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Utility High-Cost, High-Risk Energy Plan

Threatens Hoosier Health, Jobs, and Wallets

The utilities' energy plan is a high risk gamble for all of us as taxpayers and ratepayers. This plan cannot be implemented without forcing excessive rate increases, exposing thousands of Hoosiers to adverse health effects, and threatening the quality of our air and water. Under this energy plan, we (taxpayers and ratepayers) carry the financial, health, and environmental risks and costs while *public* utility companies walk away with the profits. Rather than bolster our economy and promote job growth, the utilities' plan would bleed our economy dry and weaken our job market.

The utility plan to continue business as usual smothers investments that save ratepayers billions of dollars, while forcing unnecessary investments that earn windfall profits for these public utilities.

Utilities want your money to go where it benefits them, not you.

Energy efficiency and renewable energy investments could save ratepayers hundreds of billions of dollars over the next 20 years. This is money that wouldn't be going to utility companies, and that's why utility companies want to stop aggressive investment in energy efficiency and in technologies like wind turbines and solar panels.

Help! Consumers Need Protection!

Recently passed anti-consumer energy laws in Indiana need to be repealed!

The Indiana General Assembly passed four bills of note that threaten ratepayer wallets and impede robust energy efficiency and renewable energy markets in Indiana. The only reason that these bills were needed by utility companies is because the investments are unnecessary and Wall Street considers them too risky to finance. These bills shift the financial risk from utility companies onto the backs of ratepayers.

Senate Bill 29 (2002) allows for construction work in progress (CWIP). This allows utilities to charge ratepayers for the power plant while it is under construction, before it is producing any electricity, and even if it NEVER produces any electricity. This bill enabled Duke Energy's problem-plagued and scandal ridden Edwardsport IGCC plant to be financed by Duke ratepayers, a plant which is now close to ***$1.5 billion*** over budget.

House Bill 1722 (2007) and Senate Bill 423 (2009) force ratepayers into a 30-year contract to purchase substitute natural gas (SNG) from an out of State investment firm (Leucadia, a.k.a. Indiana Gasification, LLC), regardless of the fact that less expensive gas is available on the market. The intent of this bill was to enable the construction of the Indiana Gasification SNG plant proposed for Rockport, IN, which if built, will cost Indiana gas ratepayers billions in unjust and unreasonable charges.

Senate Bill 251 (2011) defines nuclear power and coal gasification as "clean" energy, adds existing nuclear plants to the CWIP law, provides utilities with huge and unnecessary incentives for investments that they've already made or have been ordered to make, and shifts ALL of the costs of ANY Federal mandate onto the backs of consumers without the requirement that utilities provide the least cost energy. Indiana Michigan Power cites SB 251 as justification in their recent filing that asks the IURC to force ratepayers to assume ALL of the costs and risks associated with a $1.4 billion project for their DC Cook nuclear power plant in Bridgman, MI, that serves I&M ratepayers.

Senate Bill 560 (2013) removes consumer protections from Indiana State law. It allows the utilities to make excessive profits for something they are already supposed to be doing: providing reliable electric and gas service by maintaining their transmission and distribution equipment. It also allows utilities to virtually automatically increase your rates up to 50% of the rate hike they are asking for if the IURC has not issued an order after 300 days.

Ratepayer/Taxpayer-Friendly Alternatives Needed!

Hoosiers are fed up with facing increases in property taxes, high unemployment, increases in health care costs, skyrocketing gasoline prices, stagnant and decreased wages, and foreclosures on homes. In these economic times, it is unthinkable for Indiana ratepayers to shoulder the burden of higher utility rates solely for the profit of monopoly utilities when cleaner, cheaper alternatives exist.

Legislators are ignoring policies that can benefit taxpayers, ratepayers, and the economy as a whole. Instead, they work to protect the monopoly utilities at taxpayer and ratepayer expense. We need policies and programs that accelerate the market preference for efficiency and renewables. These represent the least cost approach for taxpayers and ratepayers. They also create the most jobs, improve quality of health, and address air quality and other hazardous emissions in a cost-effective, responsible manner.

Pro-consumer Indiana energy policies like these need to be enacted:

Mandatory 30% Renewable Electricity Standard (RES) by 2020: A renewable electricity standard of 30% by 2020 would mandate that Indiana utilities must generate 30% of their electricity using renewable electricity by 2020. The definition of “renewable” must be limited to wind, solar, geothermal, and hydroelectric power, and must exclude the use of fossil fuels, nuclear power, and burning trash.

Feed in Tariff (FIT): A feed in tariff would allow individuals, small businesses, and organizations to generate their own electricity, and would require the utilities to buy that electricity at a premium. This would not only encourage the growth of renewable electricity and distributed resources, it would allow people willing to invest in these resources to recover their investments and to make a modest profit once the investment has been paid off. This would be especially beneficial for entities that give back to the community - churches, community groups, schools, libraries, etc.

Property Assessed Clean Energy (PACE): PACE helps individuals, small businesses, and organizations to finance their renewable energy investments through municipal loans that are paid back through property taxes. This allows these entities to realize the energy savings from these investments even before the investments are completely paid off.

Elected utility regulators: Indiana is one of only three states where the Regulatory Commission is appointed by the Governor with virtually NO oversight by either the public or the legislative branch. There is a revolving door and an all-too-cozy relationship between the regulators (the IURC) and the regulated (the utilities). The result is that average electric bills across Indiana have increased by about 45% in the past ten years. Allowing us to elect our utility regulators will go a long way toward building accountability into the regulatory structure and ensuring that regulators are working to protect consumers.

Take Action Now - Contact Your State Legislators!

Contact your State Senator and Representative! Act today - the utility agenda of purposely withholding jobs, cleaner air, and lower utility rates for their immediate self-interest hurts us economically and defies all ethical standards!

Tell your elected officials that you want them to:

- Repeal the legislation listed on the front of this fact sheet.
- Establish a mandatory Renewable Electricity Standard (that does not define fossil fuels or nuclear as “renewable”) of at least 30% by 2020.
- Establish a moratorium on new coal and nuclear power plants for 5 years to avert taxpayer and ratepayer rip-offs.
- Enact policies that encourage the development of customer owned renewable generation and distributed resources like feed-in-tariffs (FIT) and property assessments for clean energy (PACE).
- Enact legislation that brings accountability to the Indiana Utility Regulatory Commission by allowing the public to elect the Commissioners who oversee billions of Hoosier ratepayer dollars.

To look up and/or
e-mail your legislators, visit:
http://district.iga.in.gov/DistrictLookup/

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