

## **Bad Utility Legislation in the 2010 Indiana General Assembly: The Taxpayer Wallet and the Ratepayer Wallet are Still the Same Wallet!**

The 2010 session of The General Assembly is upon us. It promises to be highly political as mid-term elections loom with control of redistricting hanging in the balance. Hoosier communities continue to struggle with unemployment, lost revenues, and the burden of health care and energy costs spiraling out of control. Promises of taxpayer protection emanate from both sides of the aisle, yet once again, it appears that the Governor and his friends in the utility and coal industry are poised to throw ratepayers to the wolves; failing to recognize that the taxpayer wallet and the ratepayer wallet are one and the same.

The General Assembly has some decisions to make.

Will they continue to support an unsustainable economic model that supports the profit of the utility and coal industry at the expense of our health and our environment? Or will our elected officials finally proclaim that Indiana is ready to enter the 21<sup>st</sup> century and begin to lay the foundation of a sustainable economic model focused on protecting our precious natural resources?

Will they continue to support an energy policy that mandates the dirtiest and most expensive options? Or will they support an energy policy that supports the cleaner and cheaper options of energy efficiency and renewable energy?

Will they continue to bleed ratepayers dry and stand idly by while the utilities further erode consumer protections? Or will they choose to protect the ratepayer wallet with the same fervor as the taxpayer wallet?

Legislation has been filed that address all of those questions. The choice is clear. How will the General Assembly respond?

### **HB 1081: Various Utility Matters**

**Authors:** Dale Grubb, Eric Koch

**Status:** In the House Commerce, Energy, Technology and Utilities Committee

**Summary:** CAC opposes this bill. Indiana utilities know they are going to have to move toward renewables and energy efficiency, so they want to define the term "renewable" to suit their needs. This bill defines coal as renewable, and would also force us to pay for all electric transmission lines and gas pipelines needed for biofuels facilities to go online in Indiana. Ratepayers pay for electrical service, not to subsidize industries that have nothing to do with the delivery of electricity to our homes. This bill is also loaded with trackers, which allow the utilities to raise our rates when their costs go up without having to lower our rates when their costs go down.

### **SB 69: Low-carbon and non-carbon dioxide emitting plants**

**Authors:** Phil Boots

**Status:** In the Senate Utilities and Technology Committee

**Summary:** CAC opposes this bill. Non-carbon or low-carbon is industry code for nuclear power as well as the pipe dream known as Carbon Capture and Sequestration (CCS). This bill would expand Indiana's definition of Construction Work in Progress (CWIP) to include nuclear power plants and CCS. This means that we would be forced to pay for the construction of excessively expensive power plants before they produce any electricity, or **even if they never produce any electricity**. This bill assumes that we have nothing better to do with our money than to finance utility CCS experiments or provide interest-free loans so that utility companies



can build unnecessary and enormously expensive power plants (the starting cost of a new nuclear power plant is \$10 billion). This bill also allows the utilities to pad their pockets with more trackers.

**SB 115: Eminent domain for carbon dioxide pipeline**

**Authors:** Beverly Gard  
**Status:** In the Senate

**SB 211: Carbon dioxide storage and transportation**

**Authors:** Beverly Gard  
**Status:** In the Senate Energy and Environmental Affairs Committee

**Summary:** CAC opposes these bills. The utilities know that they are going to begin being held accountable for their carbon dioxide emissions, and they want to make sure that they can pass all of the costs and liability onto us. They are working to set the stage to begin Carbon Capture and Sequestration. The idea is to shoot the carbon dioxide deep into the ground, under our homes, businesses, and farms, and hope that it stays there. They have no idea how this will impact our health or our environment, so SB 211 proclaims that carbon dioxide is safe, forces us to pay for the transportation and “storage” of it, and forces us to be liable in the event of a catastrophe. It also removes regulatory authority from the Indiana Utility Regulatory Commission. SB 115 allows them to claim eminent domain and take our property if it is in the way of building a pipeline to get the carbon to the place where they want to “store” it. They are also using the “divide and conquer” strategy, by placing SB 115 in the Corrections, Criminal, and Civil Matters Committee, and SB 211 in the Energy and Environmental Affairs Committee. It was the Senate Utilities and Technology Committee that discussed and vetted this issue this summer during the Regulatory Flexibility Committee hearings, but the utilities know that they have a better chance of sneaking these bills through if they present it to legislators that have never dealt with this complicated and controversial issue.

**SB 313: Net metering**

**Authors:** James Merritt  
**Status:** In the Senate

**Summary:** CAC opposes this bill. Net metering is supposed to allow customers to receive credit for generating their own electricity. SB 313 re-defines net metering. SB 313 does not allow any credit for surplus power of systems greater than 10kW to carry over month to month, as exists in the current rule. This means any extra power that is generated is given to the utility company for free. The point of net metering is to encourage renewable generation, which is intermittent by nature. Sometimes you may generate more power than you use, spin your meter backwards, and send surplus electricity back to the grid. Sometimes, when the wind isn't blowing or the sun isn't shining, you may not be generating enough power, and need to buy from your electric utility. By not allowing the credits for the excess power to carry over, the incentive to consumers is removed. SB 313 will do nothing to encourage the expansion of renewable energy in Indiana, and in fact , sends a clear signal that Indiana rejects the notion of renewable energy and instead prefers to remain in the stranglehold of monopoly investor owned utility companies who are wreaking havoc on our pocketbooks, our health, and our environment.

**Take Action!**

**Write, call, or e-mail your legislators, as well as the Chairs of the House and Senate Utility Committees!**

- Tell the Senators to vote NO on SB 69, SB 115, SB 211, and SB 313!
- Tell the Representatives to vote NO on HB 1081!
- 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 coal and nuclear are NOT renewable energy!
- Tell them that the best investments for energy in Indiana are in energy efficiency, wind, solar, and geothermal. These are the technologies that will create jobs, and benefit the health, environment, and pocketbooks of ALL Hoosiers!

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| To look up and/or e-mail your legislators, visit:<br><a href="http://district.iga.in.gov/DistrictLookup/">http://district.iga.in.gov/DistrictLookup/</a>             |  |
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