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Court Strikes Down Approval to Spend \$90 Million on Vectren's Aging Power Plants

INDIANAPOLIS - The Indiana Court of Appeals yesterday struck down approval of Vectren's plan to spend roughly \$90 million in ratepayer money on its aging A.B. Brown and F.B. Culley coal-fired power plants outside Evansville. The Court found that the Indiana Utility Regulatory Commission violated the law by failing to determine whether Vectren met all legal requirements before approving Vectren's use of the new equipment. The Court's decision means that the case goes back to the Commission to decide whether Vectren should be allowed to pass the costs of the projects on to its ratepayers.

"Vectren's policy is to build first, and ask for legal permission later," said **Earthjustice Attorney Matthew Gerhart**. "The Court firmly rejected that policy and held that Vectren should have received all necessary approvals before starting \$90 million in projects for which it will ask ratepayers to foot the bill."

The Court's ruling comes in response to a lawsuit brought by Earthjustice and Citizens Action Coalition of Indiana on behalf of Citizens Action Coalition of Indiana, Sierra Club, and Valley Watch. The groups argued that the Commission had approved passing the costs of the roughly \$90 million in projects on to ratepayers without first determining whether they are needed and in the public interest.

"Vectren should seize this opportunity to begin to make the right choices for their ratepayers, the economy of SW Indiana and our environment," said **Kerwin Olson, Executive Director of Citizens Action Coalition**. "Instead of wasting ratepayer dollars on Brown and Culley, Vectren should immediately begin investing in low-cost Indiana wind and solar energy, and ramp-up budgets for energy efficiency programs. Over the long term, those investments collectively will bring much needed bill relief to consumers and create local jobs that can't be outsourced."

Evidence in the case showed that Vectren ignored its own analysis that cheaper alternatives are available. Vectren's own analysis showed that ratepayers would save \$125 million over 20 years if Vectren had invested in natural gas generation rather than dumping more money into its aging plants.

Vectren customers have the highest utility bills in the State of Indiana, paying more than \$150 a month for the average home using 1,000 kilowatt hours of electricity. Vectren's high electricity costs are placing a crushing burden on low-income families in our community, and forcing hard choices on the most vulnerable amongst us. In Evansville, 46 percent of working families are struggling to cover their monthly expenses, according to the United Way's ALICE study. The proposal to spend \$90 million on its aging coal fleet would only force Vectren customers in the Evansville area to pay even more on their electricity bills.

"While families in southwest Indiana struggle to pay the highest electric bills in the state, Vectren wants us to pay more to bail out their aging, dirty coal plants," said **Wendy Bredhold, Indiana Representative for the Sierra Club's Beyond Coal campaign** in Evansville. "It's time for Vectren to put the Brown and Culley plants on a reasonable path to retirement and lead our region into a cleaner, healthier and more cost-effective energy future."

"Vectren's rates are out of control and to put additional money into antiquated technology is foolish," said **John Blair of Valley Watch**.