



Jon A. Husted
Speaker, 37th House District

October 1, 2008

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PUCO

Alan Schriber, Chairman
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Dear Chairman Schriber:

It is my understanding the Public Utilities Commission of Ohio (PUCO) is now undertaking the task of writing rules to comply with the passage of Senate Bill 221. I would like to take a moment to respond to some of the draft rules that have been circulated in hopes of clarifying the legislative intent of the Ohio General Assembly with regard to Senate Bill 221.

The legislation makes great strides in the fields of advanced and renewable energy with the goals of providing Ohioans with cleaner, greener forms of energy, creating jobs, implementing conservation standards and reducing energy usage.

After reviewing the proposed rules, I was troubled to see the addition of a waiver in Administrative Code section 4901:1-40 that states the "PUCO may waive any requirements of Chapter 4901:1-40-02 of the Administrative Code for good cause shown". I respectfully ask, that 4901:1-40-02 (B) be removed from the proposed rule package because it does not meet the legislative intent of Senate Bill 221. The issue of cost was specifically addressed though the three percent cost cap and the force majeure language that was included in Senate Bill 221.

After reviewing the public comments regarding the three percent cap put in place for advanced and renewable energy, there seems to be confusion in several areas which I would like to address.

- 1) It was the intent of the legislature that there be two separate caps in place: one for advanced energy and the other for renewable energy so that the costs of each are assessed on their own merits.
- 2) The cost cap calculations should compare the cost of new conventional generation to new renewable or advanced energy generation so the analysis is an "apples to apples" comparison.
- 3) A utility should comply with a benchmark to the extent the cost caps are not triggered, even if that means only part of a benchmark is met. This ensures industry growth each year.
- 4) If a cost cap is triggered in a given year, the rules should require the utility to nonetheless meet the following year's benchmark if doing so would not trigger the cost cap.

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I would encourage the PUCO to resolve any potential ambiguities regarding Senate Bill 221 in favor of the legislative intent to encourage the advanced and renewable energy industry to flourish in Ohio and maximize the economic and environmental benefits to the state.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Jon A. Husted". The signature is written in a cursive, flowing style.

Jon A. Husted
Speaker
Ohio House of Representatives

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