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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 143
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 143's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Romanchuk

Local Impact Statement Procedure Required: No

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Highlights

- The bill may minimally increase the Public Utilities Commission's administrative costs, paid from the Public Utilities Fund (Fund 5F60).
- The bill does not have any direct effect on local governments' expenditures.

Detailed Analysis

The bill changes the state utility ratemaking law. The bill requires an electric distribution utility (EDU) to file a rate case application regarding distribution by not later than five years after the bill's effective date and at least every five years thereafter. The bill eliminates electric security plans (ESPs) and requires all electric standard service offers to be delivered through market-rate offers (MROs). The bill specifies that an electric security plan that was approved after January 1, 2023, must not extend beyond June 1, 2027. Please refer to the LSC bill analysis for a more detailed description of the bill's provisions. Most provisions in the bill have no significant fiscal effect on the state or local governments. However, changes to the authority and duties of the Public Utilities Commission of Ohio (PUCO) may affect its expenditures.

The bill requires an EDU (1) to establish a standard service offer price for retail electric generation service that is delivered to the utility under an MRO and (2) to initiate its competitive bidding process after PUCO's determination that the EDU meets the requirements. Under existing law, an EDU has a discretion to establish an MRO-based standard service offer and to initiate a competitive bidding process. The bill retains most MRO aspects under existing law, but eliminates certain MRO requirements. The bill also specifies additional duties related to governmental aggregation requirements and review process for PUCO. Specifically, the Commission must review each MRO application filed by an EDU to ensure that the application

and resulting MRO does not contain any rate, price, term, condition, or provision that would have an adverse effect on large-scale governmental aggregation in Ohio.

Fiscal effect

The changes associated with PUCO's duties and responsibilities under the bill may minimally increase PUCO's expenditures. Any increase in such expenditures would be paid from the Public Utilities Fund (Fund 5F60). The bill has no direct fiscal effect on local governments. However, the bill may potentially indirectly affect electric utility rates paid by the state and local governments.