

I. Ohio's Renewable Energy Portfolio Standard

Ohio's Renewable Energy Portfolio Standards can be found across several Public Utilities Commission of Ohio (PUCO) Codes. All resources listed here are available in full-text in the appendices.

<https://www.puco.ohio.gov/industry-information/industry-topics/ohioe28099s-renewable-and-advanced-energy-portfolio-standard/>

Code 4901:1-39 Energy Efficiency and Demand Reduction Benchmarks

<http://codes.ohio.gov/oac/4901%3A1-39>

Full-text Word document: Appendix 1

4901:1-39-01	Definitions
4901:1-39-02	Purpose and Scope
4901:1-39-03	Program Planning Requirements
4901:1-39-04	Program Portfolio Plan and Filing Requirements
4901:1-39-05	Benchmark and Annual Status Reports
4901:1-39-06	Review of Annual Reports and Issuance of the Commission Verification Report
4901:1-39-07	Recovery Mechanism
4901:1-39-08	Mercantile Customer Exemptions

“Ohio's Alternative Energy Portfolio Standard” PowerPoint slides by Anne Goode (PUCO)

http://www.midwestchptap.org/Archive/pdfs/090407_Ohio/Goode.pdf

Comprehensive and easy to follow slide show on Ohio AEPS: Appendix 2

Database of State Incentives for Renewables & Efficiency (DSIRE)

<http://programs.dsireusa.org/system/program/detail/4542>

Summary and overview of Ohio's Energy Efficiency Portfolio Standard

Natural Resources Defense Council (NRDC) Fact Sheet on Ohio's Renewable Portfolio Standard

<https://www.nrdc.org/sites/default/files/RPS-OH.pdf>

Quick overview with commentary on legislation flaws: Appendix 3

Code 4928.64 [Advanced Energy Standard]

<http://codes.ohio.gov/orc/4928.64>

from <https://www.nrdc.org/experts/dylan-sullivan/clean-energy-ohio-senate-bill-315-much-improved-more-work-do>

Requires utilities to get 12.5 % of their energy mix from “advanced energy resources” (mainly low-carbon sources of energy like a new nuclear plant, combined heat and power project, or a coal power plant that captures and sequesters its carbon dioxide emissions) by 2025.

Appendix 4

Code 4928.66 [Implementing energy efficiency programs]

<http://codes.ohio.gov/orc/4928.66>

from <https://www.nrdc.org/experts/dylan-sullivan/clean-energy-ohio-senate-bill-315-much-improved-more-work-do>

Requires utilities to run programs that help their customers save energy.

Appendix 5

MEEA Summary Page of Ohio Policies

<http://www.mwalliance.org>

<http://www.mwalliance.org/initiatives/policy/ohio>

Midwest Energy Efficiency Alliance (MEEA) website provides a comprehensive, chronological, and relatively easy-to-read overview of Ohio’s Energy Efficiency Portfolio Standards, which can be found across Ohio legislation (Senate and House Bills) and Public Utility Commission of Ohio (PUCO) codes.

FirstEnergy Ohio is not currently a member of MEEA.

The following text, through pp. 5 of this document, is taken directly from MEEA’s website.

Energy Efficiency Standards (Electricity)

In 2008, [SB 221](#) established renewable energy and energy efficiency portfolio standards for the investor-owned electric utilities in Ohio. The energy efficiency [requirements](#) began in 2009 with a schedule that ramps up to 2.0% of electricity needs met through energy efficiency in 2019. Waste heat recovery/combined heat and power are included in the definition of energy efficiency measures that can be used to meet the targets.

Utilities file their energy efficiency program plans for a [three year period](#) and must file [annual status reports](#) including evaluation, measurement and verification (EM&V) on all programs to demonstrate their compliance with the annual targets.

2014's [SB 310](#) put a two-year freeze on the energy efficiency ramp-up schedule specified by 2008's SB 221 in addition to postponing the SB 221 targets by two years. The energy portfolio standards resumed at the new level specified in SB 310 on January 1, 2017.

Resource Planning

Ohio [requires](#) that electric utilities file an annual Long Term Forecast Report. This report includes a resource plan that includes a 10-year long-term forecast of energy needs and a discussion of how demand-side programs can help meet those needs.

Rate Structures & Incentives

Cost Recovery

The Public Utility Commission of Ohio (PUCO) [rules](#) allow utilities to submit a request for rate adjustment for cost recovery, lost revenue recovery and shared savings mechanisms as part of their program plan, subject to annual reconciliation. Mechanisms for cost-recovery are approved on a case-by-case basis.

Lost Revenue Recovery

The Ohio PUC is [authorized by legislation](#) to develop rules for decoupling for electric distribution utilities. Utilities are allowed [to submit a request](#) for lost revenue recovery mechanisms, along with cost recovery and shared savings mechanisms as part of their program plan, subject to annual reconciliation.

An electric distribution utility may apply to PUCO for approval of a revenue decoupling mechanism; however gas utilities haven't been allowed to implement a true decoupling mechanism, but have been permitted to use straight-fixed-variable rate designs. These decisions are determined on a case-by-case basis for both electric and gas utilities.

Utility Incentives

[Rules](#) allow utilities to submit a request for a shared savings incentive as part of their program plan, subject to annual reconciliation. Utility shared savings incentive mechanisms are approved on a case-by-case basis.

Noncompliance Penalties

If a utility does not meet its energy efficiency requirement through either non-compliance or under-compliance, PUCO has the [authority](#) to order forfeiture from the utility. If the utility was unable to meet its benchmarks "due to regulatory, economic or technological reasons beyond its reasonable control" then [the commission can issue](#) a waiver and lower the utility's compliance targets.

Stakeholder Collaboration

Utilities in Ohio run their own stakeholder groups, which may include industry, commercial groups, academics, nonprofits, housing advocates, government representatives and chambers of commerce. They use these groups to advise the utility on proposed energy efficiency plans and programs. Ohio does not have a statewide stakeholder process.

Program Evaluation

Cost Effectiveness Tests

Utilities in Ohio are [required](#) to use the Total Resource Cost Test (TRC) for evaluating the cost-effectiveness of energy efficiency programs for their program planning efforts. Additional tests, primarily the Program Administrator Cost Test (PACT), are used by utilities in their program evaluation, but the TRC is the only test required by the rules.

Net vs. Gross

Ohio utilities report gross energy savings; they do not have a requirement for measuring free-ridership or spillover effects.

Technical Resource Manual

The evaluation of ratepayer-funded energy efficiency programs in Ohio relies on [regulatory orders](#). Both the utilities and the Public Utilities Commission of Ohio administer evaluations. Rules and requirements for these evaluations are drafted in the [Draft Technical Reference Manual](#) and the [Draft Technical Reference Manual](#). Evaluations are conducted statewide and for each of the utilities.

State Energy Plan or Vision

Governor Kasich's [21st Century Energy Policy](#) focuses heavily on supply-side energy production, but promotes energy efficiency to help offset rising energy prices. It does this by improving state building energy efficiency, bringing new efficiency technologies and programs to Ohio, increasing the efficiency of state fleets and expanding customer access to green energy pricing programs.

State Agency Energy Reduction Requirement

There is no longer a specific requirement for state agency energy reduction. The previous requirement by former Governor Strickland ordered the creation of a cabinet-level energy advisor, directed state agencies to audit buildings and achieve a 5% reduction in energy use that fiscal year and a 15% reduction by the end of four fiscal years. That order expired on January 1, 2011 and has not been renewed. The state does encourage energy efficiency in state buildings and provides support through the Office of Energy Services.

The [Office of Energy Services](#) (OES) within the State Architect's Office provides engineering, design and contracting assistance to state agencies to achieve cost-effective reductions in energy use, and the OES uses the US Department of Energy's Portfolio Manager software to meet the requirements for energy efficiency in new state building construction.

EE in New State Buildings

Ohio code [requires](#) life-cycle cost analysis and energy consumption analysis for all new or renovated state buildings, and consumption analysis prior to new leases. All state buildings must be operated by [certified building operators](#) and track their energy use.

State-owned facilities are required to use the EPA's Energy Star Portfolio Manager as a benchmarking tool. The Advanced Energy Law ([H.B. 251](#)), enacted in 2007, requires institutions of higher education to impose minimum efficiency standards - at least 20 percent by 2014 from a 2004 baseline- for new buildings and leased buildings larger than 20,000 square feet. The Ohio School Facilities Commission requires all new school construction to meet the LEED silver standard, with the non-binding goal of meeting the LEED gold standard.