

Ohio House passes bills to ax coal fees, attract new energy to the state

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Lawmakers agree: Ohio must create more energy to avoid blackouts and high electric bills while still powering new data centers and technology.

But they have slightly different ideas about how to attract new energy generators to Ohio while cutting the fees that consumers currently pay.

During a Wednesday debate on the House floor, lawmakers focused on fees tacked onto Ohioans' electric bills for two coal plants, including one in Indiana.

"This is the last pillar of the largest scandal in our state's history," said Rep. Josh Williams, R-Sylvania Township, referencing a pay-to-play scheme that sent [former Ohio House Speaker Larry Householder to prison for 20 years](#). "An industry is going to understand when you get caught, not making a bad deal but bribing an official, these members in the House are going to work hard to remove any benefit you got."

But not everyone was convinced. Former Speaker Jason Stephens, a Kitts Hill Republican who represents the area where the Ohio plant is located, said it was "totally unfair" to end the coal plant fees immediately. Rep. Don Jones, R-Freeport, said the coal plant fees should continue – or at least give companies time to adjust.

After that debate, lawmakers in the Ohio House of Representatives passed [House Bill 15](#), 90-3, which aims to tackle many of the state's energy policy problems. The [Ohio Senate unanimously passed a different proposal](#), [Senate Bill 2](#), last week.

Both proposed laws have faced dozens of revisions and could face several more before any sweeping energy policy is delivered to GOP Gov. Mike DeWine's desk.

What would House Bill 15 do?

The House's sweeping energy bill, sponsored by Rep. Roy Klopfenstein, R-Haviland, would:

- Eliminate fees on Ohioans' electric bills for two coal plants, including one in Indiana. Ohioans have already paid more than \$670 million for the two Ohio Valley Electric Corporation coal plants, which are owned by several utilities, since 2017, according to an [Ohio Manufacturing Association report](#). Eliminating the fee would save Ohioans \$591.4 million through 2030, according [to a fiscal analysis](#). In committee, lawmakers rejected an amendment that would have ended the OVEC fees on Dec. 31, 2026, instead of immediately. Committee chairman Adam Holmes said Ohioans couldn't afford to extend the deadline. "We have to speak for them."
- End a solar energy generation fee, which has collected more than \$60 million from Ohioans. Most of that money hasn't been spent, [according to Cleveland.com](#). The House plan would give Ohioans refunds for these fees. Both fees were included in a 2019 law, called [House Bill 6](#), which also included a \$1 billion bailout for nuclear plants. That law was at the heart of a federal investigation into corruption at the Ohio Statehouse.
- Reduce taxes on property owned by new energy generators from 24% to 7%. Existing power plants would be taxed the same, alleviating a concern from local school boards that they would lose money.
- Reduce taxes on new transmission and distribution property from 88% to 25%.
- Require more scrutiny of fees added to Ohioans' electric bills by eliminating electric security plans, which tack on charges that receive less review from utility regulators.
- Require utilities to refund fees once the Ohio Supreme Court finds them unlawful, imprudent or improper. The refunds would start when the court issues a decision, not when they were first applied.

"Today is a big win for the pocketbooks of Ohio," said Rep. Sean Patrick Brennan, D-Parma.

How are the House and Senate bills different?

Both bills want to improve access to energy in Ohio and protect ratepayers. But they approach them in slightly different ways. Those changes must be hashed out before DeWine can sign these policies into law.

Speaker Matt Huffman, R-Lima, said those conversations will happen next month, but both chambers agree: "We're not subsidizing directly utilities anymore."

Those differences include:

- Tax rates. [Senate Bill 2](#) would eliminate the tangible personal property tax, which is assessed on business property, for energy first generated in 2026 or later. The House bill would tax it at 7%.
- What happens with solar fees already collected. The House would refund customers. The Senate proposed giving the money to schools to improve their energy efficiency.
- New ideas. The House version would create a Community Energy Pilot Program, which would allow customers to opt into smaller, local projects for solar, wind, natural gas generators, biomass, hydroelectric or fuel cells.
- Where [anaerobic digesters](#) can be placed. The Senate version would allow county commissioners, zoning appeals boards, township trustees and municipal councils to decide where these tanks that break down waste, manure and other organic matter.
- Thermostat control. A last-minute Senate change would allow consumers to receive a \$40 annual credit from their utility if they give the utility access to their smart thermostat so it can be adjusted from one to three degrees during peak energy hours and do not override it more than 50% of the time.