



Provided by
GONGWER
NEWS SERVICE, INC.
www.gongwer-oh.com

MEMORANDUM

TO: Public Utilities Interested Parties

FROM: Senator William J. Seitz

DATE: February 1, 2013

SUBJECT: Topics for Discussion

We intend to introduce placeholder legislation to begin a meaningful review of the energy efficiency and renewable portfolio standard issues last addressed by Senate Bill 221 in 2008 and Senate Bill 315 in 2012. As the Chair of the Senate Public Utilities Committee, I write to solicit your input on topics that should be studied as we move towards holding that review.

The gist of the bill to be introduced will simply be that "It is the General Assembly's intent to review the energy efficiency and renewable portfolio standard provisions of SB 221, as thereafter modified by legislation, including but not limited to the following sub-issues:"

I am open to considering any sub-issues that you would like to see us review. Some of the ones that occur to me are:

1. Whether the annual targets for energy efficiency should be frozen in place given the changes occurring since 2008.
2. Whether the "3% cost cap" contained in the legislation should be revised, and whether it has been properly interpreted by the PUCO.

3. Whether and to what extent utilities should be free to exceed the 3% cost cap if they wish to do so.
4. Whether and to what extent the cost incurred by utilities in complying with the energy efficiency/renewable portfolio standard mandates are or should be bypassable or non-bypassable charges, and whether the PUCO has correctly upheld the original intent of the law in permitting incentive programs by utilities that in effect make certain charges non-bypassable.
5. Whether renewables offerors face undue legal barriers to more cost effectively competing which could be reduced by programs such as virtual net metering or facilitating master limited partnerships.
6. Whether processes need to be established in statute or at the PUCO level to permit more accurate and transparent levelized cost comparisons of the true cost of various fuels available to produce electricity.
7. Whether it makes sense to continue to have carve outs or separate silos within the EE/RPS categories for particular forms of fuels, or whether instead they should all be placed in the same sandbox to compete head to head in their attraction to utility companies.
8. Whether adequate processes exist to determine whether utilities are being prudent purchasers of their requirements to fulfill the existing mandates.
9. In the event that the current EE/RPS benchmarks are significantly altered or abolished, whether and to what extent provisions should be made to nonetheless protect the validity of contracts entered into in good faith on the strength of the prior statutory mandates.

Inasmuch as I am not as knowledgeable on these subjects as are any of the recipients of this invitation, I am sure there are more topics to consider and I wouldn't be surprised if the list above is not even correctly worded. Therefore, you are cordially invited to chime in by sending your suggestions to my Senate Office not later than two weeks from today's date (February 15).

Once the placeholder is introduced, I intend to commence hearings on the sub-issues identified, and when that process runs its course, to then amend the placeholder with a substitute bill on which there will be additional hearings before any vote is taken in the committee. Should you have questions, please call my office at 614-466-8068.

Thank you in advance for any input you choose to provide.

cc: Senate Public Utilities Committee Members
Representative Peter Stautberg, House Public Utilities Committee Chairman
Jason Mauk
Liz Connolly
Steve Ewing