Utilities

H.B. 15

Primary Sponsor: Rep. Klopfenstein

Effective date: August 14, 2025

Standard service offer

- Requires an electric distribution utility's (EDU's) standard service offer (SSO) to be established only as a market-rate offer (MRO) by eliminating the electric security plan option and making the MRO mandatory.
- Authorizes an EDU to create necessary regulatory assets or liabilities for the resolution of any outstanding under-collection or over-collection of funds under authorized riders that will cease after the termination of the EDU's electric security plan.
- Modifies the MRO process.
- Prohibits electric utilities from providing any competitive retail electric service (CRES) in Ohio, other than through an SSO, if that service was deemed competitive or otherwise legally classified as competitive prior to August 14, 2025 (the act's effective date).
- Amends the definition of EDU to state that EDUs cannot own or operate an electric generating facility.
- Eliminates the corporate separation requirements for electric utilities that are in the business of supplying both a noncompetitive and a competitive retail electric service in Ohio, since the act prohibits electric utilities from providing a CRES designated as such prior to August 14, 2025.
- Modifies the corporate separation requirements that remain applicable to electric utilities regarding unfair competitive advantage and abuse of market power.
- Repeals the prohibition against an EDU selling or transferring any generating asset without approval of the Public Utilities Commission (PUCO).
- Requires PUCO to review each MRO application to ensure that the application and resulting MRO do not contain any rate, price, term, condition, or provision that would have an adverse effect on large-scale governmental aggregation in Ohio.
- Requires PUCO to adopt a nonbypassable cost recovery mechanism relating to transmission, ancillary, congestion, or any related services required for the SSO for each EDU that provides customers with an SSO.
- Repeals provisions in sections amended by the act that no longer serve a purpose or have no applicability.

Utility ratemaking law changes

EDU rate case requirement

- Requires each EDU to file a rate case application regarding distribution service by December 31, 2029, and at least every three years thereafter.

Rate case: property used and useful, valuation, and rates

- Makes various changes to the law governing rate increases with respect to utility property, regarding how it is reported to PUCO, valued, determined to be used and useful, and regarding its valuation effect on rate determinations.
- Permits electric light companies (ELCs) to propose a forecasted test period that proposes base rate changes for three consecutive 12-month periods, with each 12-month period subject to a true-up, as an alternative for determining utility revenue and expenses in a rate increase application.
- Requires an ELC proposing a forecasted test period to provide financial information for the test period from the company's full books, and requires PUCO to protect against the disclosure of any trade secrets or proprietary information.

Allowance for construction work in progress (CWIP)

- Repeals all CWIP provisions of utility property valuation law that allowed PUCO, in its discretion, to include in the valuation of utility property a reasonable allowance for CWIP for a construction project that was at least 75% complete.

Cost of service during the test period

- Repeals the requirement that the total of any interest on cash or credit refunds paid under the rate case deadline law be subtracted from the utility's cost of rendering public utility service during the test period for purposes of determining rates.

Rate case deadlines

- Requires PUCO to meet the following deadlines for all applications for an increase in rates filed on or after August 14, 2025:
  - Determine whether an application is complete within 45 days after the application is filed;
  - Issue a written PUCO staff report on an application within 180 days after the application is determined complete.
- Requires PUCO to issue an order on an ELC rate case application for an increase filed on or after August 14, 2025, within 360 days after the application is filed.
- Permits, for an ELC rate increase application filed on or after August 14, 2025, the company to request a temporary increase, or a party to the proceeding to request a temporary decrease, if PUCO has not issued an opinion and order on the application within 275 days after the application is filed.

- Specifies that the date an ELC rate increase application is determined or deemed complete is the date of the filing of the application for purposes of the order deadlines imposed on PUCO.

Rate case discovery limitation

- Prohibits PUCO, in a rate case, from allowing new discovery beginning not later than 215 days after the rate case application is submitted.

Repeal of obsolete coal tax credit

- Repeals provisions regarding the obsolete law for the Ohio coal tax credit in the public utility excise tax law.

Economic development and transmission billing

- Permits PUCO to approve certain programs related to economic development and transmission billing in a rate case.

Priority investment areas

- Authorizes local governments to petition the Director of Development to designate a brownfield or former coal mine as a priority investment area (PIA), within which property tax and siting incentives are provided for certain gas and electric utility projects.
- Requires the Power Siting Board (PSB) to adopt rules providing for the accelerated review of certain gas and electric utility projects located in an approved PIA.

PIA eligible projects

- Defines "PIA eligible projects" as certain activities necessary or conducive for generating, transporting, storing, or transmitting electricity at the site of a brownfield or former coal mine located in a PIA, and makes these projects eligible for a grant under the Brownfield Remediation Program.
- Prohibits the Director of Development from awarding a grant exceeding $10 million to a PIA eligible project.
- Prohibits Brownfield Remediation Grants for PIA eligible projects from being used for the construction or operation of electric generation infrastructure.

Electric and natural gas supplier certification

- Requires PUCO to establish rules to require electric services companies (ESCs) and Competitive retail natural gas suppliers (Competitive RNGS) to maintain financial assurances sufficient to protect customers, EDUs, and natural gas companies (NGCs) from default.
- Allows an EDU and NGC to set reasonable standards for its security and the security of its customers through financial requirements set in its tariffs.
- Repeals the requirement that a Competitive RNGS had to provide a performance bond sufficient to protect customers and NGCs from default.

Consumer protections

Small commercial customers of electric service

- Extends continuing law consumer protections to "small commercial customers," which are certain customers that receive electric service pursuant to a nonresidential tariff if the customer's demand for electricity generally does not exceed 25 kilowatts within the last 12 months.

Notice of CRES and CRNGS supplier rate changes

- Requires a CRES supplier or competitive retail natural gas service (CRNGS) supplier that offers certain customers a contract for a fixed introductory rate that converts to a variable rate upon the expiration of the fixed rate to send two notices to affected customers with information regarding the conversion.
- Requires the notices to be sent by standard U.S. mail or electronically with a customer's verifiable consent as follows:
  - The first notice must be sent not earlier than 90 days, and not later than 60 days, prior to the expiration of the fixed rate.
  - The second notice must be sent not earlier than 45 days and not later than 15 days prior to the expiration of the fixed rate.
- Requires CRES suppliers and CRNGS suppliers to provide an annual notice, by standard U.S. mail or electronically with a customer's verifiable consent, to customers that have entered into a contract with the supplier that has converted to a variable rate informing the customers that they are subject to a variable rate and that fixed rate contracts are available.
- Requires PUCO to implement the notice requirements described above by January 12, 2026, which must include:
  - Requiring the use of clear and unambiguous language;
  - Designing the notices in a way to ensure they cannot be confused with marketing materials.

Customer account information

- Requires PUCO to adopt rules to ensure that EDUs and NGCs process a customers' change in CRES supplier or Competitive RNGS by using customer account information, which is a unique EDU or NGC number, or other customer identification number used by the EDU or NGC to identify a customer and their account record.
- Allows a customer who consents to a change of supplier to not provide customer account information to the supplier if the customer provides a valid form of identification to establish the customer's identity accurately.

Power Siting Board (PSB)

Deadlines for nonaccelerated certificate applications

- Requires the PSB Chairperson to determine whether an application of environmental compatibility and public need complies with all application requirements within 45 days after the application is filed.
- Reduces the time within which the PSB must hold a public hearing on a certificate application to not less than 45 days nor more than 60 days after receiving the application.
- Requires the PSB to issue a certificate of environmental compatibility and public need within 150 days after the application is determined complete.

PSB transmission line applications

- Adds that a PSB transmission line application must include a summary of studies made by or for the applicant of cost-effective advanced transmission technologies that maximize the value, expand the capacity, or improve the reliability of the facility.

PSB transmission line decision finding

- Requires PSB, in order to grant a certificate for a major utility facility that is an electric transmission line, to find that the facility considered implementing cost-effective advanced transmission technologies to maximize the value, expand capacity, or improve the reliability of the facility.

Accelerated review if no further consent needed

- Requires PSB to adopt rules for the accelerated review of major utility facilities located on (1) property owned by, or under a lease with a term of 25 years or more with, the applicant, (2) an easement or right-of-way, or (3) a combination thereof, if no further consent for the construction is required by any person or entity besides the PSB.
- Directs PSB to render a decision on such an application within 60 days after its receipt.

Expired report requirement

- Repeals the dated law that required PSB to submit a report by December 1, 2021, to the General Assembly regarding power transmission systems and associated facilities and investment in Ohio.

Electric energy storage systems

- Prohibits an EDU from using any electric energy storage system to participate in the wholesale market if the EDU purchased or acquired that system for distribution service.

Energy storage definition

- Defines "energy storage" in the CRES law to be electrical generation and storage performed by a distributed energy system connected battery.

Solar energy credit program repeal

- Repeals the law that allowed certain solar energy resources to apply to the Ohio Air Quality Development Authority (OAQDA) to receive payments for solar energy credits.
- Prohibits EDUs, effective August 14, 2025, from collecting any charge authorized for the solar energy credit provisions the act repeals and the remittance of any of the funds collected to any owner or operator of a qualifying solar resource.

Transfer of remaining Solar Generation Fund amounts

- Directs OAQDA, despite the repeal of the solar energy credit provisions, to do the following by September 29, 2025:
  - Forecast the future payments expected to be made to the owners or operators of qualifying solar resources that received one or more solar energy credits in 2024.
  - Direct the State Treasurer to calculate and remit the net present value of those payments upfront to the owners or operators of the qualifying solar resources.
- Requires the Treasurer, as soon as possible after remitting the payments, to transfer the cash balance remaining in the Solar Generation Fund to the School Energy Performance Contracting Loan Fund.

Loans for school energy conservation and savings measures

- Allows city, exempted village, local, and joint vocational school districts to apply to the Facilities Construction Commission for loans from the Solar Energy Performance Contracting Loan Fund to pay energy conservation measure installment contracts and energy saving measure contracts, including for installing solar panels.
- Establishes the School Energy Performance Contracting Loan Fund as a custodial fund, administered by the Commission, to fund the loans.
- Specifies certain loan terms, including that the loan has 2% annual interest.

EDU mercantile customer agreements repeal

- Repeals law that allowed an EDU, under certain circumstances, to enter agreements with mercantile customers to construct a customer-sited renewable energy resource to provide the customer or group of customers with a material portion of their electricity requirements, with any costs being paid solely by the EDU and mercantile customers.
- Requires, despite the repeal, for mercantile customer agreements that were executed and filed with PUCO prior to August 14, 2025, to remain in effect and governed by prior law.

Legacy generation resource recovery repeal

- Repeals law that allowed an EDU to recover certain prudently incurred costs related to legacy generation resources, such as the Ohio Valley Electric Company (LGR/OVEC), through a charge on each customer's monthly electric utility bill.

- Prohibits any EDU from collecting the LGR/OVEC charge from any customer beginning August 14, 2025.
- Prohibits an EDU from applying for, and PUCO from authorizing, another LGR/OVEC rider.

- Requires PUCO to continue any investigation of LGR/OVEC commenced under continuing law for purposes of determining the prudence and reasonableness of the actions of EDUs with ownership interests in LGR/OVEC.

Refunds for utility charges

- Requires all revenues collected from customers by a public utility as part of a rider or rates that are later found to be unreasonable, unlawful, imprudent, or otherwise improper by the Supreme Court be subject to refund from the date of the Court's decision until PUCO makes changes to the rider or rates to implement the decision.
- Directs PUCO, within 30 days of the Court's decision, to order the payment of refunds to customers and determine how to allocate any remaining funds that cannot be allocated.

Settlement of matters pending before PUCO

- Prohibits an EDU or its affiliate, except as authorized by PUCO in certain instances, from inducing any party to enter into a settlement of a matter pending before PUCO by (1) making a cash payment to that party or (2) entering into any agreement or any financial or private arrangement with that party that is not made part of the public case record.

Self-generators

- Modifies the definition of "self-generator" in the CRES law to mean an entity that owns or hosts an electric generation facility on property the entity controls that produces electricity primarily for the owner's consumption and that meets other requirements, such as the facility connects directly to the owner's side of the meter.

Mercantile customer self-power systems

- Allows for the creation of mercantile customer self-power systems, which provide electric generation service to one or more mercantile customers.
- Requires PUCO to adopt rules to implement the mercantile customer self-power systems law that are applicable to EDUs.

Distribution system hosting capacity maps

- Requires every EDU, by May 31, 2026, to develop and publicly share distribution system hosting capacity maps containing certain information to be available on the EDU's website and updated at least once per quarter.
- Requires each EDU to publish annual reliability reports identified per circuit, which report must include certain metrics.

- Requires PUCO to hold at least two stakeholder meetings annually to receive input on map design, data accuracy, and usability, and establish uniform reporting standards to ensure consistency across all EDUs.
- Requires PUCO to review and publish a statewide reliability report annually, summarizing trends and recommending grid modernization measures.

Heat maps

- Requires each entity that owns, or controls, transmission facilities in Ohio, and is not a regional transmission organization, to create a heat map that includes information related to additional power load the lines and substations can take and the amount of localized generation that can be hosted on each transmission line.
- Requires the entity that created the heat map, if the map is not critical electric infrastructure information, to publish the map on the entity's website.
- Exempts an electric utility owned or operated by a municipal corporation or an electric cooperative from the heat map requirements.

ELC exemption

- Exempts a self-generator or mercantile customer self-power system from classification as an "electric light company" applicable to various provisions of law.

Certified Territories Act exemption

- Exempts certain services provided after August 14, 2025, by a mercantile customer self-power system or to an electric load center acting as a self-generator from classification as "electric service" for purposes of an electric supplier's generally exclusive right to provide electric service within its certified territory.

EDU behind the meter electric generation

- Allows an EDU to supply behind the meter electric generation service if the behind the meter electric generation facilities the EDU intends to use were filed with PUCO by March 31, 2025, under prior law allowing EDU mercantile customer agreements.
- Prohibits an EDU from recovering certain costs associated with behind the meter electric generation service from retail electric service customers that are not receiving behind the meter electric generation service from the EDU.
- Prohibits an EDU from offering direct, associated inducements for contracting with the EDU for any behind the meter electric generation service.
- Directs PUCO to periodically audit all EDUs that provide any behind the meter electric generation service to ensure compliance with the above requirements.

Settlements to close generating facilities

- Prohibits any person from entering into a settlement to abandon, close, or shut down (1) a base load electric generating facility or (2) a generating plant owned or operated by a public utility.

Renewable energy resources

- Adds a linear generator and methane gas emitted from an active coal mine as renewable energy resources in the CRES law.

CRES alternative billing and payment

- Allows a CRES supplier to offer alternative billing and payment structures as agreed upon in a service contract with a mercantile customer, without restriction to specific models, provided the supplier complies with applicable laws and regulations.
- Specifies the alternative billing and payment structure may include:
  - Daily, weekly, or milestone-based payments;
  - Online-only billing and payment requirements;
  - Prepayment-based service structures.
- Forbids PUCO from prohibiting a CRES supplier from requiring electronic payment methods as a condition of service under a nontraditional billing agreement.

Expedited return to SSO

- Requires an EDU to complete a mercantile customer's expedited return to an EDU's SSO, within three business days, pursuant to a certified request from a CRES supplier under a service agreement, voluntarily entered into by the mercantile customer, authorizing the return.
- Requires PUCO to adopt rules governing the process for the expedited return to the SSO, and allow EDUs to recover associated administrative costs through reasonable fees assessed to CRES suppliers.
- Exempts an EDU from liability for a dispute arising from the expedited return to the SSO if the EDU acts in accordance with PUCO rules.

Public utility tangible personal property (TPP) taxation

- Reduces the percentage of new and converted or repowered electric generation TPP and new energy conversion TPP subject to property tax, often called the "assessment percentage," to 7%.
- Reduces the assessment percentage on new electric and distribution TPP to 25%.
- Reduces the assessment percentage on new pipe-line company property from 88% to 25%.

- Modifies the classification and taxation of TPP used to store energy for future use as electricity.
- Specifies that a TPP and real property tax exemption for certain renewable energy projects, including payments in lieu of taxes paid pursuant to that exemption arrangement, continues despite the act's changes.

S.B. 103

Primary Sponsor: Sen. Wilkin

Effective date: March 20, 2026

Forecasted test periods and property valuation

- Allows a natural gas, water-works, and sewage disposal system company ("utility company") to propose a forecasted test period, consisting of three consecutive 12-month periods, in the same manner as an electric light company (ELC) under continuing law, which includes the following:
  - Being subject to the same property valuation and reporting requirements as ELCs;
  - Providing any financial information from the utility company's full books, which the Public Utilities Commission (PUCO) must protect from disclosure of trade secrets or proprietary information.
- Requires a water-works company to include the cost of replacing water service lines and the water service line replacement reimbursement amounts provided to customers under preexisting law on the valuation report required to be filed for a forecasted test period.

Termination of existing riders

- Prohibits a utility company that files for a forecasted test period from requesting, and PUCO from approving, any rider or other cost recovery mechanism to recover capital investment that would be in addition to the company's base rates.
- Terminates, upon rates going into effect based on an approved forecasted test period, any previously approved riders or other cost recovery mechanisms.
- Allows natural gas companies (NGCs), notwithstanding the prohibition and termination described above, to apply for, or continue collecting from, the Infrastructure Development Rider (IDR) under law unchanged by the act.

Rate case requirement

- Requires certain natural gas companies (NGCs), not later than December 31, 2029, and every three years thereafter, to file a rate case with PUCO.

Temporary rate change and automatic rate case approval

- Subjects a utility company's rate case application to increase rates to the same provisions of continuing law regarding temporary rate changes and automatic approval that are applicable to ELCs, which include:
  - If, after 275 days from the application filing date, PUCO proceedings regarding the rate increase application have not concluded, the utility company may request a temporary rate increase, and a party to the proceedings can request a temporary rate decrease.
  - Not later than 360 days from the application filing date, PUCO must issue an order on a utility company's rate case application; if not, the application is deemed approved by operation of law.

Large load customer alternative rate plans

- Defines a "large load customer" (LLC) as a customer that an NGC projects or anticipates to consume, or actually consumed, in a prior, current, or future 12-month period, more than 1,200,000 McF of natural gas.
- Allows an NGC that has already applied for, or already been approved for, an IDR to file an application to PUCO for an LLC-alternative rate plan.
- Requires an LLC-alternative rate plan to support commercial agreements entered into between the NGC and an LLC.
- Requires PUCO to approve an LLC-alternative rate plan if the NGC meets its burden of proof in a proceeding before PUCO that the LLC-alternative rate plan meets certain requirements.
- Exempts any payment received from an LLC pursuant to a commercial agreement under an LLC-alternative rate plan from being considered revenue in any ratemaking proceeding.
- Provides that an LLC-alternative rate plan application is not to be considered an application for an increase in rates.
- Requires an NGC to file with PUCO a commercial agreement with an LLC entered into pursuant to a proposed or approved LLC-alternative rate plan, which must be automatically approved unless PUCO determines, within 90 days from the date of the filing, that the agreement is inconsistent with the act's requirements.
- Requires an NGC's proposed LLC-alternative rate plan to be deemed approved by operation of law 90 days from the date the NGC filed an application, unless suspended by PUCO for good cause; the application is deemed approved if PUCO makes no decision regarding the suspension within 90 days.
- Requires an NGC with an approved LLC-alternative rate plan, upon the approval of a commercial agreement, to file a written statement with PUCO containing certain terms.

Competitive retail electric service law changes

- Repeals the requirement that PUCO adopt rules for each electric distribution utility to implement a nonbypassable cost recovery mechanism to recover costs relating to transmission, ancillary, congestion, or any related service.
- Amends the definition of "linear generator" in Ohio's Competitive Retail Electric Service law.