the existing law requirement that a renewable energy resource primarily generate off peak in order for a storage facility that promotes the resource's better utilization to be considered a renewable energy resource (the Senate-passed version of the bill did not contain this repeal).

## **Methane gas renewable energy credits**

Removes a provision that prohibits biologically derived methane gas and methane gas emitted from an abandoned coal mine from being required to be converted to electricity for purposes of creating or qualifying for renewable energy credits provided the gas meets certain requirements.

Removes a provision that requires the Public Utilities Commission rules regarding renewable energy credits to specify that the quantity of energy derived from the methane gas that is equal to 3,412,142 British thermal units equals one unit of credit.

## **Tax changes**

### **Kilowatt-hour tax credit**

Removes the provision granting a dollar-for-dollar kilowatt-hour tax credit for contributions to an "energy education organization" by commercial and industrial electricity users that self assess the tax.

### **CAT and electric distribution utility phase-in-recovery property**

Modifies the statute that exempts "phase-in-recovery property" and revenues from state and local taxation within the law governing an electric distribution utility's authority to recover certain as-yet uncompensated costs by securitizing the costs (i.e., by issuing securities to cover the costs and repaying security holders over time from charges on ratepayers) by adding the following statement: "Nothing in this section prohibits the levy of the tax imposed under Chapter 5751. of the Revised Code" (i.e., the Commercial Activity Tax, which is imposed on persons doing business in Ohio on the basis of gross receipts).

Expressly exempts from the Commercial Activity Tax a person that solely facilitates or services one or more securitizations of phase-in-recovery property pursuant to a final financing order.

## Miscellaneous changes

### Anhydrous ammonia storage

Requires, rather than authorizes as in current law, the Director of Agriculture to adopt rules regarding fertilizers and anhydrous ammonia.

Specifically requires the Director to adopt rules that establish requirements governing the design and construction of storage facilities for anhydrous ammonia that is used for agricultural purposes, and requires the rules to establish standards and procedures for the approval or disapproval of the design and construction of such facilities and procedures for applying for that approval.

Prohibits a person from constructing such a storage facility on and after the bill's effective date without obtaining approval from the Director, and requires an applicant for such approval to notify specified local officials of the application.

### Power Siting Board review for electric transmission lines

Expands the types of construction-certificate applications for which the bill allows the Power Siting Board to provide accelerated reviews to the following:

- An electric transmission line that is primarily needed to attract (in addition to meet) the requirements of a specific customer *or specific customers*; and
- A rebuilding of an existing transmission line.

Deletes the bill's provision requiring, for accelerated review of electric transmission lines necessary to maintain reliable electric service as a result of the retirement or shutdown of an electric generating facility in Ohio, that the retirement or shutdown be due to environmental laws, rules, or requirements.

### Ohio Consumers' Counsel appropriation

Removes the Fiscal Year 2013 appropriation increase for the Ohio Consumers' Counsel.