

Tell your state legislators **NO COAL BAILOUT!**

Reject HB1414!

HB1414: Electric generation

House Bill 1414 is **designed to delay Indiana's electric utilities from retiring their dirty, expensive, and outdated coal-fired power plants.** HB1414 is a deliberate attempt by the coal interests to convince Indiana lawmakers to **use the heavy hand of government to interfere with the markets** and protect Indiana's fleet of coal-fired power plants. **The effort is being led by Alliance Coal, Hallador Energy, and White Stallion Energy,** who have recently been aggressively peddling their influence and money at the Indiana Statehouse.

HB1414 **would effectively delay and possibly prevent the electric utilities from retiring,** or otherwise removing from their generation mix, **any coal-fired power plant located in Indiana.** The bill accomplishes this by requiring the utilities to file notice with the Indiana Utility Regulatory Commission (IURC) of their intent to retire a coal plant, and by requiring that the IURC hold a public hearing and issue "findings and conclusions" that the retirement of the coal plant is "reasonable."

These requirements would create a litigated proceeding before the IURC. The purpose for this is **so that the coal interests can use this adversarial process to oppose any retirement, and drag the issue out at the IURC and through the courts.** This would cost both the utilities and their customers extraordinary sums of money, and will most certainly further delay the transition to cheaper and cleaner resources, like solar and wind.

HB1414 will effectively guarantee that captive Hoosier electric customers will continue to face ENORMOUS increases in their monthly utility bills.

HB1414 would also add a new term into Indiana law, "reliable capacity resource." **As defined in the bill, only a coal-fired power plant located in Indiana would meet the definition of a "reliable capacity resource."** This means that battery storage, demand side management, energy efficiency, solar, wind, and even a gas-fired power plant, would not qualify as a "reliable capacity resource." This is an important detail for several reasons.

- First, HB1414 would require that the electric utilities spend untold sums of money continuing to maintain and upgrade any "reliable capacity resource" owned by the utility, even if the costs associated with those efforts exceed the cost of replacing those plants with other, cheaper resources. **It is well understood,** and has been widely covered, that in most cases, **the continued operation of existing coal-fired plants is now more expensive than shutting them down and transitioning to cleaner and cheaper resources.**

Indeed, **NIPSCO (Northern Indiana Public Service Company) recently announced that they are retiring all of their coal-fired power plants** and replacing them with a combination of solar, battery storage, and wind. According to NIPSCO, this decision **will save ratepayers \$4 BILLION over the next 20 years.** Should HB1414 become law, the coal interests would have the opportunity to reverse NIPSCO's decision and would force NIPSCO customers to pay more on their electric bills than even NIPSCO wants.

- Second, **HB1414 would provide the electric utilities the opportunity to charge ratepayers for up to a 90-day supply of coal.** Traditionally, utilities are allowed to collect from ratepayers for up to a 45-day supply of coal, which is more than enough to ensure there is enough coal on hand to generate energy. Duke Energy Indiana alone burns over \$1.5 MILLION of coal per day! There is absolutely no need to bilk ratepayers for an extra 45 days of coal, merely to enrich the billionaire coal executives. This will unnecessarily and unjustly raise costs on Hoosier consumers who are already struggling to make ends meet.



Indiana should be exploring legislation to speed the clean energy transition and save ratepayers money, NOT protecting dirty and expensive coal-fired power plants and increasing the monthly electric bills of captive consumers.

All of this together means **the State of Indiana would be looking to the past by incentivizing and propping up yesterday's technology**, at the expense of consumers and the future, and in direct conflict with market forces. The State of Indiana would be sending the wrong signal to investors and the marketplace. **Banks and insurers are turning their backs on coal** because they don't want to assume the inherent risk of continued investments in coal. As a State, we should be inviting the markets to participate in our economy, not interfering in the markets and throwing good money after bad by subsidizing risky investments. **Consumers shouldn't be forced to assume risk that investors are not willing to bear.**

**If coal is too risky for Wall Street,
it's too risky for Main Street!**

In its current form, HB1414 includes a sunset date of July 1, 2021. This means the legislation would allegedly expire and go away next year. The stated rationale for the expiration date is that the bill is merely a "pause" to allow the 21st Century Energy Task Force to do their job. The Task Force was created during the last legislative session to consider the impacts, if any, of the clean energy transition on the reliability and resilience of Indiana's electric infrastructure, and the impact on the cost of energy to consumers related to the transition. The Task Force is charged with providing policy recommendations to the General Assembly and the Governor no later than December 2020.

Considering that there is no coal-fired power plant in Indiana scheduled to retire before July 1, 2021, **the bill is totally unnecessary**. There is literally nothing to pause. This legislation is not needed to allow the Task Force to finish their work. **The sunset date is a Trojan Horse** and is being used as justification to pass the bill. Furthermore, we've seen sunset dates removed in the past, which is likely to happen with this legislation. That's why we're calling it a Trojan Horse. **There is absolutely no reason to embed in state law heinous and short-sighted public policy, which harms consumers, is detrimental to our health and our environment, sets bad precedent, and sends the wrong signals to the marketplace.**

Take Action!

Your State Senator and State Representative need to hear from you!

Tell them to **REJECT HB1414** and let them know that there should be **NO COAL BAILOUT!**

To look up and/or
e-mail your legislators, visit:
<http://iga.in.gov/legislative/find-legislators/>

Indiana Senate
200 W. Washington Street
Indianapolis, IN 46204-2786
(317) 232-9400
(800) 382-9467

Indiana House of Representatives
200 W. Washington Street
Indianapolis, IN 46204-2786
(317) 232-9600
(800) 382-9842