



Green Strategies Bulletin



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New Legislation Aimed at Requiring Solar-Sourced Energy in Ohio Schools

The Ohio General Assembly recently introduced House Bill 113 (the Bill), which, as currently drafted, would make significant changes to school district authority to contract for energy conservation measures. Of significant interest to both school districts and alternative energy providers, the Bill also proposes to require at least 25 percent of schools in a school district to have a long-term supply of solar-sourced energy within five years. The Bill, co-sponsored by Representative Mike Foley (D-District 14), and Representative Louis W. Blessing, Jr. (R-District 29), would give school boards additional flexibility in funding renewable on-site generation projects.

If passed as currently drafted, the Bill would allow school districts additional flexibility in financing and contracting for on-site generation projects. The Bill proposes to allow a school district to submit a request for approval to the Ohio School Facilities Commission (OSFC) to incur indebtedness to install solar, wind, geothermal, or any other type of technology which would generate electricity from a renewable energy source. Upon receiving OSFC approval, the school district is permitted to issue unvoted securities, within limits, to finance the project. In addition, the Bill as proposed would allow school districts to contract for other energy conservation measures, if the district finds that overall operational and maintenance savings would ensue over a 30-year period, as opposed to the 15-year period in current law.

The types of generation projects which are contemplated under the draft provisions in financing the Bill are very broad. Renewable energy resources are defined in current law and include:

- solar photovoltaic energy
- solar thermal energy
- wind energy
- hydroelectric power
- geothermal energy
- fuel derived from solid wastes
- biomass energy
- biologically derived methane gas
- energy derived from non-treated byproducts of pulping or wood manufacturing processes
- fuel cell technology

Specific to solar technologies, the Bill requires that 25 percent of Ohio school buildings, as identified by the Board of Education, have a solar-sourced energy supply within five years of the Bill's message. Districts that cannot economically meet the requirements will be exempted. As currently drafted, the Bill does not include other energy generation technologies in the 25 percent mandate.

School districts also are given additional flexibility in contracting for renewable energy generation measures. Current law, which allows school districts to use an installment payment contract to purchase energy conservation measures, would be expanded by the Bill also to include renew-

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able energy generation measures. In addition, the Bill would allow a lease-purchase type arrangement where the seller of the renewable energy generation retains title to the equipment for all or part of the term. By encouraging energy generation, in addition to energy conservation, the Bill should create another vehicle for Ohio schools to obtain energy efficiencies.

Finally, the Bill would require every school district in the state to ensure that at least 25 percent of the district's schools have a long-term supply of solar-sourced energy. School districts are given five years after the effective date of the section to comply. Districts are permitted to comply at less than 25 percent upon a determination that compliance would not be economical.

School districts are given flexibility to provide the solar systems either through direct ownership or via a contract with a third-party provider. Boards may utilize an installment payment contract for the solar system. If they directly own the system where the board is serving as a host to a system owned by a third-party provider, the board is required to enter into a

power purchase agreement to supply solar-generated electricity to the school.

The Bill, as currently drafted, further requires that solar systems installed under the Bill must be capable of generating the annual average electricity load of the school and be capable of producing 50 kilowatts. Districts are not permitted to purchase renewable energy resource credits in lieu of meeting the requirements of this proposed section. Finally, the Bill allows renewable energy generation measures to receive funding under the Department of Development Advanced Energy Program.

If passed as enacted, House Bill 113 will have significant impact for all Ohio school districts as well as solar, photovoltaic, and solar thermal producers in the state.

For more information about the Solar in Schools proposed legislation or other alternative energy matters, please contact Maria J. Armstrong at 614.227.8821 or marmstrong@bricker.com.

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