

Ohio Passes House Bill 6 to Save Nuclear Power Plants

By Madison Lisotto Whalen

Today a comprehensive, and somewhat contentious, bipartisan energy package, House Bill 6, cleared the Ohio House of Representatives and was signed into law by Governor Mike DeWine within hours. There were over 500 proponent and opponent public testimonies over a three-month period, ranging from corporations, labor unions, energy groups, non-profit advocacy groups, local governments and private citizens.

The main components of the legislation include:

- **Local Government**

- Contingent on annual management and financial reviews, Ohio's qualifying nuclear plants, Davis-Besse near Toledo and Perry northeast of Cleveland, will receive \$150 million to continue operating in Ohio until 2027. To achieve this, Ohio electricity customers will pay a new monthly surcharge ranging from 85 cents for residential customers to \$2,400 for large industrial plants to subsidize from 2021 until 2027. Without the subsidy, the two nuclear plants are estimated to close by 2021.

- **Solar Energy**

- The remaining \$20 million collected from the new electricity surcharge will be used to support the development of six solar power projects being built in rural areas around the state.

- **Coal Plants**

- Beginning in January 2020, ratepayers will pay a surcharge of up to \$1.50 monthly (and up to \$1,500 per month for commercial and industrial users) to subsidize coal plants in Ohio and Indiana run by the Ohio Valley Electric Corporation. This surcharge is estimated to collect between \$50 to \$60 million a year through 2030. The Ohio Valley Electric Corporation was created in the 1950s to provide power for a U.S. military uranium enrichment plant in southern Ohio, but that plant closed in 2001 resulting in the coal plants often selling power at a loss.

- **Energy-efficiency and renewable-energy mandates for utilities**

- The legislation also effectively ends current energy-efficiency and renewable-energy mandates for utilities, which are estimated to cost residential customers an average of \$4.74 per month.
- Although the energy-efficiency standards were not automatically eliminated by House Bill 6, the legislation calls for an end to the mandates for each utility once it achieves a 17.5-percent power reduction, which is a level that most of the utilities have almost reached.

- **Overall electricity rate changes for Ohioans**

- In totality, as a result of House Bill 6, Ohio ratepayers are estimated to pay \$3.83 less a month on their electric bills. According to the Ohio Senate, this equates to a \$961 million reduction to the overall electric bills of Ohio ratepayers over seven years.

In regard to House Bill 6, Governor DeWine indicated “Our goal all along was to save the nuclear plants, save the jobs and to keep the costs of energy down...I think it’s important for the state of Ohio to be able to have a significant amount of energy that is created to be carbon-free. Having nuclear plants, today, is the only way we’re going to be able to achieve that.”

If you have any questions about these changes and how they may affect you and your business, please contact any of the listed Roetzel attorneys.

Lewis Adkins, Jr.

Practice Group Manager
Public Law, Regulatory and Finance
216.615.4842 | ladkins@ralaw.com

Matthew J. Borges

614.723.2091 | mborges@ralaw.com

Melissa R. Hoeffel

614.723.2070 | mhoeffel@ralaw.com

Daniel G. Hilson

614.723.2060 | dhilson@ralaw.com

Alex Thomas

614.723.2038 | athomas@ralaw.com

Madison Lisotto Whalen

614.723.2025 | mwhalen@ralaw.com

This alert is informational only and should not be construed as legal advice. ©2019 Roetzel & Andress LPA. All rights reserved. For more information, please contact Roetzel’s Marketing Department at 330.762.7725