



Common Sense Initiative

Mike DeWine, *Governor*

Jim Tressel, *Lt. Governor*

MEMORANDUM

TO: Jeffrey Jones, Public Utilities Commission of Ohio

FROM: Caleb White, Business Advocate

DATE: February 10, 2026

RE: CSI Review – Net Metering (OAC 4901:1-10-28)

Pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Commission as provided for in ORC 107.54.

Analysis

This rule package consists of one no-change rule proposed by the Public Utilities Commission of Ohio (PUCO) as a part of the statutory five-year review process. This rule package was submitted to the CSI Office on November 5, 2025, and the public comment period was held open through November 28, 2025. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on November 5, 2025.

Ohio Administrative Code (OAC) 4901:1-10-28 establishes the definitions, requirements and standards for net metering. This rule requires electric utilities to develop a tariff for net metering and make said tariff available to the customers they serve. Electric companies that supply customers with service rather than a utility are also permitted to offer net metering to their customers but are not required to do so. This rule establishes the requirements for customers to receive net metering, how excess generation credits are calculated the measurement of net electricity, and the responsibilities of an electric utility related to net metering. This rule additionally establishes a separate set of requirements for hospitals to receive net metering and allows hospitals that use two meters to be

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credited at market rate at the time they generate the electricity.

During early stakeholder outreach, the PUCO scheduled a workshop to discuss the rule with stakeholders on May 20, 2025. No comments were received during this period.

During the CSI public comment period the PUCO received eight comments from Ohio Power Company (AEP), Solar United Neighbors(SUN), Interstate Gas Supply, LLC (IGS), Ohio Consumers' Counsel (OCC), Retail Energy Supply Association (RESA), Citizens Utility Board of Ohio (CUB Ohio), as well as a joint comment from the Ohio Environmental Council (OEC) and Environmental Law and Policy Center (ELPC). The PUCO also received approximately 275 comments from the public in support of the rule. In its comments AEP contended that the current rule conflicts with the authorizing statute which prohibits the PUCO from requiring electric distribution utilities (EDUs) to offer net metering to shopping customers and states that net metering only applies to standard-service customers. AEP further argued that since competitive retail electric services (CRES) providers rather than utilities supply electricity to shopping customers and it is delivered by utilities, a plain language reading of ORC 4928.67 would exclude shopping customers. AEP also argued that net metering customers use more of the distribution system as they need to send and receive electricity at different times. AEP concluded that this results in windfall payment to net metering customers and a subsidization of EDUs. AEP requested that language be added to the rule to make explicit that EDUs pay generation credits for their customers and CRES providers pay generation credits for their customers. OCC submitted a comment that shared the concerns raised by AEP stating that it believes customer generators are not paying a fair share of the distribution costs and expressed support for AEP's proposed language. SUN, IGS, RESA, OEC/ELPC, and CUB Ohio all submitted comments in support of the rule.

The PUCO replied to AEP and OCC's concerns and stated that it disagreed with AEP's contention that the current rule contradicts statute as the current standards were exhaustively litigated. Furthermore, the PUCO stated that while it understood commenter concerns with customer generators not paying their fair share of distribution costs, it believes that the comments provided by AEP do not provide the required data and detail necessary to implement such a large change to the billing structure, a sentiment that was echoed by commenters in support of the rule. The PUCO then stated that the existing net metering framework is designed to mitigate peak demand, reduce line losses, defer infrastructure upgrades, and enhance resilience and price stability, which contradicts AEP's assertion that the existing framework creates a burden to the distribution utility. After having considered all comments received during the CSI public comment period, the PUCO elected to proceed with the rule as a no-change rule.

The business community impacted by the rules includes all electric utilities and service companies in the state, all net metering customers, and hospitals that are net metering customers. The adverse

impacts created by the rules are requirements for electric utilities to develop and offer a net metering tariff, informational disclosure requirements, cost estimate requirements, signature requirements, interval meter data reporting requirements, and annual report requirements. The PUCO estimates net metering tariffs will take approximately three to five hours to develop, the time required to provide interval meter data to be approximately eight hours, and the annual report will take approximately four hours. The PUCO states that the adverse impacts to business are justified to protect customers by giving them detailed cost estimates before deciding whether to incur a cost, to support the market by ensuring that it has the data that it needs, and to ensure safe and reliable electric service by establishing the efficient sharing of data between electric utilities and electric services companies.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the PUCO should proceed in filing the proposed rule with the Joint Committee on Agency Rule Review.