

AN ACT

To amend sections 4929.16, 4929.161, 4929.162, 4929.163, and 4929.165 and to enact section 3704.20 of the Revised Code to prohibit a state agency, county, or township from restricting the sale or use of a motor vehicle based on the energy source used to power the motor vehicle; to prohibit a state agency from adopting the California emissions standards for motor vehicles; and to change the requirements for natural gas company infrastructure development riders and economic development projects.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 4929.16, 4929.161, 4929.162, 4929.163, and 4929.165 be amended and section 3704.20 of the Revised Code be enacted to read as follows:

Sec. 3704.20. (A) No state agency, township, or county shall restrict the use or sale of a motor vehicle based on the energy source used to power the motor vehicle, including an energy source used for propulsion or used for powering other functions of the motor vehicle.

(B) The environmental protection agency or any other state agency shall not adopt any motor vehicle emissions standards that are established by California as a result of California having received a waiver pursuant to section 209(b) of the federal Clean Air Act.

Sec. 4929.16. As used in sections 4929.16 to 4929.167 of the Revised Code:

(A) "Infrastructure development" means constructing ~~extensions of~~, upgrading, extending, or any other investment in, or associated with, transmission or distribution facilities that, except as provided for in division (B)(2)(b) of this section, a natural gas company owns and operates.

(B)(1) "Infrastructure development costs" means ~~the costs associated with an investment in infrastructure development to which both~~ either of the following apply:

(1) The investment is in infrastructure development.

(2)(a) The investment is for any deposit required by the natural gas company, as defined in the line-extension provision of the company's tariff, less any contribution in aid of construction received from the owner or developer of the project.

(b) The investment is designed to provide natural gas service to a site or economic development project that is supported by JobsOhio, any JobsOhio network or regional partner, or the department of development.

(2) "Infrastructure development costs" includes ~~planning~~, all of the following:

(a) ~~Planning~~, development, and construction costs and, if applicable, any allowance for funds used during construction, including costs incurred prior to the approval of an economic development

project pursuant to section 4929.163 of the Revised Code;

(b) Costs associated with establishing or upgrading any connections with any source of supply to serve an economic development project, including interstate or intrastate pipelines, regardless of ownership of the facilities;

(c) A return on all infrastructure development costs, with such return equal to the natural gas company's return on equity authorized in the natural gas company's most recently approved rate case under section 4909.18 of the Revised Code.

Sec. 4929.161. (A) A natural gas company may file an application with the public utilities commission for approval of an infrastructure development rider to recover prudently incurred infrastructure development costs of one or more economic development projects approved under section 4929.163 of the Revised Code.

(B) The commission shall approve a maximum of one infrastructure development rider per company.

(C) The commission shall not accept an application for infrastructure development costs described under division (B)(1)(b) of section 4929.16 of the Revised Code unless a natural gas company has obtained a notification by JobsOhio, any JobsOhio network or regional partner, or the director of development that the project should be considered. The commission shall not approve an application for an economic development project that includes infrastructure development costs described under division (B)(1)(b) of section 4929.16 of the Revised Code filed beyond six years from the effective date of the amendment to this section by H.B. 201 of the 135th general assembly.

(D) Notwithstanding division (C) of this section, recovery of infrastructure development costs pursuant to section 4929.16 of the Revised Code for any approved economic development projects filed within six years of the effective date of the amendment to this section by H.B. 201 of the 135th general assembly shall continue until such time as all costs eligible for recovery under sections 4929.16 to 4929.163 of the Revised Code are recovered.

Sec. 4929.162. Under an infrastructure development rider, in each monthly billing period:

(A) The natural gas company may not recover more than one dollar and fifty cents from any single customer in this state, for all projects that were approved under section 4929.163 of the Revised Code and for which recovery was authorized under that rider.

(B) The company shall recover the same amount from every customer.

(C)(1) If requested by the natural gas company, the public utilities commission shall approve a regulatory deferral, including carrying costs at the company's cost of long-term debt as approved in its most recent rate case or as otherwise provided in division (C)(2) of this section, for the infrastructure development rider revenue requirement in any year in which the approved customer charge exceeds or is expected to exceed the limitation under division (A) of this section. Only new costs from that year may be considered a part of the cost contributing to the excess in customer charges. No costs from previous years shall contribute to that amount, unless the costs are associated with a previously approved deferral under this division.

(2) If the natural gas company does not have a commission-approved cost of long-term debt, the company shall propose a rate for the carrying cost. The company may propose a rate or methodology for calculating carrying costs that differs from the company's cost of long-term debt approved in its most recent rate case.

(3) The commission shall permit the company to collect any deferred and unrecovered infrastructure development costs in the subsequent year and continuing thereafter, subject to division (C)(5) of this section, so long as the infrastructure development rider rate does not exceed the limit in division (A) of this section. Once costs have been applied to an approved regulatory deferral, the costs remain as part of that deferral and shall not be reallocated to a future deferral application.

(4) The commission shall permit carrying costs to accrue until such time as the entirety of the regulatory deferral and all carrying costs have been recovered, or until the termination of the deferral either by commission order, court order, or subject to division (C)(5) of this section.

(5) The commission may grant a deferral under this section not to exceed five years after its approval by the commission. The commission may grant a deferral under this section for less than five years. After the deferral period granted by the commission has ended, any remaining unrecovered costs shall not be subject to future deferral, a rate case, or other cost recovery mechanism.

(D)(1) The commission, for an applicant's economic development project, may approve the collection of any infrastructure development costs that are not funded through a disbursement from the all Ohio future fund under section 126.62 of the Revised Code or through another rider or rate mechanism approved under section 4909.18 of the Revised Code.

(2) A natural gas company that is prohibited under division (D)(1) of this section from recovering infrastructure development costs for a particular site or project in an infrastructure development rider may recover infrastructure development costs for other sites or economic development projects under division (B)(1)(b) of section 4929.16 of the Revised Code that do not satisfy the requirements of division (D)(1) of this section.

Sec. 4929.163. (A) A natural gas company may file an application with the public utilities commission for approval of an economic development project, ~~including a project for which an application has been made under section 122.9511 of the Revised Code for certification under the SiteOhio certification program for which the company will incur infrastructure development costs.~~

(B) The company shall file the application for project approval prior to beginning the project.

(C) The application for project approval, to the extent applicable, shall contain a description of each of the following:

- (1) The economic development project;
- (2) The infrastructure development costs to be expended on the project;
- (3) How the project meets the criteria set forth in rules adopted under division (D) of this section;

(4) The support for the project by an economic development entity or chamber of commerce. For purposes of this application requirement, "economic development entity" includes any of the following:

- (a) JobsOhio or any JobsOhio network or regional partner;
- (b) ~~Development services agency~~ Department of development;
- (c) Port authority created under Chapter 4582. of the Revised Code;
- (d) Special improvement district created under Chapter 1710. of the Revised Code;
- (e) Community urban redevelopment corporation qualified to operate under Chapter 1728. of the Revised Code;
- (f) Community improvement corporation organized under Chapter 1724. of the Revised Code;
- (g) New community authority organized under Chapter 349. of the Revised Code;
- (h) Joint economic development district created under section 715.70 or 715.71 of the Revised Code;
- (i) Development corporation organized under Chapter 1726. of the Revised Code;
- (j) Municipal utility district designated under section 715.84 of the Revised Code.

~~(D)(1)~~ (D)(1) The commission shall adopt rules setting forth the criteria for project approval under this section.

(2) The commission may approve a project under this section that involves infrastructure development costs described in division (B)(1)(a) of section 4929.16 of the Revised Code if the infrastructure development costs, excluding the return set forth in division (B)(2)(c) of section 4929.16 of the Revised Code, are projected to generate a return on the company's investment that is less than the most recently authorized rate of return on equity.

(E) The commission shall adopt rules to provide for an accelerated review of an application filed under division (A) of this section. The rules shall provide for the automatic approval of the application not later than thirty days after the date of the application filing unless the commission suspends the application for good cause shown. If the application is suspended, the commission shall approve, deny, modify, or hold a hearing on the application not later than forty-five days after the date that the suspension begins.

Sec. 4929.165. (A) A natural gas company that has established an infrastructure development rider under section 4929.161 of the Revised Code shall file an annual report with the public utilities commission. The report shall do both of the following:

~~(A)(1)~~ (1) Detail the infrastructure development costs related to the applicable economic development project or projects;

~~(B)(2)~~ (2) Set forth the rider rate for the twelve months following the annual report.

(B) The commission annually shall submit to the general assembly, in accordance with section 101.68 of the Revised Code, a report describing all of the following:

(1) The number of applications filed pursuant to division (B)(1)(a) of section 4929.16 of the

Revised Code and the number of applications filed pursuant to division (B)(1)(b) of section 4929.16 of the Revised Code;

(2) The number of applications approved that were filed pursuant to division (B)(1)(a) of section 4929.16 of the Revised Code and the number of applications approved that were filed pursuant to division (B)(1)(b) of section 4929.16 of the Revised Code;

(3) The monetary amount approved for recovery through each natural gas company infrastructure development rider and the total monetary amount approved for recovery through all infrastructure development riders for all natural gas companies;

(4) The number of approved economic development projects on which all construction has been completed;

(5) A list containing the construction status of all approved economic projects, including if construction has not commenced or, if construction has commenced, but not completed, a description of any structures on which construction has been completed.

SECTION 2. That existing sections 4929.16, 4929.161, 4929.162, 4929.163, and 4929.165 of the Revised Code are hereby repealed.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20 ____.

Secretary of State.

File No. _____ Effective Date _____