

Good Utility Legislation in the 2010 Indiana General Assembly:

Bills that Actually Recognize That the Taxpayer Wallet and the Ratepayer Wallet are the Same Wallet!

There are numerous pieces of legislation filed at the Statehouse that attempt to move Indiana in the right direction. Bills are filed that recognize that there is no discerning between a taxpayer and a ratepayer, and that Hoosier ratepayers deserve the same oversight and protection that is granted the taxpayer. There is finally the acknowledgment that consumers deserve a voice and a vote in who represents their interests before State regulators and Federal agencies. Fossil fuels and nuclear power are rejected in favor of the cleaner and cheaper option that is renewable energy. The economic and environmental benefit of customer owned generation is promoted in legislation that gives power to the people and begins to free the public from the stranglehold of monopoly utility companies. The inherent value of energy efficient buildings and organic, sustainable farming is endorsed through legislation that hopes to lead Indiana down a new path centered on smart growth and sustainable development. Below are summaries of bills that CAC supports, each of which is designed to meet one or more of the goals outlined above:

SJR 15: IURC and consumer counselor appointments

Authors: Jean Breaux

Status: in Judiciary Committee

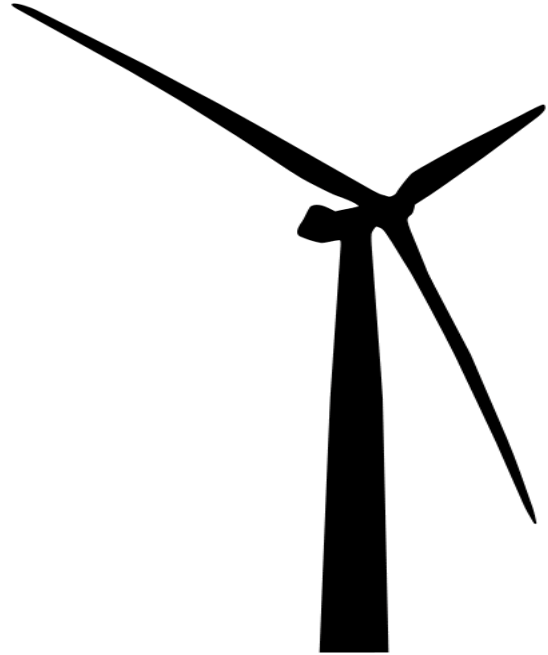
Summary: CAC supports this resolution, which would create a confirmation process for appointed utility regulators and the Utility Consumer Counselor. Not only does Indiana not elect our Utility Consumer Counselor, we also allow the Governor to appoint the members of the Indiana Utility Regulatory Commission with no oversight from the voters or the General Assembly. Indiana is one of only 4 States that allow the regulators of monopoly, investor owned utilities to not be subject to scrutiny from either the voters or the General Assembly. The IURC has jurisdiction over how more than 11 billion Hoosier dollars are spent, almost the amount overseen by the General Assembly and the Governor. The time has come for the State of Indiana to finally recognize that ratepayer dollars are just as precious and finite as taxpayer dollars, and that ratepayer dollars deserve to be protected with the same fervor and vigor that we protect taxpayer dollars.

HB 1274: Rate adjustment mechanisms

Authors: Win Moses, Matt Pierce

Status: in Commerce, Energy, Technology, & Utilities Committee

Summary: CAC supports this bill. Adjustable rate mechanism is the legal term for a tracker. Trackers allow a utility company to raise rates when their costs go up, without having to lower rates when their costs go down. They only have to show the expenses involved with that particular project or improvement, without having to open their books and show where costs



have gone down, which would result in savings to ratepayers. Trackers are single issue ratemaking, an erosion of consumer protections, and have led to significant increases in Indiana utility rates with little oversight from State regulators. Trackers often lead to poor business decisions and planning by utilities as they have a mechanism in place that allows them to choose the most expensive option, without having to explore and evaluate all options and the impact those options have on their customers. Under Indiana's current regulatory environment, the more a utility company spends, the more they make. Left to their own devices, they will always choose the most expensive options. This bill will help level the playing field by telling a utility company if you wish to use a tracker, you must open your books within 24 months for public scrutiny. Captive ratepayers deserve nothing less.

SB 97 & HB 1094: Net metering

Authors: Sue Errington (SB 97) and Ryan Dvorak (HB 1094)

Status: SB 97 is in the Senate Utilities & Technology Committee. HB 1094 in the House Commerce, Energy, Technology, & Utilities Committee

Summary: CAC supports these bills. Currently, net metering is limited to only 10 kilowatts, and only to residential customers and K-12 schools. These bills would expand eligible customers classes to allow individuals, businesses, commercial industries, and universities to generate their own electricity. The utilities would also be required to add a credit to the customer's bill for any surplus power that is generated. These bills encourage renewable energy production, energy independence, and customer owned generation.

HB 1190: Advanced renewable energy contracts

(Feed In Tariffs)

Authors: Matt Pierce

Status: in Commerce, Energy, Technology, & Utilities Committee

Summary: CAC supports this bill. Feed in tariffs require the owners and operators of an electric grid to enter into 20 year fixed price contracts with the owners of renewable energy generation systems. It obligates the owner of the grid to purchase the customer owned generation at above market rates, prioritize the deployment of that energy to the grid, and make the necessary upgrades to the grid to deploy that energy. Feed in tariffs have been enacted in over 40 countries worldwide, most notably in Germany, Spain, and Denmark. A feed in tariff is a true market based approach to the development of renewable energy. It levels the playing field and makes it financially viable for customer owned generation. Deployment of renewables, especially solar power, has exploded in the countries that have enacted feed in tariffs. Indiana not only has vast renewable energy resources, but also significant manufacturing capabilities for green technology. Enactment of this bill would provide rapid and sustainable deployment of renewables in Indiana which would in turn cause significant job creation, vastly improve public health and the quality of our environment, help to stabilize the price of electricity, and make Indiana a leader in the renewable energy marketplace.

HB 1063: Energy efficient buildings

Authors: Matt Pierce

Status: In the House of Representatives

CAC supports this bill. This bill requires a government building to be designed, constructed, operated, and maintained to achieve or exceed the level of energy efficiency set by current rating systems. Buildings represent 39% of the energy, 72% of the electricity, and 55% of the natural gas used in the U.S. annually. The benefits of green building are a significant cost savings for Indiana taxpayers, improved worker health and productivity, improved public and environmental health, and a huge reduction in CO2 emissions. We must act now on changing the way we construct our buildings in Indiana. By continuing to use outdated energy codes, we are throwing away our tax dollars and

unnecessarily wasting energy, water, and other precious natural resources.

SB 94 & SB 368: Renewable energy standards

Authors: Sue Errington (SB 94) and Tim Lanane (SB 368)

Status: both in Utilities & Technology Committee

Summary: CAC supports these bills. These bills require electric utilities to supply a percentage of their electricity from renewable energy resources. These bills define renewable resources as: 1) dedicated energy crops; 2) methane from animal, food, and plant waste; 3) landfill methane; 4) wind; 5) hydro; 6) solar-photovoltaic cells and panels; 7) fuel cells; 8) sawmill waste; 9) agricultural crop waste; 10) combined heat and power; and/or 11) energy efficiency. These bills do not include any mention of coal, coal bed methane, or nuclear. An RES would put Indiana at the forefront of renewable energy development and attract investment in our state. These bills would also significantly reduce our State's carbon footprint, improve public health and the quality of our environment, and create the jobs our state desperately needs.

SB 194: Food, farms and jobs

Authors: Sue Errington

Status: in Senate Agriculture & Small Business Committee

Summary: CAC supports this bill, which creates a structure to support local and organic farmers in Indiana. For far too long, our policies on agriculture and farming have favored the huge corporate conglomerates who stand to profit at the expense of our environment, our economy, and our health. These huge Agri-Businesses are putting Hoosier family farmers out of work, pouring millions of gallons of toxic chemicals into our waterways and our food chain, and devastating rural communities. We must also reject the notion that toxic chemicals and synthetic fertilizers are necessary to keep the supply of the food chain going. Rather than using these poisons to force the adaption of nature, organic farming recognizes the bio-diversity and conditions surrounding local environments, and acknowledges the inherent relationship we all have with nature. We must begin now to re-invest in local, family farms which provide more jobs, more income, and more sustainable development for our State.

Take Action!

Write, call, or e-mail your legislators, as well as the Chairs of the appropriate Committees!

- Tell the Senators to vote YES on SB 94, SB 97, SB 194, SB 368, & SJR15!
- Tell the Representatives to vote YES on HB 1177, HB 1274, HB 1094, HB 1063, & HB 1190!
- Make sure to remind them that the taxpayer wallet and the ratepayer wallet are the same wallet and that if they don't want to raise taxes, they should not consider legislation that will raise utility rates for unnecessary investments on behalf of utility profits!
- Let them know that renewables do not include coal or nuclear!
- Tell them that the least cost investments for energy in Indiana are in wind, solar, geothermal, and energy efficiency. These are the technologies that will create jobs, and benefit the health, environment, and pocketbooks of ALL Hoosiers!

For more information about these bills, or to look up your legislators, visit
<http://district.iga.in.gov/DistrictLookup/>

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