



Mid-Ohio Regional
Planning Commission

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Memorandum

TO: Executive Committee Members

FROM: Steve Campbell, Chair of Regional Policy Roundtable
Steve Stolte, Chair of Sustainability Advisory Committee

DATE: March 3, 2016

SUBJECT: TO CONSIDER THE REGIONAL POLICY ROOUNDTABLE AND SUSTAINABILITY ADVISORY COMMITTEE'S RECOMENDED LEGISLATIVE ACTIONS ON THE RECOMMENDATIONS PROVIDED BY THE OHIO ENERGY MANDATES STUDY COMMITTEE

The purpose of this memo is to consider the recommendations provided by the members of the Regional Policy Roundtable and Sustainability Advisory Committee (SAC), who held a joint meeting on February 26, 2016, on the recommendations of the Ohio Energy Mandates Study Committee.

At the meeting, members reviewed the 2016 Public Policy Agenda and the 2015-16 Regional Sustainability Agenda. **We agreed that any recommendation position taken by the members of the joint meeting would be consistent with the following goals provided below:**

Goal 4 Public Policy Agenda: *"Promote energy efficiency and an abundant supply of safe, reliable, and affordable sources of energy for our growing region."*

Goal 2 Regional Sustainability Agenda: *"Gather, report, and work on public policy issues and opportunities related to sustainability consistent with the Public Policy Agenda and leadership of the Policy Roundtable."*

At the conclusion of the joint meeting the body recommended the following actions for MORPC to take:

- Actively oppose the indefinite freeze.
- To not act on the second recommendation of the Ohio Energy Mandates Study Committee, which would provide an expedited process at the PUCO for the review of new utility plans for energy efficiency.
- Actively supportive of appropriate credits and recommend taking a closer look at details.

William Murdock, AICP
Executive Director

Eric S. Phillips
Chair

Matt Greeson
Vice Chair

Rory McGuiness
Secretary

- Actively support a combination of mandates and incentives, with the idea that incentives will help meet the mandates.
- No action on declaring the General Assembly retains statutory authority with respect to energy policy and dispatch protocols.

Background

SB 221 - Creation of Ohio's Advanced Energy Initiative

In May 2008, Ohio enacted SB 221 broad electric industry restructuring legislation containing advanced energy and renewable energy generation and procurement requirements. These standards apply for investor-owned utilities (IOUs) and Certified Retail Electric Service (CRES) providers under Public Utilities Commission of Ohio (PUCO) jurisdiction.

IOUs and CRES companies must provide 25 percent of their retail electricity supply from advanced and/or alternative energy resources by 2025. Provisions for meeting the standard include:

- Advanced Coal and Advanced Nuclear Generation: Half of the standard (12.5%) can be met with advanced coal and/or advanced nuclear generation capacity.
- Renewable Generation: Half of the standard (12.5%) can be met utilizing renewable generation (wind, solar, biomass and/or any PUCO approved renewable technology).
- Half of all generation assets used to meet the standard must be located within Ohio.

SB 221 also requires IOUs to implement peak demand reduction and energy efficiency (PDR/EE) programs that achieve a cumulative energy savings of 22 percent by the end of 2025, and reduce peak demand by 1.0 percent in 2009 and 0.75 percent annually thereafter through 2018.

Annual benchmarks for 2009-24 were created to monitor the progress of incorporating advanced and alternative (renewable) generation, as well as results of PDR/EE programs.

SB 310 - Review of Ohio's Advanced Energy Initiative

In May 2014, Ohio enacted SB 310, a review of its Advanced Energy Initiative. The legislation temporarily freezes SB 221 energy generation and PDR/EE benchmarks at 2014 levels for two years. A legislative panel, known as the Energy Mandates Study Committee, was formed to examine issues related to adopting these standards and benchmarks. SB 310 instructed the panel to issue a report on their findings and recommendations by September 30, 2015. Should the legislature not act on any of the panel's recommendations, most SB 221 standards would automatically resume in 2017 and continue through 2027?

Energy Mandates Study Committee, Report, and Recommended Legislative Actions for MORPC

The Energy Mandates Study Committee included six members of the Ohio House of Representatives, six members of the Ohio Senate, and the Chairman of the Public Utilities Commission of Ohio. The group held hearings to study Ohio's renewable energy, peak demand reduction and energy efficiency standards, and released its report with several recommendations concerning Ohio's Advanced Energy Initiative.

For each of the five recommended actions provided by the Ohio Energy Mandates Study Committee, the group reached a consensus recommended legislative approach for MORPC to take.

Most importantly, these recommended approaches are consistent with both MORPC's 2016 Public Policy Agenda and 2015-16 Regional Sustainability Agenda.

The following recommended approaches are provided in bold below:

1. Extend the SB 310 freeze indefinitely
 - **Actively oppose the indefinite freeze.**
2. Provide an expedited process at the PUCO for the review of new utility plans for energy Efficiency
 - **No action.**
3. Investigate and ensure maximum credit for all of Ohio's energy initiatives
 - **Actively supportive of appropriate credits and recommend taking a closer look at details.**
4. Switch from energy mandates to energy incentives
 - **Actively support of a combination of mandates and incentives, with the idea that incentives will help meet the mandates.**
5. Declare the General Assembly retains statutory authority with respect to energy policy and dispatch protocols
 - **No action.**

MORPC's committee structure was effectively put into action at this joint meeting by giving the SAC, Regional Policy Roundtable, and Executive Committee members the opportunity to deliberate on each recommendation.

Next Steps

As chairs of the Regional Policy Roundtable and SAC, we strongly urge members of the Executive Committee to support the proposed recommended legislative actions.

Should the members of the Executive Committee approve these recommendations a resolution will be drafted for a vote at MORPC's next Commission Meeting on Thursday, March, 10, 2016.