



TED STRICKLAND
GOVERNOR
STATE OF OHIO

GOVERNOR'S ASSURANCE Under ARRA Title IV, Section 410

Pursuant to Title IV, section 410 of the American Recovery and Reinvestment Act (Pub. L. 11-5 (Feb. 17, 2009) and the U. S. Department of Energy's Announcement "Recovery Act - State Energy Program Formula Grants Funding Opportunity Number: DE-FOA-0000052 Announcement Type: Amendment 001" (March 19, 2009),

I, Ted Strickland, Governor of the State of Ohio, provide written notice to the Secretary of Energy of the following:

- (1) The applicable State regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, under its rate-making authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provides timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.
- (2) The State, or the applicable units of local government that have authority to adopt building codes, will implement the following:
 - (A) A residential building energy code (or codes) that meets or exceeds the most recent International Energy Conservation Code, or achieves equivalent or greater energy savings.
 - (B) A commercial building energy code (or codes) throughout the State that meets or exceeds the ANSI/ASHRAE/IESNA Standard 90.1-2007, or achieves equivalent or greater energy savings.
 - (C) A plan to achieve 90 percent compliance with the above energy codes within eight years. This plan will include active training and enforcement programs and annual measurement of the rate of compliance.
- (3) The State will, to the extent practicable, prioritize the grants toward funding energy efficiency and renewable energy programs, including—
 - (A) the expansion of existing energy efficiency programs approved by the State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded by the State or through rates under the oversight of the applicable regulatory authority, to the extent applicable;
 - (B) the expansion of existing programs, approved by the State or the appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives, and other forms of financial assistance; and

(C) cooperation and joint activities between States to advance more efficient and effective use of this funding to support the priorities described in this section.

This notice is based upon the following additional considerations:

- The applicable State regulatory authority with rate-making authority for electric and gas utilities is the Public Utilities Commission of Ohio, an independent authority operating under the requirements of the Ohio Revised Code. Recent changes in state law clearly give the Commission authority to examine, analyze and implement methods by which to align utility financial incentives with the goal of increased energy efficiency. I have asked the chair of the Public Utilities Commission of Ohio to take measured but timely action to achieve this goal.
- The applicable State regulatory authority for establishing residential and commercial building codes is the Ohio Board of Building Standards, an independent authority operating under the requirements of the Ohio Revised Code; municipal corporations may adopt their own standards that may not conflict with those adopted by the Ohio Board of Building Standards. I have requested and am supporting legislation currently pending in the Ohio General Assembly that would mandate that the Ohio Board of Building Standards adopt codes and practices identical to those in certification 2 above. I have asked the chair of the Ohio Board of Building Standards to take all possible actions to develop an effective eight year plan to achieve the goals as certified.
- I have directed the Ohio Energy Office to develop its initial application and its full application to build upon its existing program in order achieve the expansion, cooperation and joint activities described in the above certification. Expenditure of the State Energy Program funds will be subject to legislative review and this certification assumes the Ohio General Assembly will approve expenditure of federal funds in a manner consistent with the applications submitted.

3-23-09

Date

Ted Strickland

Ted Strickland, Governor
State of Ohio