
PUBLIC UTILITIES COMMISSION

Electric vehicle (EV) charging stations

- Defines certain types of vehicles as “electric vehicles” (EVs), if they are powered wholly by a system that can be recharged via an external source of electricity.
- Defines an “electric vehicle charging station” as any nonresidential electric vehicle charging system that is:
 - Capable of distributing electricity from a source outside an EV to the EV; and
 - A “direct current (DC) fast charging station” (capable of distributing electricity at least 50 kilowatts (kW) DC to an EV’s rechargeable battery at a voltage of 200 volts or more) or a “Level Two charging station” (capable of distributing electricity at least 3 but no more than 20 kW of alternating current (AC) to an EV’s rechargeable battery at a voltage of 200 volts or more).
- Excludes an electric distribution utility (EDU) and an affiliate or subsidiary of an EDU that owns or operates an EV charging station, from being classified as an “electric vehicle charging provider” (owner or operator of an electric vehicle charging station) for the purposes of the bill’s EV charging provisions.

Prohibition against EDU owning or operating EV charging stations

- Prohibits an EDU from owning or operating publicly available EV charging stations except through a separate affiliate or subsidiary that is not subject to Public Utilities Commission (PUCO) jurisdiction.

Affiliate- and subsidiary-owned EV charging stations

- Prohibits an EDU from (1) charging a subsidized rate, fee, or charge for electric service distributed to its affiliate’s or subsidiary’s public EV charging stations and (2) directly or indirectly subsidizing investments in the ownership or operation of EV charging stations with revenues from providing electric distribution service.
- Requires an EDU affiliate or subsidiary that owns or operates an EV charging station to be subject to the same rates, terms, and conditions that apply to EV charging providers in the EDU’s service territory.

Cost recovery for make-ready infrastructure

- Allows an EDU to recover the costs of make-ready infrastructure (electrical infrastructure, excluding an EV charging station, required to accommodate the EV charging station’s electrical load) through the EDU’s rates and charges so long as the subsidy is offered to EV charging providers on a nondiscriminatory basis.

EV charging stations on EDU premises

- Permits an EDU to use an EV charging station on its own premises for the sole purpose of serving its own EVs.

Electric infrastructure development

- Allows the All Ohio Future Fund to be used for, among other projects, electric infrastructure development projects conducted by EDUs and approved by PUCO.
- Defines the following:
 - “Infrastructure development” as the planning, development, and construction of EDU infrastructure including (1) substation facilities and extensions of transmission and distribution facilities that an EDU owns and operates and (2) the performance of electric load studies.
 - “Economic development project” as a land development containing a minimum of ten contiguous acres that has the potential for commercial or industrial development and that does not currently have adequate electric distribution service from an EDU.
 - “Infrastructure development costs” as costs incurred by an EDU (including, for example, an allowance for funds used during construction, depreciation, and return on equity) that are directly attributable to an economic development project.

Infrastructure development application

- After an EDU requests a reimbursement from the All Ohio Future Fund, permits the EDU to apply to PUCO for approval of (prior to its construction) infrastructure development for economic development projects, including any project approved, certified, or funded by JobsOhio.

Application requirements

- Sets requirements for what must be included in an infrastructure development application such as, for example, (1) descriptions of the economic development project and the infrastructure development necessary to support or enable that project, (2) a summary of the infrastructure development costs to be expended on the project, and (3) the development start and completion dates.

Approval of costs

- Permits PUCO to approve an infrastructure development application, if the infrastructure development is necessary to support or enable a state or local economic development project.
- Allows PUCO, for an infrastructure development application, to approve the collection of infrastructure development costs using funds from either (but not both) (1) disbursements from the All Ohio Future Fund or (2) a rider or rate mechanism under the public utility ratemaking or competitive retail electric service laws.

Approval process

- Establishes timeframes for PUCO to approve, suspend, hold a hearing for, or deny an application.

JobsOhio participation

- Permits JobsOhio to provide PUCO with a recommendation regarding the application's approval or denial.
- Specifies that if at any time there is no contract (allowed under current law) between JobsOhio and the Department of Development (DEV) in effect, DEV would perform the JobsOhio duties under the bill.

Natural gas companies

- Expands what is included as "natural gas" for purposes of determining entities that are natural gas companies under public utilities law.

Natural gas distribution service instrumentalities and facilities

- Expands the property, equipment, or facilities installed or constructed by a natural gas company that may be treated as instrumentalities and facilities for distribution service after PUCO approval.

Natural gas infrastructure development rider

Changes to infrastructure development

- Expands what is included as "infrastructure development" and what may be recovered from natural gas company customers as "infrastructure development costs" under an infrastructure development rider (IDR).

Changes to cost recovery for infrastructure development

- Increases the monthly amount that a natural gas company may recover from any single customer in this state under an IDR up to a maximum of \$3.

Sites or projects receiving All Ohio Future Fund funding

- Prohibits a natural gas company from recovering certain infrastructure development costs for particular sites or projects under an IDR where the company is approved for and accepts All Ohio Future Fund funding for those sites or projects.
- Permits a natural gas company that is prohibited from recovering certain infrastructure development costs for particular sites or projects under an IDR to recover such costs in an IDR for other sites or projects if the recovery for those sites or projects is not also prohibited.

IDR applications

- Prohibits PUCO from approving an IDR application after October 1, 2029, that includes infrastructure development costs that are for investments to utility facilities designed to provide natural gas service to certain sites.

Regulatory deferrals

- Requires PUCO, when requested by the natural gas company, to approve a regulatory deferral, including carrying costs at the company's cost of long-term debt, for the IDR revenue requirement in any year in which the approved customer charge exceeds or is expected to exceed the monthly customer cost limitation.
- Allows PUCO to grant a regulatory deferral not to exceed five years after its approval, and to grant a regulatory deferral for less than five years.
- Permits a natural gas company that does not have a PUCO-approved cost of long-term debt to propose such a cost.
- Allows a natural gas company to propose a rate or methodology for calculating carrying costs that differs from the company's cost of long-term debt approved in its most recent rate case.
- Requires PUCO to permit the natural gas company to collect deferred and unrecovered infrastructure development costs in subsequent years, subject to PUCO authority to grant deferrals not to exceed five years, as long as the rate does not exceed the monthly customer cost limitations.
- Requires PUCO to permit carrying costs to accrue until either (1) the entirety of the regulatory deferral and all carrying costs have been recovered or (2) the termination of the deferral.

Economic development projects

- Permits PUCO to approve only economic development projects involving infrastructure development costs that are an investment for any deposit for line extension required by the natural gas company.
- Permits PUCO approval if the infrastructure development costs, excluding the company's return on such costs, are projected to generate a return on investment less than the authorized return on equity.

Annual report

- Requires PUCO to issue an annual report containing certain information regarding IDR applications, amounts approved for recovery through IDR, and economic development projects.

Electric vehicle (EV) charging stations

(R.C. 4934.01, 4934.03, 4934.05, 4934.08, and 4934.11)

The bill establishes certain requirements and prohibitions related to "electric vehicle (EV) charging providers" and "EV charging stations."

EV-related definitions

Under the bill, those and related terms are defined as follows:

EV-related term	Definition
Direct current (DC) fast charging station	An EV charging system capable of distributing electricity at 50 kilowatts (kW) DC or more to an EV's rechargeable battery at a voltage of 200 volts or more.
EV	A vehicle that is powered wholly by a system that can be recharged via an external source of electricity, including a vehicle for public or private use that is a passenger car, commercial car or truck, a vehicle used for public transit, a vehicle used in a vehicle fleet, a vehicle used in construction work, and a vehicle used in industrial or warehouse work.
EV charging provider	The owner or operator of an EV charging station, but excluding any electric distribution utility (EDU) or EDU affiliate or subsidiary that owns or operates an EV charging station.
EV charging station	Any nonresidential electric vehicle charging system that is (1) capable of distributing electricity from a source outside an EV to the EV and (2) a DC fast charging station or Level Two charging station.
Level Two charging station	Any EV charging system capable of distributing electricity at a minimum of 3 or a maximum of 20 kW of alternating current (AC) to an EV's rechargeable battery at a voltage of 200 volts or more.
Make-ready infrastructure	Electrical infrastructure required to accommodate the electric load of an EV charging station, but excluding an EV charging station.

Prohibition against EDU owning or operating EV charging stations

The bill prohibits an EDU from owning or operating publicly available EV charging stations except through a separate affiliate or subsidiary that is not subject to Public Utilities Commission (PUCO) jurisdiction.

Affiliate- and subsidiary- owned EV charging stations

The bill expressly prohibits an EDU from charging its affiliate or subsidiary a subsidized rate, fee, or charge for electric service distributed to the affiliate's or subsidiary's publicly available EV charging station. It also prohibits the EDU from directly or indirectly subsidizing investments in the ownership or operation of EV charging stations with revenues it receives from providing electric distribution service.

Under the bill, an EDU's affiliate or subsidiary that owns or operates an EV charging station must be subject to the same rates, term, and conditions that apply to EV charging providers located in the EDU's certified territory.

Cost recovery for make-ready infrastructure

Nothing in the bill's EV charging provisions described above prohibits an EDU from recovering the costs of make-ready infrastructure through rates or charges authorized under the EDU's distribution rate case under the utility ratemaking law so long as the subsidies for make-ready infrastructure are offered to EV charging providers on a nondiscriminatory basis.

EV charging stations on EDU premises

Nothing in the bill's EV charging provisions described above may be construed to prohibit an EDU from operating, leasing, installing, or otherwise procuring service from an EV charging station on its own premises for the sole purpose of serving its own EVs.

Electric infrastructure development

(R.C. 126.62 and 4928.85 to 4928.89)

The bill modifies the All Ohio Future Fund to promote economic development through loans, grants, or other incentives, including electric infrastructure development conducted by an EDU and approved by PUCO.

Infrastructure development application

The bill permits an EDU to file an application with PUCO for approval of infrastructure development necessary to support or enable a state or local economic development project, including any project approved, certified, or funded by JobsOhio. Under the bill, an application may be filed only after the EDU files a request for disbursement from the All Ohio Future Fund. The EDU, prior to beginning the infrastructure development, must file and receive PUCO approval for, the application.

Under the bill, "infrastructure development" is the planning, development, and construction of EDU infrastructure, including (1) performance of electric load studies and (2) substation facilities and extensions of transmission and distribution facilities that an EDU owns and operates. An "economic development project" is a land development containing a minimum of ten contiguous acres that has the potential for commercial or industrial development and that does not currently have adequate electric distribution service from an EDU.

Application requirements

An EDU's infrastructure development application must include each of the following:

- Descriptions of the economic development project and the infrastructure development necessary to support or enable that project, including the general location and type of facilities that the applicant proposes to replace, construct, or improve;
- A description of potential uses or new customers that may be served by the project;
- A summary of the infrastructure development costs to be expended on the project;
- The proposed start and completion dates for the infrastructure development;

- A statement of support of the project from any state or local entity involved with the project;
- Other information the applicant considers relevant for PUCO's consideration.

Approval of costs

Under the bill, PUCO may approve an infrastructure development application, if the infrastructure development is necessary to support or enable a state or local economic development project. For such applications, PUCO may approve the collection of infrastructure development costs. However, the bill specifies that funds used for collection of these costs must be from either (1) a disbursement from the All Ohio Future Fund or (2) a rider or rate mechanism under the public utility ratemaking law or an electric security plan under the competitive retail service law. And, the bill prohibits using funds from both of these sources for the cost collection.

"Infrastructure development costs" are any costs of infrastructure development incurred by an EDU that are directly attributable to the economic development project. Infrastructure development costs include (1) an allowance for funds used during construction, depreciation, return on equity, ongoing operation maintenance and operation, and tax expenses, (2) project planning costs, and (3) the costs associated with obtaining the right-of-way for the project.

As listed above in (1), the bill refers to "operation maintenance and operation" costs. It is not clear what is meant by "operation maintenance" costs and how those costs differ from "operation costs." If the phrase is intended to mean "operation and maintenance" costs, an amendment to the bill may be needed to clarify this intent.

PUCO approval process

PUCO must approve or deny an application within 45 days after the application's filing date. If PUCO does not approve or deny the application within that period, the bill requires the application to be deemed approved as filed. However, under an exception created by the bill, an application is not deemed approved, if PUCO suspends the application for good cause shown. In the case of a suspension, PUCO must approve, deny, or hold a hearing on the application not later than 45 days after the suspension begins. If PUCO holds a hearing after an application suspension, PUCO must take action on the application by issuing an order approving or denying it within 30 days of the final date of the hearing.

JobsOhio participation

The bill permits JobsOhio to recommend, to PUCO, an application's approval or denial. And, as described above, an infrastructure development project application, may be for development that supports or enables any project approved, certified, or funded by JobsOhio. The bill specifies that if at any time there is no contract between JobsOhio and the Department of Development (DEV) in effect, then DEV would perform the JobsOhio duties under the bill.

Under ongoing law, DEV may execute a contract with JobsOhio to assist the DEV Director with providing services to and carrying out DEV duties.²²⁸

Natural gas companies

(R.C. 4905.03)

The bill expands what is included as “natural gas” for purposes of determining entities that are natural gas companies under public utilities law. Continuing law defines a person, firm, copartnership, voluntary association, joint-stock association, company, or corporation, wherever organized or incorporated, as a “natural gas company” when engaged in the business of supplying natural gas for lighting, power, or heating purposes to consumers within Ohio. Under the bill, “natural gas” includes natural gas that has been processed to enable consumption or to meet gas quality standards or that have been blended with propane, hydrogen, biologically derived methane gas, or any other artificially produced or produced gas.

Natural gas distribution service instrumentalities and facilities

(R.C. 4929.18)

The bill expands the property, equipment, or facilities installed or constructed by a natural gas company that may be treated as instrumentalities and facilities for distribution service if PUCO determines that treatment is just and reasonable to include:

- Property, equipment, or facilities to enable the blending of biologically derived methane gas to consumers in Ohio.
- Property, equipment, or facilities to enable interconnection with or receipt from any property, equipment, or facilities used to generate, collect, gather, or transport hydrogen, or to enable the blending of hydrogen with natural gas for supply to consumers in Ohio.

Continuing law also allows any property, equipment, or facilities to enable interconnection with or receipt from any property, equipment, or facilities used to generate collect, gather, or transport biologically derived methane gas, or to enable the supply of biologically derived methane gas to consumers in Ohio to be treated as instrumentalities and facilities for distribution service following PUCO determination that such treatment is just and reasonable. Existing law, unchanged by the bill, also provides that the property, equipment, or facilities described above that are determined to be just and reasonable by PUCO must be considered used and useful in rendering public service for purposes of determining reasonable public utility rates.

²²⁸ R.C. 187.04, not in the bill.

“Biologically derived methane gas” is defined in continuing law to mean gas from the anaerobic digestion of organic materials, including animal waste and agricultural crops and residues.²²⁹

Natural gas infrastructure development rider

(R.C. 4929.16 to 4929.163 and 4929.165)

The bill changes the law regulating a natural gas company’s ability to impose only one infrastructure development rider (IDR) for recovery of prudently incurred infrastructure development costs of one or more economic development projects.

Changes to infrastructure development

Infrastructure development

The bill defines “infrastructure development” as constructing, upgrading, or extending any other investment in, or associated with, transmission or distribution facilities a natural gas company owns or operates, except as provided for costs associated with establishing any connections with any source of supply to serve an economic development project, including interstate or intrastate pipelines, regardless of ownership of the facilities. It is not clear how this exception works and how it fits into the term “infrastructure development” because such development focuses on facilities and not their costs.

Under current law, infrastructure development simply means constructing extensions of transmission and distribution facilities that a natural gas company owns.

Infrastructure development costs

Under the bill “infrastructure development costs” are the costs associated with an investment in infrastructure development to which either of the following apply:

- **Deposit investment** – the investment is for any deposit required by the natural gas company, as defined in the line-extension provision of the company’s tariff, less any contribution in aid of construction received from the owner or developer of the project.
- **Utility facility investment** – the investment is for any utility facility designed to provide natural gas service to one of the following:
 - A site or project for which an application for certification has been filed or granted under the Brownfield Remediation Program or SiteOhio Certification Program;
 - A project in the JobsOhio Ohio site inventory program;
 - A site or economic development project that meets the criteria for site selection under the All Ohio Future Fund, regardless of whether the site or project has been approved to receive funding.

²²⁹ R.C. 5713.30(H), not in the bill.

Under the bill, infrastructure development costs also include all of the following (**included infrastructure costs**):

- Planning, development, and construction costs, including costs incurred prior to the approval of an economic development project for an IDR;
- Costs associated with establishing any connections with any source of supply to serve an economic development project, including interstate or intrastate pipelines, regardless of ownership of the facilities;
- A return on all infrastructure development costs, with such return equal to the natural gas company's return on equity authorized in the natural gas company's most recently approved rate case (this provision may cause confusion since the return included in the costs would be the return on the return itself).

Under current law, "infrastructure development costs" means the investment to which both of the following apply:

- The investment is in infrastructure development.
- The investment is for any deposit required by the natural gas company, as defined in the line-extension provision of the company's tariff, less any contribution in aid of construction received from the owner or developer of the project.

Infrastructure development costs under existing law includes planning, development, and construction costs and, if applicable, any allowance for funds used during construction.

Changes to cost recovery for infrastructure development

The bill increases the amount that a natural gas company can collect from any single customer under an IDR. A company may recover infrastructure development costs under an IDR in each monthly billing period as follows, subject to a \$3 monthly maximum for the IDR:

- For such costs that are **Deposit investment** (see discussion above), up \$1.50 per month per customer in Ohio, except that if recovery would exceed that amount, the company may request and PUCO may approve an addition \$1.50 per month charge, if PUCO determines it may encourage or facilitate infrastructure development or economic development activities in Ohio.
- For such costs that are **Utility facility investment** (see discussion above), except as discussed in "**Sites or projects receiving All Ohio Future Fund funding**" below, up to \$1.50 per month per customer in Ohio.

The bill eliminates the current law requirement that the company recover the same amount from every customer.

Sites or projects receiving All Ohio Future Fund funding

The bill prohibits a natural gas company from recovering **Utility facility investment** infrastructure development costs (see above) for a particular site or project using an IDR if both (1) the site or project is approved for funding from the All Ohio Future Fund, and (2) the company

chooses to accept funding for the site or project from the All Ohio Future Fund. However, a natural gas company that is prohibited from recovering **Utility facility investment** costs for a particular site or project in an IDR may recover **Utility facility investment** costs for other sites or economic development projects under an IDR, so long as the IDR cost recovery for those other sites or projects is not also prohibited as described above.

IDR application approval time limit

The bill prohibits PUCO from approving an IDR application after October 1, 2029, involving **Utility facility investment** infrastructure development costs and **included infrastructure costs** (see above).

Regulatory deferrals

The bill permits the natural gas company with an IDR to request, and requires PUCO to approve, a regulatory deferral, including carrying costs, for the IDR revenue requirement in which the approved customer charge exceeds or is expected to exceed the monthly limits discussed above. PUCO is permitted to grant a regulatory deferral not to exceed five years after its approval, and may grant a deferral for less than five years. PUCO must permit the company to collect any deferred and unrecovered infrastructure development costs in the subsequent year and continuing thereafter, subject to PUCO's authority to grant regulatory deferrals not to exceed five years after its approval and to grant regulatory referrals for less than five years, as long as the IDR rate does not exceed the monthly limits described above. PUCO must also permit carrying costs to accrue until either (1) the entirety of the regulatory deferral and all carrying costs have been recovered, or (2) the termination of the deferral.

The bill specifies that the carrying costs are to be at the company's cost of long-term debt as approved in the company's most recent rate case, except:

- If the company does not have a PUCO-approved cost of long-term debt, the company must propose a rate for the carrying costs; and
- The company may propose a rate or methodology for calculating carrying costs that differs from the company's cost of long-term debt approved in its most recent rate case.

Economic development projects

The bill permits a natural gas company to file an application with PUCO for approval of an economic development project for which the company will incur infrastructure development costs. Current law allows a natural gas company to apply to PUCO for approval of an economic development project, including a project for which an application has been filed under the Department of Development's SiteOhio Certification Program.²³⁰

The bill makes changes to the law that permits PUCO to approve an economic development project if the infrastructure development costs are projected to generate a return

²³⁰ R.C. 122.9511, not in the bill.

on the company's investment that is less than the most recently authorized rate of return. The bill modifies this requirement in the following ways:

- Applies the requirement only to projects involving infrastructure development costs that are a **Deposit investment** (see discussion above) instead of all economic development projects with such costs as required in current law.
- Provides that those **Deposit investment** infrastructure development costs exclude the return on all those costs (this may need clarification since approval of a project depends on the projection that the costs are projected to generate an inadequate return).
- Changes "rate of return" to "return on equity" regarding the projection that infrastructure development costs would not generate a return equal to the most recently authorized return on the company's investment.

Annual report

The bill requires PUCO to issue an annual report including all of the following:

- The number of IDR applications received and indicate whether the applications were made for (1) **deposit investment** infrastructure development costs and **included infrastructure costs** or (2) **utility facility investment** infrastructure development costs and **included infrastructure costs** (see discussion of the investments and costs above).
- The number of IDR applications approved and indicate whether the applications were approved for (1) **deposit investment** infrastructure development costs and **included infrastructure costs** or for (2) **utility facility investment** infrastructure development costs and **included infrastructure costs**.
- The monetary amount approved for recovery through each IDR and the total amount for all IDRs.
- The number of approved economic development projects on which all construction has been completed.
- A list containing the construction status of all approved economic projects, including if construction has not commenced or, if construction has commenced, but not completed, a description of any structures on which construction has been completed.