



Revised energy bill moves closer to final passage

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A high-profile energy bill is prepped for a Senate floor vote – and potential House concurrence – on Wednesday after clearing committee.

The Senate Energy Committee on Tuesday adopted what is expected to be the final round of changes to the bill (HB 15), which continues to enjoy broad support from lawmakers and stakeholders.

The committee then unanimously reported the measure, setting the stage for a Senate vote in a chamber that has already unanimously passed a substantially similar companion bill (SB 2).

That keeps the plan on track to potentially meet House Speaker Matt Huffman's (R-Lima) prediction earlier this month of a House concurrence vote later that day to send it on to Gov. Mike DeWine.

The revisions adopted marry the House proposal with its Senate companion and represent largely "minor tweaks," according to SB2 author Sen. Bill Reineke (R-Tiffin). (HB15 Sub Bill Summary)

"The old adage applies here: Perfect is the enemy of good," Chair Sen. Brian Chavez (R-Marietta) said. "We know this bill is not perfect, but we also know that there is a lot of good in this bill."

The changes did eliminate some provisions, including those related to demand response programs and a community energy pilot program. Also removed was language giving the Ohio Power Siting Board greater oversight over certain transmission projects – a cut Ohio Consumers' Counsel Maureen Willis argued against.

"No one is reviewing these projects," Willis testified, noting the ballooning utility spending on supplemental transmission projects that critics say exist in a regulatory gap. (See Gongwer Ohio Report, March 24, 2025)

"Ohio consumers, your constituents, pay 100% of those costs," she said.

Chavez said those items – which were present in HB15, but not necessarily SB2 – were removed "because we felt that they were better as standalone bills."

As far as talks between the two chambers, Chavez said, "I think we're very well aligned on all the issues. I'd be surprised if there wasn't concurrence."

The thrust of the bill tracks with earlier versions by: eliminating electric security plans in favor of a three-year rate case requirement for utilities, with annual true ups required; adjusting tangible personal property taxes on new generation from 25% to 7% starting in Tax Year 2027; and immediately repealing Ohio Valley Electric Corp. cost recovery.

Other components of the wide-ranging energy overhaul include language:

- Establishing new regulatory deadlines for the Public Utilities Commission of Ohio, including a 320-day deadline for final rulings in rate cases.
- Creating a priority investment area mechanism in which streamlined regulatory approval would apply under the Ohio Power Siting Board and establishing an accelerated review process for major utility facilities.
- Requiring electric distribution utilities to publish capacity and "heat maps" showing capabilities, transmission lines, substations and other information about the grid. (See Gongwer Ohio Report, March 14, 2025)

Sen. Jerry Cirino (R-Kirtland) also thanked negotiators for including a definition for "repowering," related to the taxation changes. That is characterized as the replacement of original production equipment that is equivalent to a new facility in that 80% of the true value derives from new production.

Cirino said the language will ensure the state's nuclear plants "will not find themselves in a quandary when they spend perhaps significant capital dollars to upgrade or improve public safety."

Ranking Member Sen. Kent Smith (D-Euclid) praised the bipartisan legislative process that led to the bill. He called the OVEC repeal and the three-year requirement for utility rate cases "huge wins for Ohio consumers."

"I wasn't going to tell (Chavez) this until the bill was over, but if just those two things would have made it into the bill, I was going to push our side to be a yes," he said.

The bill has faced utility opposition, but it was proponents, like Willis, who turned out in person for the final hearing; at least one opponent, FirstEnergy, in recent days signaled it has already resigned to the prospect of the bill's enactment. (See Gongwer Ohio Report, April 24, 2025)

Although praising the bill for "significant strides in consumer protection and regulatory reform," Willis reiterated her belief language tying the start of refunds of unlawful charges to the date of the court decision to that effect could ties the hands of the PUCO in approving charges subject to potential refund.

The Nature Conservancy, the Ohio Manufacturers' Association and the Ohio Conservative Energy Forum also expressed continued support.

Even interested parties submitting feedback provided notes of praise, with the County Commissioners Association of Ohio calling the taxation change "simple but crucial."

"CCAO believes that reduction in the assessment rate of new generation PUTPP from 24% to 7% strikes a good balance between providing incentives to attract new generation and ensuring that local governments can provide for the safety needs of these facilities with little disruption to existing taxpayers," the association wrote.

Fellow interested party the Buckeye Institute branded it the "most free-market piece of energy legislation since the deregulation efforts in the late 1990s."

The sole opposition expressed during the final hearing came from a pair of citizens concerned with the elimination of the community energy pilot program from the final bill and questioning whether accelerated siting reviews may jeopardize the vetting process.