CITIZENSACTIONCOALITION
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Annual Meeting

Saturday, December 6, 2014

2014 Annual Report

Citizens Action Coalition of Indiana
www.citact.org
www.cacefindiana.org

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Special Thanks To:

**All of our members,
for their continued support**

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for their years of dedicated service**

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Hoosier Environmental Council

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Our Mission

To initiate, facilitate and coordinate citizen action directed to improving the quality of life of all inhabitants of the State of Indiana through principled advocacy of public policies to preserve democracy, conserve natural resources, protect the environment, and provide affordable access to essential human services.

Letter from the Executive Director

Kerwin Olson, Executive Director

Wow! What a year 2014 proved to be! Despite the many challenges and frustrations that presented themselves, significant accomplishments were realized and major victories were achieved.

Despite the General Assembly's reprehensible and short-sighted decision to repeal the energy efficiency savings goal put in place by the Mitch Daniels administration, CAC committed significant resources and forged ahead at the IURC led by the extraordinary work and tireless dedication of Jennifer Washburn; continuing our diligent work for comprehensive, cost-effective, equitable, and robust energy efficiency programs.

CAC and our allies effectively negotiated a continuation of the NIPSCO feed-in-tariff, which if approved, will enable the installation of new solar and wind systems across northern Indiana. CAC was a partner in the successful campaign spearheaded by Sierra Club Beyond Coal and Hoosier Interfaith Power & Light to get IPL to commit to cease burning coal in Marion County.

The Indiana Court of Appeals finally agreed with CAC and our allies that the IURC is ignoring the evidence in the many Edwardsport IGCC cases before the IURC and remanded the final order in IGCC-9 which approved millions in cost recovery from captive Duke ratepayers.

Thanks to the terrific legal work of the ACLU, the right of CAC and others to conduct door to door political canvassing was reaffirmed as an absolute right under the 1st Amendment. CAC prevailed in Federal Court over the Town of Yorktown who attempted to restrict CAC's canvassing activities through un-constitutional ordinances.

In addition to preserving our right to canvass, we began meaningful and serious discussions about how to ensure the sustainability of the field canvass. We crafted new policies and compensation structures that will hopefully bear fruit for the individuals and organization alike, as we continue the journey on re-creating the CAC canvass to adapt to the changing times and the needs of the individuals, the organization, and the public at large.

I will close with perhaps the biggest victory of all. After nearly a decade of committee meetings, sub-committee meetings, sub-committee meetings of the sub-committee and countless false starts, CAC now has a new data base in place that will position us well for the future! The transition did not come without complications. The CAC office staff, led by Laura Sucec, performed extraordinarily well under immense pressure and pulled it out with flying colors.

I would be remiss to not acknowledge the efforts of CAC's Financial Director Mark Bailey who

guided CAC through a tough year while transitioning himself to a new life of "semi-retirement". Thanks, Mark, for everything!

Similar challenges lie ahead in 2015 as the influence of the moneyed interests continue to dominate the agenda in Indiana. But rest assured, CAC will remain strident in fighting for equity, fairness, and justice.

Immense gratitude and thanks to all.

Kerwin Olson
Executive Director

Reports from the Canvasses

Laura Sucec, Senior Canvass Director
This has been an interesting year for our field canvass. We began the year with one of the harshest winters in recent memory. We had a bit of a "pop" in late spring/early summer where we hired a lot of new canvassers. But that short time of "plenty" ended much sooner than we would have liked, leaving us grappling with the same question that has plagued us for years now: "How do we change the field canvass to make it successful again, and how do we define 'success'?"

At the end of August, Kerwin implemented a temporary hiring freeze on the field canvass to give us a chance to evaluate and implement some of the changes we had been discussing since the beginning of the year.

At the beginning of October, we finally changed the structure of the field canvasser pay to give our canvassers a raise. I know that we all feel much better, knowing that our canvassers, who are some of our hardest working employees, out in all kinds of weather, walking for 5 hours a day, are finally able to make a true living wage. Hopefully this will also translate into us being able to keep more of the quality people who walk through our doors, since we will finally be able to pay them a wage that is worth sticking around for.

At the end of October, we made some fundamental changes to our training structure to address the significant amounts money that CAC was losing in the course of training new canvassers. The problem with the training was that we were paying trainees a lot of money, and the trainees were not bringing in anywhere close to the amount of money we needed in order for us to see a return on our training and financial investment. It takes time to train a new field canvasser and for him/her to get to the point where s/he is raising standard, and most of our new hires don't stick around long enough to get to that point. We adjusted the training in order to shorten the amount of time it takes to ascertain whether or not a trainee will be able to do the job, and also the amount of money we pay them while they're learning the job. (Basically, they're either getting paid minimum wage or commission, whichever is higher, right off the bat. But if they're raising the standards that are expected of them, their commission will put them around $9/hr+ right out of the gate.)

At the beginning of November, we broke our hiring freeze and hired a new field canvasser under the new pay and training. We will see how it goes, but we're hoping for and working toward a

successful launch of these new policies! Once we have a chance to see how everything is working out, we will need to evaluate what we've done and decide whether or not we want to make any changes or tweaks to these new policies. After that, we will begin working on the longer-term piece of all of this – answering the question, "How do we better incorporate our field canvass into our program campaign work?"

The field canvass has also taken on a new project that is a little out of the ordinary for us: CAC received a grant to run a strictly informational canvass (no fundraising) to oppose the proposed Mounds Reservoir. So far we have canvassed for four days on this campaign, and it's been really fun for the canvassers. Our goal is to get a lot of calls, e-mails, etc. to local commissioners and council members, as well as to collect the information of supporters in order to provide that information to the people organizing on this issue. The change of pace and community feedback on this issue has been great for our canvassers!

Our phone canvass continues to hum along, small but mighty! We have an incredibly dedicated, passionate group of crew managers and canvassers who are well-educated on CAC's issues and well-versed in communicating those issues to CAC's member.

With our new database finally up and running, we have discovered that we have many more names to call than we did with our old database. We have finally caught up with calling all of the members who we should have called in the past year, but didn't because our old database was not printing their names (for a variety of reasons). We have run into several glitches along the way, but each glitch teaches us more about our new database and helps us to improve our processes.

We have begun setting up "ongoing" sustaining credit card contributions (monthly, quarterly, and semi-annual contributions) that continue to run on an ongoing basis, with no end date, for those members who agree to it. We know that this will result in an improvement in our fundraising totals, but we won't really know the extent of the improvement for the next year or so. Our next step is to incorporate check-by-phone into our phone canvass fundraising, which we will be doing soon.

There is still much fine-tuning left to be done in regards to the phone canvass processes with the new database. We have been so focused on working out all the bugs with the new database and how it works with our processes that we haven't yet had much of a chance to really dig into the capabilities of the new database and any changes we want to make to our processes to make them work better with the new database. Hopefully we will be able to move into that next step soon!

Bryce Gustafson, Field Canvass Director

Change is the watchword for the field canvass in 2014. The long anticipated changes in remuneration, recruitment, and retention have at last been implemented, and everyone on staff is excited to help move those new policies forward. I am thrilled that we are heading in this positive direction, not only for the organization, but for our crew. The core group of Field Manager Kelly Hamman, Trainer Anne Freeman, and Senior Canvasser Diana Reynolds, are already enjoying the new changes, and are eager to train the next generation of canvassers who will soon walk through the doors of CAC. Before we wisely decided to freeze our hiring for the last few months to catch our breath, we hired Kinsey Bussell, a recent Butler graduate who's been doing a solid job as a part time canvasser. She has a bright future with us. Speaking of bright futures, Nic Littler is our newest member of the canvass. She has past experience canvassing and organizing, and is doing a great job

in training. As we start to hire new people again, I am looking forward to building the canvass around the dedicated, excellent people now on staff. Heraclitus once declared that "change is the only constant in life." Here's to 2015 being the year that our changes are made to last.

Corey Jefferson, Phone Canvass Director

We started this year in the same boat we've been in for a while now. We have a strong, small crew of phone canvassers who are really solid in what they do. While the amount of money that we have raised has been under our target projections, it has been very consistent and typical of a crew of that size. Due to the limited number of new members coming in, we were at a stand-still as far as growth goes. Then the database started having serious problems. With a new database came the ability to do more intensive search and find more names to call. It's very exciting that are starting to catch back up as far as the names go. However, we are getting to the point where we have exhausted the supply of "hidden" members, so our recent surplus of names will probably begin to level out. That being said, it has afforded me the ability to hire a couple people and I am in the process of bringing on more. All in all, we are finally seeing a safety net of members and the opportunity for growth. I'm excited to dive into this next year and really expand and improve the phone canvass.

Financial Outlook

Mark Bailey, Financial Director

Financial Outlook general

We've definitely earned our Not-for-profit stripes this year! With the infusion of additional cash from the Endowment Fund we may squeak out the end of the year barely in the black. 2014 is a year that I'll be happy to see in our rear view mirrors. Both legislatively and financially this year has been a real bear! I'll move quickly on to the particulars.

Field & Phone Canvass

The Indianapolis door canvass is projected to end up raising about $175,000 for the year. It was projected to raise $250,000. There are a number of factors that have created this situation. I'll let Laura & Bryce provide their expertise in evaluation the current status and future potential. They've updated the canvasser personnel policy and the fundraising standards. We're beginning to compile data for the 2015 budget and the door canvass will be a major point of discussion because of its pivotal role in CAC public advocacy strategy.

The phone canvass income should be about $220,000 for the year. We had projected them raising $300,000. The door canvass has had some effect on the phone income. On a positive note the new database is up and operational. The process of confirming our membership is well under way. There are always teething pains with a new systems but Laura has done a great job overseeing the transition. I'll leave it to Kerwin and Laura to update you on the databases progress so far.

Foundation Grants

CAC's involvement with grant servicing is primarily to provide staffing. The grants themselves are generated by proposals made through the Education Fund. Grant making organizations rarely give money to 501(c)(4) like CAC because of our political activities. The Education Funds 501(c) (3) provides grantors the protection of not jeopardizing their tax status. Our major funders continued

to support our efforts working on energy efficiency, renewable energy, and consumer issues. The Education Fund has also continued to receive funding for the Downstream Project effort's to oppose factory farming. Due to legislation passed this session the Energizing Indiana program has ended. CAC had been referring our supporters to have energy audits done by Energize Indiana to their homes. It wasn't a major funding stream but was a direct means of providing energy efficiency audits to Hoosier residents. Finally, The Education Fund is acting as the fiscal agent for the Heart of the River project. They are a small citizens group opposing the construction of a dam outside of Anderson.

CAC Endowment Fund
This has been another solid year for the Endowment. Larry Pitts, our fund manager at Trust Investment Advisors, has continued to generate strong returns so far this year. Though the Endowment is down year to date that isn't the whole story. In addition to CAC's annual disbursements and cover call income, distribution of monies was authorized for the new database purchase and to assist us in completing the fiscal year. Keeping all of that in mind the fact that the Endowment is slightly below its beginning of the year balance is pretty remarkable! As I stated last year I can't leave this section without reminding you that the stock market is at an all-time high and that "past performance is no indicator of future results".

Lastly, we have made some physical changes as well. The office has a new paint color and new carpeting. We've also upgraded our VOIP phone system with Cincinnati Bell. Finally, I've now been semi-retired since August. I'm doing most of my work from home over the internet. I'm sharing office space with Kerwin about once a week when I need to come to Indianapolis. All appears to be working out well as far as I can tell? On that note I'll end with "Happy Holidays"!

Database Update

Laura Sucec, Senior Canvass Director

At the beginning of July, we were finally able to trash our 1982 DOS-based, numbered menu, blue screen database and begin using a new, shiny internet-based database! What a scary and exciting day that was for us!

The transition was not an easy one, nor did it happen the way we had planned or envisioned. But it did happen, and it was surprisingly seamless despite the circumstances that caused it to happen much sooner than we were expecting. (Our old database was literally falling apart before our eyes.) We have been playing a lot of catch-up in recent months. We have been calling people who were supposed to be called but weren't because of the issues with our old database. We are almost caught up with that now. We have also been continuing to work out little glitches and bugs with the new database and our processes that we seem to keep finding.

We have also created the basic documentation needed to enable a person who is new to the database to be able to use it. Becky has been doing a great job of learning the new database. Once she learned how to process contributions and do the basic data entry with it, we use the documentation we have been creating to add the reporting piece to Becky's repertoire. She has been the person who has been testing the documentation to see if it makes sense. We have not yet completed it – there is still more to write and it needs to be put into a binder in order to make it accessible to people who may need to fill in for Becky, but we are moving in the right direction.

There are some pieces that have not yet been handed off to the people who will eventually be responsible for them. For example, Laura is still printing all of the names for the phone canvass because we are not yet caught up with calling people who were neglected for the past year, and until we catch up with that, the process will continue to be a little different than what the routine will eventually look like. This will eventually be Corey's responsibility.

Laura still needs to finish training Corey in how to use the new database (it's somewhat difficult because Laura and Corey's schedules don't match up well), and she also needs to train Lisa.
We continue to make progress as we fine-tune the way we use the database, and we are looking forward to the day when we can begin to dig even deeper into the capabilities of the new database!

Proceedings before the Indiana Utility Regulatory Commission

Kerwin Olson, Executive Director
Jennifer Washburn, Assistant Counsel

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44344 (Morton Solar Complaint)
Morton Solar and Wind LLC, a renewable energy installer in Evansville, filed several net metering/interconnection complaints against Vectren. CAC intervened on behalf of its ratepayers, as well as to support Morton in his request to revise the current interconnection rules to avoid confusion and to cut red tape for local, customer-owned distributed energy. Morton and Vectren reached a settlement. However, CAC urged the Commission to still hold Vectren to its commitments to revise its interconnection materials, including to reflect the elimination of the external disconnect switch requirement which was a solid win by CAC. CAC also requested the Commission to initiate an investigation to revise the 8-year-old interconnection rules and to update its net metering rules to expand customer-owned distributed generation. This case is fully briefed, and an Order is scheduled to be released on December 3, 2014.

44339 (IPL Eagle Valley Gas Plant)
IPL requested and received approval to charge its ratepayers $631 million plus financing costs to construct an approximately 644-685 MW Combined Cycle Gas Turbine ("CCGT") in Martinsville, Indiana. CAC argued that IPL's request was based on a fundamentally deficient analysis, containing many inconsistencies and unclear (or simply missing) vital information. We argued that IPL did not meet its burden in Indiana law in demonstrating that it proposed a least-cost compliance plan, factored in relevant long-term considerations, or made a good faith evaluation of alternative means for meeting its customers' energy costs; and thus, the Petition should be rejected. Right before the hearing, Summit Energy, one of the companies that competed for the contract to construct the Project, also intervened and argued that IPL's proposal to self-build was not the "reasonable, least cost option." Unfortunately, the Commission did not agree with CAC or Summit and still issued IPL its CPCN to self-build the CCGT on May 4, 2014.

44446 (Vectren MATS)
Vectren requested to retrofit several of its units, including units Brown 1 & 2, Culley 2 & 3, and

Warrick 4. Typically when a utility makes this type of request, they do 20 year modeling; here, however, Vectren's case in chief only presented 10 year modeling as they repeatedly emphasized that this was necessary due to the uncertainty regarding regulatory requirements and the markets. Thus, they wanted to do a shorter timeframe and re-evaluate at a later date. This case took some interesting turns when we found out that Vectren did not disclose some evidence and important modeling. At the hearing, we showed that the Company's own modeling demonstrated that retiring and replacing Brown 1 and 2 is the least cost option, and that the Company's pattern of hiding results from the Commission should result in some sort of penalty (akin to the penalty assessed in the IPL CPCN Cause Number 44242). We also showed Vectren's lack of need for Culley 2, but Vectren came back saying that it needed this extra capacity over and above its planning reserve margin just in case businesses came to town and needed power. Vectren acknowledged that it wants ratepayers to be on the hook for these proposed retrofits regardless of how any future evaluation of the economics of these units turns out. We are waiting on an Order.

43114 IGCC 12 and 13 (Edwardsport's 12th and 13th Tracker and Expanded Investigation)
These two dockets started off as separate proceedings but Joint Intervenors fought for an opportunity to do a deeper investigation into Duke's declaration of Edwardsport as in "commercial operation" or "in service" as of June 7, 2013. The declaration of Edwardsport as in "commercial operation" or "in service" has financial implications considering the "hard cost cap" in IGCC-4S1 capped construction costs, but not operations & maintenance costs. We believe this declaration was premature, does not even meet the standards the Company gave the Commission in IGCC-4S1, and allows Duke to evade the construction "hard cost cap" that was put in place in the IGCC-4S1 settlement by categorizing construction costs as operations & maintenance costs. Thus, Joint Intervenors are requesting the Commission find that Edwardsport was not "in-service" at any time during the IGCC 12 & 13 and that the Company should bear all increased, incremental costs resulting from the continued delay in getting Edwardsport ready for commercial operations. The hearing is set for the beginning of February.

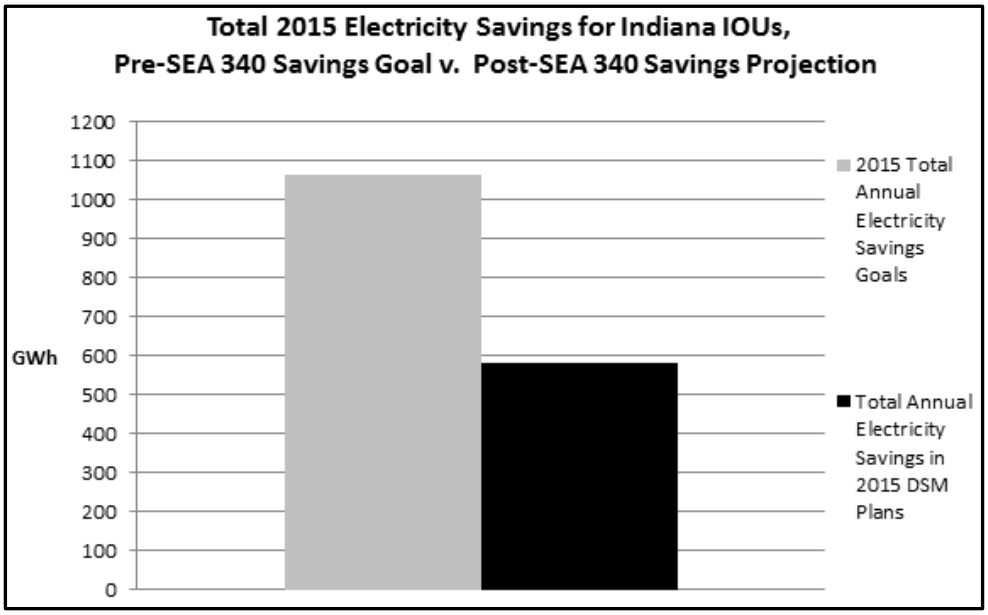
44478 (IPL, City of Indianapolis Electric Vehicle Program)
IPL is requesting $16 million for Indianapolis' privately-owned electric car share program, BlueIndy. IPL strangely states in its preamble to the Verified Petition that this request is being done at "the request of Mayor Gregory A. Ballard and the City of Indianapolis." The Indiana Office of Utility Consumer Counselor fiercely opposed this first-of-its-kind request, but suddenly changed its mind and entered into a settlement with IPL and the City of Indianapolis. CAC was not approached until minutes before the settlement was filed. The settlement does little to protect ratepayers and includes terms that do not improve, and arguably worsen, IPL's and the City of Indianapolis' request. The settlement hearing was in October, and we are waiting on an Order.

43955 DSM 2 (Duke's 2015 DSM Plan); 44486 (I&M's 2015 DSM Plan); 44495 (Vectren's 2015 DSM Plan); 44496 (NIPSCO's 2015 DSM Plan); 44497 (IPL's 2015-2016 DSM Plan)
CAC intervened in all of the investor-owned electric utilities' 2015 DSM plan filings (although IPL is filing a 2 year plan into 2016), where all are asking for program approval and the recovery of the program costs, so-called lost revenues, and performance incentives. In all of the filings, CAC requested an investigation into lost revenues.

CAC is concerned that utilities are receiving lost revenues even though they are not being required to provide any evidence that its proposed programs will result in the utility failing to receive sufficient revenues to recover its authorized costs.

CAC is also very concerned that utilities are receiving lost revenues for the life of the measure, which is resulting in outlandish lost revenues. For example, I&M request $16M for program costs and $29M for lost revenues.

Because the larger customers pushed for opt out legislation and are opting out because of these exorbitant incentives for the utilities, CAC sees this request for an investigation as a way to get these under control for all customers and to better support DSM as a resource. CAC also argued for health and safety funding to enable low income weatherization in some proceedings, voting privileges on some of the various oversight boards, and for more DSM generally in I&M and Duke's filings because they failed to adequately evaluate DSM in their respective 2013 Integrated Resource Plans. So far, we have received the Orders in 44495 and 44496, which did not provide us with the relief we requested.



This graph that shows what has happened now that SEA 340 has passed. The utilities' savings goals are dismal in comparison to what was planned when the Commission's saving goal was in place.

44441 (Opt Out of DSM for Certain Industrial Customers)

This case was initiated during the 2014 legislative session. The Commission attempted to signal to the legislature that they wanted to handle this important decision, and as we know, the legislature ignored the Commission. The Commission picked up the case again after the legislation passed, allowing customers over 1MW the opportunity to opt out of paying for electric DSM programs. At CAC's behest, we had this proceeding broken into two phases as we saw that we were not going to slow down the Phase 1 train. Phase 1 was an expedited procedural schedule designed to have the hearing over and an order and new tariffs for commercial and industrial issued by the effective date listed in the SEA 340 legislation, which was July 1, 2014. Phase 2 was where we were hoping and praying to have some traction, diving into broader policy questions about the opt-out and ratepayer equity issues. All parties submitted proposed issues lists for the Commission to decide the scope of this phase. The Commission closed Phase II, finding that none of the issues were appropriate for further consideration and that a majority of the issues proposed for consideration were beyond Phase II's scope. The Commission did identify a few of CAC's issues that "may be appropriate for consideration in other Commission proceedings, such as in a utility's IRP process for stakeholder input or an individual utility's DSM tracker or program approval proceeding." These issues include: (1) whether industrial customers that opt out should be considered "free riders" and continue paying the fixed costs of DSM programs; (2) whether the Commission should adopt rules or guidelines to assist customers in complying with the opt out provision in SEA 340 or to require opt out customers to provide EM&V reports concerning the customers own energy efficiency measures; (3) whether an oversight board should established to monitor and evaluate compliance with SEA

340; (4) determination of a mechanism to be used by opt out customers to pay for the regulated electric utilities' administrative expenses related to implementing the opt out provisions; and (5) establishment of criteria for determining "reasonable and cost effective" DSM programs and the role of various oversight boards in developing DSM programs.

44310 (DSM Self-Direct Investigation for Certain Industrial Customers)
This docket was being held in abeyance pending the outcome of 44441. In the Order closing Phase 2 of 44441, the Commission stated that they believe 44310 is still pending, which is good news. Self-direct is different than opt out in that the "industrial" customer would have many more requirements and would still contribute to the overhead costs of the programs. When this investigation was initiated and litigated in 2013, we believed that we were going to win this case, which is probably why the utilities and industrials pushed for Senate Enrolled Act 340.

44523 (I&M Rockport SCR)
I&M is seeking a certificate of public convenience and necessity to construct, install, and operate an environmental compliance project at Rockport Unit 1. I&M proposes to install an air pollution control system to comply with a Consent Decree executed with the Department of Justice, the U.S. Environmental Protection Agency, and other parties. I&M estimates that the project will cost approximately $234 million (excluding allowance for funds used during construction). Currently, we do not plan on filing testimony but we will monitor the proceeding.

44511 (I&M Solar)
I&M is requesting to build and operate five solar generation facilities totaling approximately 16 megawatts for $38 million, called the Clean Energy Solar Pilot Project. I&M is requesting either for declination of jurisdiction or issuance of a Certificate of Public Convenience and Necessity ("CPCN"). This is most likely because I&M does not have a "need" so the CPCN could be denied; thus, it is also including the possibility of the Commission declining jurisdiction over this project. It is asking to recover the cost of the facilities through a Solar Power Rider. It is also asking to use the voluntary Green Power Rider so that customers can voluntarily buy down the cost of solar for others. Construction is scheduled to begin in early 2016 with completion expected in late 2016. The I&M Industrial Group argued that because I&M's IRP concluded that utility scale solar power was not "economically justifiable" before 2020, then shareholders should bear at least some of the costs, rather than ratepayers paying for all costs. I&M argued that it needs this project in order to gain experience with solar generation. The hearing was in October, and we are waiting on an Order.

44393 (NIPSCO FiT 2.0)
CAC reached a settlement with NIPSCO, the OUCC, the Hoosier Chapter of the Sierra Club, Indiana Distributed Energy Alliance, and BioTownAg regarding the continuation of NIPSCO's feed-in-tariff where NIPSCO purchases customer-generated electricity from renewable energy projects. The settlement is subject to the Commission's review and approval. If approved, it should be available during the first half of 2015. The settlement proposes to provide an additional 16 MW of capacity available for smaller renewable projects (above the Phase 1 feed-in-tariff pilot, which had 30 MW). With the exception of certain wind project sizes, the purchase rates relative to Phase I have decreased. Phase II includes a purchase rate decrease for wind and solar projects of 8% after the second year of Phase II. The larger solar projects (projects >10kW and ≤ 200 kW) will be made available in two allocations, with half of the capacity available at the beginning of Phase II and the other half available at the beginning of year three. Another change from the Phase I pilot is that there will be no annual price escalation for solar or wind. For biomass projects, which will be also be offered in two allocations in the same manner as large solar, rather than having a purchase rate

decrease after the second year, Phase II will offer a reverse auction whereby interested parties will submit a bid not to exceed the purchase rate available in the first two years. The lowest bid will win the capacity. There will also be a lottery process, which will be announced no more than 30 days after Phase II is approved and will be open for 60 days, to assign available capacity. Interested parties will submit a project request form and, if there is greater demand than there is available capacity, a lottery will be held to determine the order in which the projects receive capacity. In the event that there is less interest than there is available capacity, all projects will be granted capacity. If, at any point after the lottery, there is unsubscribed capacity and no one on the waiting list, that capacity will be available on a first-come, first-served basis. NIPSCO will continue to provide an annual report to the Commission and other interested parties with information related to participant participation and project characteristics. Customers with larger projects are being encouraged to pursue them through NIPSCO's net metering program, the avoided cost tariff or through the Midcontinent Independent System Operator ("MISO"). Each of the three options has specific qualifications.

44526 (Duke Transmission Distribution and Storage System Improvements)
Duke is requesting approval of a $1.87 billion infrastructure improvement 7-year plan, including a requirement that consumers receive and pay for the equipment and installation of Advanced Metering Infrastructure ("Smart Meters") at a capital cost of $177 million. Duke's infrastructure proposal is the largest put forward to date under Indiana's Act 560, a 2013 law that authorizes quick utility recovery of costs for qualifying energy transmission, distribution and storage system projects. Duke's plan is also the first that requests mandatory deployment of Smart Meters. Most non-Duke parties opposed most or large parts of Duke's plan, including the OUCC who recommended denial of the entire plan due to the fact that Duke's filings did not meet the statute's requirements and did not provide the opportunity for meaningful review. CAC retained Tyson Slocum with Public Citizen and filed testimony focused on Smart Meter issues. The testimony discussed concerns the Commission should take into account when considering the reasonableness of Duke's request, specifically Duke's proposal for mandatory installation of Smart Meters for all households which will not be cost-effective for most households. We also argued that the Commission should not approve any part of this plan until Duke files a base rate case since its last was filed in 2002. Mr. Slocum also recommended: 1) Smart meter proposals must be cost-effective and utilities must share the risks associated with the new technologies and the benefits used to justify the investment; 2) Investments in smart meters need to be verifiable and transparent, and utilities need to be held accountable for the costs they want customers to pay and the benefits they promise to deliver; 3) Time-of-use or dynamic pricing must not be mandatory; consumers should be allowed, not forced, to opt-in to additional dynamic pricing options; 4) Regulators should assess alternatives to smart meters to reach the same load management goals, particularly less expensive direct load control programs; 5) Smart meter investments should result in enhanced levels of consumer protections especially relating to the implementation of remote disconnection; 6) Privacy and cyber-security concerns must be addressed prior to a smart meter rollout; 7) Utilities and regulators should include comprehensive consumer education & bill protection programs in any evaluation or implementation of smart meter proposals; 8) System reliability, and integration of distributed renewable generation and plug-in electric cars do not yet require mandatory smart meter installation in every household and can be deployed on an opt-in basis for those households of the "smart" end of the digital divide.

44403 (NIPSCO Gas Transmission Distribution and Storage System Improvements)
NIPSCO's gas TDSIC plan is a 7 year plan which includes about $713.1 million in capital improvements, as well as projects throughout NIPSCO's natural gas service territory including the

replacement of aging infrastructure, new transmission mains, the installation of automated valves, and expansion into rural areas that currently do not have natural gas service. Construction starts in 2014 with the first rate increase of approximately 1.0 percent taking effect in 2015. The annual rate increase amounts from 2016 through 2020 would vary by year, ranging from 1.5 percent to 1.9 percent each year. The average annual percentage increase over the 7-year term is 1.4 percent. NIPSCO received approval on April 30, 2014.

44370/44371 (NIPSCO's Electric Transmission Distribution and Storage System Improvements)
NIPSCO received approval of about $1.07 billion in capital improvement projects, including $314.2 million in transmission projects, $544.5 million in distribution projects, and $214 million in overhead and economic development. Projects throughout NIPSCO's electric service territory include new transmission and distribution lines, new substations, upgrades to existing lines and substations, and replacement of aging infrastructure (such as poles, transformers, etc.). Construction starts in 2014 with a proposed electric rate increase of approximately 0.4 percent in 2015. The annual rate increase amounts are projected to grow over the course of the plan, reaching 1.7 percent in 2020. The average annual percentage increase over the 7-year term is 0.9 percent. NIPSCO received approval in February 2014. However, the OUCC appealed the IURC's approval, arguing that certain features of NIPSCO's cost-recovery system allow the utility to over-collect. The appeal is still pending.

44429/44430 (Vectren Gas Transmission Distribution and Storage System Improvements)
Vectren won IURC approval for two plans, with a combined cost of $650 million, for system upgrades by its two natural gas utilities in the state. Vectren filed its request under 2 state laws: a 2011 law dealing with cost recovery for federal mandates and a 2013 law addressing system improvements. Under the 2011 law, a utility's costs of complying with a number of federal mandates can be recovered through rates, including any requirement issued by the United States Department of Transportation (which has jurisdiction over interstate gas pipeline issues), Environmental Protection Agency (EPA) or Department of Energy (DOE), or by the Federal Energy Regulatory Commission (FERC). Before recovering the costs through rates, the utility must receive IURC approval for its proposed projects. It may then recover 80 percent of the costs through incremental rate increases every six months (with the remaining 20 percent deferred until the utility's next base rate case). The second law in SEA 560 which passed in 2013, which also allows the utility to recover 80 percent of the costs as they are incurred. The remaining costs are deferred until the utility's next base rate case, which must be filed before the end of the 7-year period. The OUCC appealed this order and the case is currently pending.

43114 IGCC 4/4S1/5/6/7/8; 43114 IGCC 9; 43114 IGCC 10 (Edwardsport Appeals)
The consolidated causes IGCC 4, 4S1, 5, 6, 7, and 8 were denied transfer to the Indiana Supreme Court. This was our major case involving Edwardsport, concerning the Settlement between Duke, the Industrial Group, Nucor, and the Office of Utility Consumer Counselor. We asked the Court to review whether the Commission's final orders meet the well-defined and long-established requirements of the applicable standard of judicial review for Commission final orders even though: 1) the Commission substantially limited the evidence which the parties were permitted to present regarding serious allegations of ex parte communications, conflicts of interest, undue influence and other misconduct depriving Petitioners of administrative due process during the regulatory review of the Project; 2) the Commission failed to make ultimate conclusions or findings of fact on material issues raised by JIs regarding the modification or replacement of the condition previously included in the CPCN but eliminated in the Order under review addressing the mitigation of ratepayer risks

associated with the huge quantities of carbon dioxide to be emitted by the Plant during its projected operating life; 3) the Commission failed to make ultimate conclusions or findings of fact—and failed to require the submission of evidence—regarding the traditional judicial test of "reasonableness" for the $13.6 million in attorneys' fees and expenses paid to two of the Settling Parties; 4) the Commission authorized the recovery through rates of the first $2.595 billion in costs, plus financing costs, but disallowed all additional costs incurred in the construction of the Project notwithstanding that the Commission (a) made findings which necessarily entail that at least some of the allowed costs were attributable to imprudence and/or mismanagement on the part of the constructing utility and/or its primary contractors and (b) had yet to review any evidence whatsoever regarding the vast majority of the disallowed costs; and 5) the Commission summarily rejected serious allegations of gross mismanagement and concealment, if not outright fraud, in the construction of the Project without making findings of fact or reviewing and analyzing evidence on specific issues of such alleged misconduct fairly and squarely raised on the record by Petitioners. It is very unfortunate that the IN Supreme Court denied transfer.

We received great news regarding IGCC-9, the 9th tracker proceeding for the Edwardsport Plant. Jerry Polk argued at the Court of Appeals for us in IGCC 9 back in July. The Court remanded to the IURC its order approving Duke's request to pass on to customers 100% of financing costs incurred from Oct. 1, 2011, to March 30, 2012. The Court also remanded on the issue of whether Duke could be allowed to consider 50% of the plant "in service," which also increased rates. This was a win for upholding the well-established judicial standard of review of Commission decisions. Judge Kirsch wrote, "(T)he Commission also failed to make adequate findings on all factual determinations material to its ultimate conclusions to allow Duke to pass along to ratepayers all of Duke's … costs." The panel held that the commission "reached no conclusion and made no findings on whether or how the plant could be declared 50 percent in-service for ratemaking purposes. … We must remand this portion of the proceedings to the Commission for a clear statement of the policy and evidentiary considerations underlying its determination." Regarding the delay and whether it could be billed to ratepayers as the IURC approved, the panel likewise found that the commission made no findings in support of its action. "We remand this issue to the Commission for findings as to whether the three-month delay was chargeable to Duke, and if so, what impact that delay had on Duke's customers' rates," the Court wrote. Duke filed its Petition for Rehearing at the Court of Appeals, and we filed our opposition to that rehearing. It is possible that Duke will file a Petition to Transfer to the Indiana Supreme Court if Duke continues to be unsuccessful at the Court of Appeals. We will fight to uphold the Court of Appeals' decision.

Unfortunately, we lost IGCC 10 in the Court of Appeals, but we filed a Petition to Transfer to the IN Supreme Court on December 1, 2014, asking the Supreme Court to review the Court of Appeals' opinion to determine 1) whether the Court of Appeals' opinion contravenes statutory law by affirming the Commission's order in which the Commission applied an incorrect statutory standard when it approved recovery of financing costs related to a previously unapproved delay in completion of the Project caused by problems "within the control of" Duke "or its contractors"; and 2) whether the Court's opinion contravenes established precedent by affirming the Commission's order which approves recovery of financing costs that allow Duke, a regulated utility, to earn a return on ratepayer contributed capital which is prohibited by Evansville v. Southern Ind. Gas & Electric Co., 339 N.E.2d 562 (Ind. Ct. App. 1975).

Integrated Resources Plans

Currently, IRPs are required every 2 years under the Commission's rules; however, these rules are outdated. The Commission went through a process to revise the IRP rule, but Governor Pence

placed a moratorium on most rulemaking in the State, thus freezing the process and not allowing the Commission the opportunity to update its IRP rule. The utilities though have agreed to comply with the pending Proposed Rule, which requires the Electricity Director of the Commission to issue a draft report on the IRPs no later than 120 days from the date a utility submits an IRP to the Commission and a final report within 30 days following a comment period. The pending rule limits the report to the informational, procedural, and methodological requirements of the rule and does not allow the report to comment on the utility's preferred resource plan or any resource action chosen by the utility. The new process places more emphasis on the involvement of stakeholders and allows any customers or interested party the opportunity to submit written comments on the utility's IRP, as well as comments on the Electricity Director's draft report. CAC, Earthjustice, Mullett & Associates and Sierra Club filed Comments on Duke's 2013 IRP and the Director's draft report; and CAC, Earthjustice, and Sierra Club filed Comments on I&M's 2013 IRP. We plan on working with Earthjustice, Sierra Club, and others to comment on NIPSCO, Vectren, and IPL's respective 2014 IRPs in the next few months. IRPs may soon play a greater role with respect to DSM, as the Commission recently recommended the Governor use IRPs to establish individual utility-by-utility savings goals, rather than a statewide goal. Without any compliance mechanisms or penalties, however, CAC believes this will amount to no more than a paper tiger.

Yorktown

CAC was fortunate enough to have ACLU represent it before a federal district court in a case against Yorktown, Indiana, which sought to restrict CAC's canvassing efforts. CAC tried to amicably resolve the issue; however, Yorktown insisted on enforcing its ordinance. The ordinance imposed time restrictions on door-to-door canvassing and solicitation, prohibiting the activity "after the hour of 9 p.m. or sunset, whichever is earlier." Because our canvassers go door-to-door in residential neighborhoods during evening hours to educate citizens and gather petition signatures on our issues, the Court found that Yorktown's ordinance violated the First Amendment by not narrowly tailoring the ordinance to serve legitimate interests of safety and privacy, and by not leaving "ample alternative channels of communication."

Results of the 2014 Indiana General Assembly

Kerwin Olson, Executive Director
Lindsay Shipps, Organizer

Varied Issues, Steadfast Response

Despite extreme weather, Indiana's 2014 General Assembly began Tuesday January 7th with many absences and little fanfare. Because the biennial budget was passed in 2013, this year's legislative "short session" was dominated by corporate tax relief, energy efficiency, same sex marriage, road funding, preschool pilot programs and numerous other, often unreported issues that affect Hoosiers' bottom lines.

As Citizens Action Coalition's mission directs, we followed issues and Statehouse discussions focusing on: energy and utilities, the environment, and healthcare. Our presence on behalf of our 40,000 members was felt each day at the Statehouse in every hearing, event and conversation that affected each of these issue areas.

It became quite clear, even before all legislation was officially filed, that energy issues would earn a large amount of attention in the 2014 legislative session. In all, CAC tracked more than seventy-five

bills and eight non-binding resolutions in addition to maintaining a pro-consumer presence at the meetings of the Indiana Utility Regulatory Commission Nominating Committee and the Governor's Energy Plan roundtable. Throughout the legislative session CAC kept a day-to-day presence in the Statehouse by attending more than 200 meetings with legislators, partners and stakeholders in order to protect consumers' interests and safeguard a complete representation in conversations where the consumer perspective would be otherwise absent.

CAC presented testimony encompassing pro-environment and pro-consumer policy positions in the Senate Committees of Agriculture; Appropriations; Corrections & Criminal Law; Environmental Affairs; Utilities in addition to the House Committees on Agriculture & Rural Development; Environmental Affairs; Utilities & Energy; and Ways & Means.

In the agriculture arena CAC worked with colleagues from Hoosier Environmental Council, the Humane Society of the United States, the Hoosier State Press Association and other partners to remove harmful language in the proposed "Ag-gag" legislation, Senate Enrolled Act 101. The original legislation would have trampled First Amendment Rights in addition to degrading the public's right to know when, where and how their food is produced. After many conversations and coordinating efforts, the bill's author, Sen. Travis Holdman (R-Markle) removed the "gag" from the "ag-gag" bill. The House version of the bill was not heard and SEA101 became law with Gov. Mike Pence's signature.

Senate Enrolled Act 186, another piece of agriculture legislation, further grants a series of needless statutory protections to industrial farming operations. The legislation sends a signal to local enforcement boards, courts and other bodies to prioritize farming when considering the careful balance of quality of life needs for neighboring communities. SEA 186 was one of the first bills to become law in March.

Efficiency Legislation Dominates Utilities' Agenda, New Partnerships
A series of very harmful energy bills met a deservedly quick death before the topic of efficiency dominated the discussion.

Senate Bill 302 sought to allow utilities to charge ratepayers for power plants while they are being built and not producing any electricity, and even if they NEVER produce any electricity. Legislation intended to extend CWIP to nuclear power plants has been introduced at the Indiana State House every session since 2008. Nuclear power plants, as well as new coal plants, are subject to significant cost overruns. CWIP removes any incentive for the utility to control construction costs which is evident in Indiana with the significant cost overruns realized at Duke Energy's Edwardsport IGCC plant. After a scathing Indianapolis Star article, SB302's author, Sen. Jim Merritt (R-Indianapolis), announced he was pulling the bill and not giving it a hearing.

In addition to SB302, House Bill 1299 also died in committee without receiving a hearing. HB1299, Rep. Eric Koch (R-Bedford), sought to exempt drilling and energy exploration from local oversight. Rep Koch's bill died with less fanfare than other equally detrimental legislation.
Senate Bill 340, a bill that was originally written to allow industrial electric customers to opt out of the Energizing Indiana program, appeared as the sole bill on the schedule for the initial Senate Utilities Committee meeting in January.

Partners in the SB340 Discussion:
Advanced Energy Economy

Alliance for Industrial Efficiency
American Council for an Energy Efficient Economy (ACEEE)
American Institute of Architects of Indiana
Association for Energy Engineers—Indiana Chapter
Carmel Green Initiative
Hoosier Interfaith Power & Light
Hoosier Environmental Council
Indiana Distributed Energy Alliance
Indiana NAACP
Midwest Energy Efficiency Alliance (MEEA)
Mechanical Contractors Association of America (MCAA)
National Caucus of Environmental Legislators (NCEL)
National Electrical Contractors Association (NECA)
Sheet Metal and Air Conditioning Contractor's National Association (SMACNA)
Sierra Club
US Green Building Council

Public Officials:
Carmel (IN) Mayor Jim Brainard
Bloomington (IN) Mayor Mark Kruzan

SB340 is 'Swift Boated' Through the Legislaure
SB340 was originally championed chiefly by the Indiana Manufacturers Association (IMA) and the Indiana Industrial Energy Consumers (INDIEC) but grew to become a much larger conversation involving hundreds of stakeholders including Siemens, United Technologies and Honeywell.

Before SB340 could be scheduled for a hearing, the IURC announced an investigation (Cause #44441) into the continued required participation of industrial users in utility DSM programs and the associated impacts on the savings goal.. Despite this investigation which the Commission announced on January 15th and which was clearly a message to the legislature from the Commission to please stand down as it was designed to contemplate the very issues SB340 intended to address, the Senate Utilities Chairman, Sen. Jim Merritt (R-Indianapolis) decided to schedule his first meeting of the year by announcing SB340's first hearing on January 16th.

The initial Senate committee hearing earned the attention of more than 100 attendees, lobbyists, advocates and media members. The fact that many legislators were altogether unfamiliar with the Energizing Indiana program became quite evident throughout the hearing. A majority of legislators, including the bill's author, were unfamiliar with the basic structure of the programs, including: what are core and core plus programs; what is a third party administrator; and what is the role of the Demand Side Management Coordination Committee? Despite this, the committee amended the bill by a vote of 7-3 to allow 'industrial customers' to opt-out of current and future DSM programs, and define an industrial customer as: any facility with a load of at least 1MW. The amended bill passed out of committee by another party line vote of 7-3.

The second reading hearing on the Senate floor became an extended debate with five second reading amendments, all debated and four of which were flatly rejected or withdrawn. Of particular note were the efforts of Sen. Jean Breaux (D-Indianapolis) who attempted a compromise amendment, Sen. John Broden (D-South Bend) who offered an amendment seeking a self-direct program for industrial users. While the debate was an informed commentary thanks to educated

legislators, the philosophical differences in opinion regarding efficiency management were openly revealed and the Senate passed SB340 by a vote of 37-11.

Likewise, SB340 was the first senate bill scheduled to be heard by the House Utilities Committee after bills switched chambers. Although the bill was amended to include technical details, much of the conversation was dominated by a similar, philosophical discussion. After the bill passed committee 10-2, the bill remained on the calendar for six calendar days (two weeks) before being heard on second reading before the entire House. Ten second reading amendments were filed, most consumer friendly, and one amendment (Amendment #10) by State Rep. Heath VanNatter (R-Kokomo) that further sought to kill the current demand side management (DSM) programs and eliminate the third party administrator..

Despite a very impassioned and (mostly) informed debate, Amendment #10 passed 66-30 with the third reading vote held the very next day. The final vote from the House was 69-26. Despite many rumors in the lobby that the bill would be dissented upon by its senate author, Sen. Jim Merritt, the bill drew a concurrence motion the same day as a joint stakeholder press conference. Five days later the Senate voted 37-8 to send the bill to Gov. Pence where it achieved notoriety as the very last bill to receive the Governor's decision.

"I could not sign this bill because it does away with a worthwhile energy efficiency program. I could not veto this bill because doing so would increase the cost of utilities for Hoosier ratepayers and make Indiana less competitive by denying relief to large electricity consumers, including our state's manufacturing base." –Gov. Mike Pence

CAC received the news, along with the media, at 8:30pm the night of March 27th. We met with the Governor's staff the next morning and were reassured that the Governor wants to keep energy efficiency on the table for Indiana's approach to its energy platform and that the Governor was committed to working with the IURC and the General Assembly in creating new programs during the 2015 session of the legislature.

Good Legislation, Nary a Chance

Many legislators chose the right path in authoring legislation that would expand consumers' options in terms of the cheapest, cleanest resource for their personal utility portfolio.

State Rep. Tom Saunders (R-Newcastle) authored House Bill 1404 which provides that, after December 31, 2014, a person may not start: (1) the construction of a concentrated animal feeding operation (CAFO); or (2) an expansion of a CAFO that would increase animal capacity or manure containment capacity, or both; without obtaining the prior approval of the department of environmental management. Requires, after December 31, 2014, a person who applies or has applied to the department of environmental management for approval of a confined feeding operation or CAFO, or for an individual water pollution control permit for a CAFO, to prove the person's financial ability to pay for closure, postclosure monitoring and maintenance, spill response, and compensation of third parties for bodily injury and property damage in the event of an accidental or intentional release from the person's confined feeding operation or CAFO. Requires the environmental rules board to adopt rules to become effective not later than January 1, 2015, concerning the financial ability requirements.

State Rep. Matt Pierce (D-Bloomington) authored House Bill 1374 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.

Rep. Thomas Saunders (R-Newcastle) and State Rep. Charlie Brown (D-Gary) authored House Bill 1310 which would require FSSA's division of aging to meet specified requirements in the distribution of funds for the community and home options to institutional care for the elderly and disabled program (CHOICE) to area agencies on aging. Specifies the use of funds that are appropriated to CHOICE are used solely for CHOICE (dedicated funds).

While none of these bills received their proper public hearing, consumers and ratepayers should breathe some relief as standard-bearer legislation yet exists despite a supermajority in each house with an extremely active utility lobby.

In this, our fortieth year, CAC looks to continue a much needed role at the Indiana Legislature, a venue in dire need of ethics, utility and environmental reform. With the coordinating efforts of state and national partners, Statehouse conversations affecting consumers will continue to have a comprehensive, omnipresent ombudsman.

Sidebar: 'No More Stringent Than' Bill Ends in the Recycle Bin
CAC testified on two occasions regarding the harmful "no more stringent than" bill which was authored by State Rep. Dave Wolkins (R-Winona Lake). House Bill 1143 prohibits Indiana from enacting any policy stricter than federal environmental policy. This would bind the state's hands when it comes to air and water quality management, limiting our ability to swiftly act in situations when Indiana problems require unique, Indiana solutions. CAC was part of a joint coalition led by the Hoosier Environmental Council in fighting the measure which died in Senate Committee after passing the House 68-28.

CAC Education Fund Organizing

The Downstream Project
Julia Vaughn, Project Director

The Downstream Project has been funded by GRACE since 2009 and currently has three consultants. Julia Vaughn is the Project Director, Dave Menzer is the Indianapolis Organizer and Steve Peckinpaugh is the Organizer in East Central Indiana.

The Project continues to work on educating the public about the problems associated with industrial agriculture and building a statewide alliance of consumers and producers who work together to build a local and sustainable food system in Indiana. The Project also helps citizens who are fighting factory farms in their communities and over the past year we have been involved in a number of counties where local ordinances governing industrial agriculture are being re-written. In most cases these revisions have been prompted by frustrations with lax state oversight of CAFOs and the recognition that local policies must be strengthened in order to protect the community and its citizens from the negative impact of factory farms.

Steve Peckinpaugh has been heavily involved in the Henry County Ag ordinance revision process, serving on a County Commissioner sanctioned committee charged with developing a new ordinance.

Julia Vaughn is working in a number of counties assisting groups with influencing the county ordinance revision process, in addition to helping a number of local citizens engaged in fighting the permitting of individual CAFOs in their communities.

She is also working with the Hoosier Environmental Council and Sierra Club to convince the Environmental Rules Board to adopt stricter rules for Satellite Manure Storage facilities.

The Project has also worked to educate the public about pro-factory farm policies proposed by the Indiana General Assembly. In 2014 the coalition of consumer, environmental, animal welfare, and media groups we lead stopped ag-gag legislation from being passed into law for the second time in two years. The Project is also working to educate the public about the Right to Hunt and Fish constitutional amendment and its connection to the industrial agriculture agenda.

In 2014 the Downstream Project began an important relationship with the Indiana Farmers Union and we have worked with them on a number of issues. The IFU has been dormant for almost a decade which is unfortunate, because they offer an important alternative to the Farm Bureau corporate Ag perspective. The Project has provided them with a way to get involved in important policy discussions and they provide us with important allies in rural communities.

The Project worked with the Hoosier Environmental Council on a Know Your Legal Rights workshop in Hartford City and a brown bag lunch discussion of local food policy with Growing Places Indy. The Project was also a co-sponsor of the Moms Against Monsanto rally in Indianapolis.

2014 CAC in the Press Highlights

Kerwin Olson's open letter to Pence on energy

Posted By NUVO Editors on Mon, Feb 24, 2014 at 4:00 AM

OPEN LETTER TO GOV. MIKE PENCE: STOP THE ASSAULT ON HOOSIER CONSUMERS AND JOBS, OPPOSE SB340

The Honorable Mike Pence, Governor of the State of Indiana:

Senate Bill 340 (Demand Side Management Programs) is working its way through the State's legislative process, currently on second reading in the House of Representatives.

The bill in its current form promises to eviscerate energy efficiency in Indiana, lead to the loss of hundreds of Hoosier jobs, stifle additional and significant private sector investment in our communities, and cause unnecessary and potentially significant increases to the already escalating utility bills of Hoosier businesses, consumers and taxpayers.

Representing over 40,000 residential ratepayers in our great State, Citizens Action Coalition of Indiana respectfully requests that you protect Hoosier ratepayers and jobs by opposing SB340 and taking a strong position against this harmful piece of public policy. Please urge the General Assembly to slow down and consider the harmful effects of rushing this bill through a short legislative session. Instead, lawmakers should look into the costs *and benefits* of these programs through an in-depth summer study committee which should include all interested parties.

The current energy efficiency/DSM programs are working. Launched in January 2012, these programs are in their infancy. With just one year of verified data available, the programs are already having a positive impact on Hoosier ratepayers. The State Utility Forecasting Group (SUFG) projected significant reductions in future load growth versus what had previously been forecasted, citing investments in energy efficiency as the primary driver causing this decline. This reduction in demand will save Hoosier ratepayers billions of dollars by avoiding the future costs of expensive new generation facilities.

By allowing Big Business to "opt-out" of participating in Indiana's successful energy efficiency/DSM programs and to not pay into the fixed costs of those programs, SB340 will unfairly discriminate against other classes of ratepayers, causing the electric bills of everyday, hard-working Hoosiers and small businesses to increase. Energy efficiency is a "resource" for the utility system—just like a power plant. No customer or group of customers would be able to refuse to pay for a new power plant. Instead, all customers must pay. Similarly, all customers should pay for the energy efficiency resource.

And, because industrial customers consume almost half of all energy used in Indiana,[1] excluding them from the program would mean that an enormous amount of very cost-effective energy efficiency resources would not be realized ... and much more expensive supply resources would have to be purchased for the utility system. At 2 to 4 cents per kWh, energy efficiency is about one-third the cost of electricity from a new power plant (i.e., 8 to 12 cents per kWh), and industrial energy efficiency is the cheapest energy efficiency of them all.[2] Taking that resource off the table goes against Indiana's law mandating public utilities to provide their customers with the lowest cost resource that is reasonably possible. Energy efficiency is the quickest path to reducing energy costs and the cheapest kWh of electricity we can generate. It is counterintuitive to work towards reducing electric rates by eliminating energy efficiency. SB340 will achieve the exact opposite of its stated goal.

On the campaign trail in August of 2012, you announced a new energy policy in which part of the stated intent was to "to maintain low-cost energy and improve environmental health for Hoosiers."[3] Under your direction, the Office of Energy Development is now creat-

ing that new energy plan for our State in which you tasked them with pursuing an '"all of the above' energy mix."[4]

If SB340 becomes law, Indiana will not maintain low-cost energy, because the cheapest energy resource would become unavailable to serve the needs of captive Indiana ratepayers and the overall cost of the energy efficiency resource will be much higher than necessary.

If SB340 becomes law, the environmental health of Hoosiers will not be improved, because electricity demand will unnecessarily increase, leading to more expensive power plants and more emissions from fossil-fuel generation facilities – dirtying the air we breathe, the water we drink, and the soil in which we cultivate our crops.

If SB340 becomes law, any new State energy plan would not include an '"all of the above' energy mix"—instead, the least cost resource we have will be off the table.

If your administration also intends to increase private sector investments and jobs in Indiana, do not remain silent on SB340 as it will kill hundreds, if not thousands, of current and future jobs in our State. Here are just some of the companies currently investing in our State as a result of Indiana's energy efficiency/DSM programs and providing high-quality jobs to Hoosiers: Honeywell, Lockheed Martin, Navigant, Good Cents, CLEAResult, Franklin Energy, Wisconsin Energy Conservation Cooperation, JACO, and Ecova.

We appreciate the claimed intent of the legislation—electric bills are becoming unaffordable in Indiana, and all ratepayers need relief. However, energy efficiency/DSM is not the problem; it's the solution. The sooner we embrace energy efficiency as the preferred resource for our State, the sooner Indiana will realize the substantial economic and environmental gains that energy efficiency can deliver.

Lastly, CAC was invited by your administration to participate in the stakeholder collaborative process and assist in crafting the new State energy plan. We accepted this honor and sincerely appreciate the inclusive approach your administration has taken. We have found those we have worked with in your administration to be knowledgeable, sincere, and thorough. We are hopeful that this constructive and thoughtful approach your administration has taken to date also includes a discussion with the members of the Indiana General Assembly and ultimately weighing in on SB340.

SB340 is contrary to your stated campaign and gubernatorial objectives. Please protect Hoosier ratepayers and jobs by standing by your campaign promises and taking a strong position against SB340.

Respectfully,

Kerwin Olson
Executive Director
Citizens Action Coalition

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[1]http://apps1.eere.energy.gov/states/consumption.cfm/state=IN;http://www.citact.org/sites/default/files/Indiana%20MEEA%20SB340%20Handout--2-18-14.pdf

[2]http://www.aceee.org/research-report/u092;

http://www.aceee.org/sector/state-policy/toolkit/industrial-self-direct

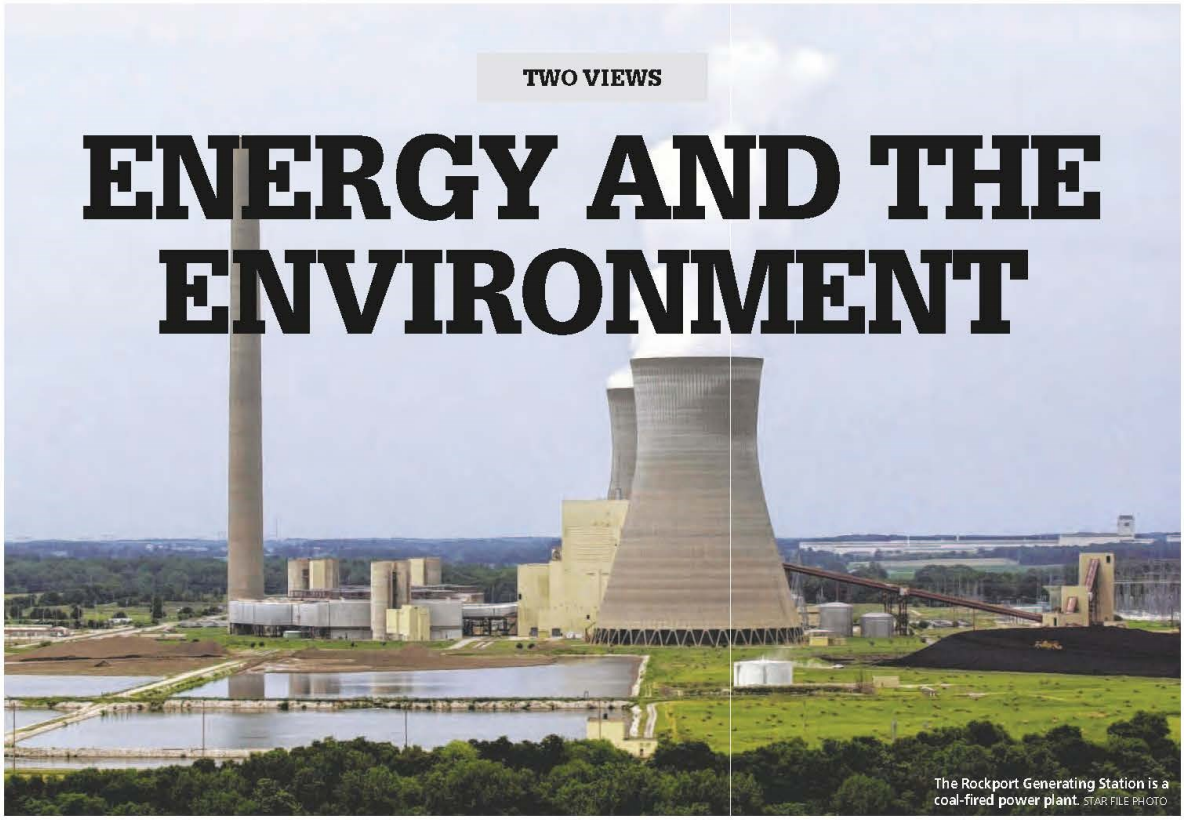
[3]http://www.mikepence.com//on-the-trail/2012-08-28/mikes-plans-maintain-low-cost-energy-improve-environmental-health-indiana

[4]http://www.mikepence.com/issues-energy-environment

FORWARD INDIANA

TWO VIEWS

ENERGY AND THE ENVIRONMENT



The Rockport Generating Station is a coal-fired power plant. STAR FILE PHOTO

EPA regulations could cost jobs

By Vince Griffin

Energy bills are likely to be on the rise soon. You can send your "thank you" card to President Obama and the Environmental Protection Agency. Since Congress failed to follow his request, the president turned to the EPA to perpetuate his administration's attack on coal.

The EPA's proposed regulations are excessive and unrealistically limit greenhouse gas emissions for new power plants. What's more, they would require use of a technology that is simply not commercially viable today; this is a fact the EPA's own science advisory board pointed out to the agency months ago.

Facts like this should give the EPA pause. But no.

The kicker is that, by its own admission, EPA says the new power plant regulations will have "negligible" benefits (on lowering carbon dioxide emissions).

Again, another fact conveniently discarded.

To make matters worse, the EPA doesn't stop there. It has announced plans to release another regulation for existing coal-fueled power plants in June of this year that will drastically affect Indiana and our nation. Complying with these regulations will be expensive and affect all consumers. The U.S. Department of Energy estimates that the resulting cost increase could be as much as a whopping 80 percent in electric power rates. What Hoosier business or family can afford that?

Indiana will be hit far harder than most states because it's the No. 1 per capita manufacturing state in the nation. We make and grow things — and that takes a lot of energy. More than 80 percent of Indiana's electric power comes from coal (compared to nearly 45 percent for the country). In fact, we have an over 300-year reservoir of coal in the ground. To put it mildly, coal is Indiana's primary energy source.

Many companies have located here because we have an adequate, reliable and affordable supply of electricity and water. But now that coal has come under attack by the Obama administration, affordability is going to go out the window. How long will it be before jobs go with it?

Repeatedly, President Obama has called for an "all-of-the-above energy strategy" yet has excluded coal, which is the most plentiful energy source in the U.S. Not only is this short-sighted but seriously challenges our economic competitiveness and threatens our national security.

Smart, necessary regulation by the EPA makes sense, but these are ill-advised maneuvers for everyone.

There may still be something Hoosiers can do. The comment period for the proposed new regulations runs until March 10. Let the EPA know what you think about the prospect of your energy bills soaring (by visiting www.indianachamber.com/go2/EPAcoal.) Also, let your members of Congress know, too; they need to assert themselves before the EPA does irreparable damage to Indiana's economy.

★ Griffin is the Indiana Chamber of Commerce vice president of environmental and energy policy.

Don't end state's efficiency program

By Kerwin Olson

Senate Bill 340 (Demand Side Management Programs) is working its way through the state's legislative process, now in the House of Representatives. The bill promises to eviscerate energy efficiency in Indiana, lead to the loss of hundreds of Hoosier jobs, stifle additional and significant private-sector investment in our communities, and cause unnecessary and potentially significant increases to the already escalating utility bills of Hoosier businesses, consumers and taxpayers.

Representing more than 40,000 residential ratepayers in our state, Citizens Action Coalition of Indiana respectfully requests that Gov. Mike Pence protect Hoosier ratepayers and jobs by taking a strong position against this harmful piece of public policy. The governor should urge the General Assembly to slow down and consider the harmful effects of rushing this bill through a short legislative session. Instead, lawmakers should look into the costs *and benefits* of these programs through an in-depth summer study committee, which should include all interested parties.

The current energy efficiency/DSM programs, launched in January 2012, are working. With just one year of verified data available, the programs are helping ratepayers. The State Utility Forecasting Group projected significant reductions in future load growth versus what had previously been forecast, citing investments in energy efficiency as the primary driver causing this decline.

This reduction in demand will save Hoosier ratepayers billions of dollars by avoiding the future costs of expensive new generation facilities.

Energy efficiency is the quickest path to reducing energy costs and the cheapest electricity we can generate. It is counterintuitive to work toward reducing electric rates by eliminating energy efficiency. SB340 would achieve the exact opposite of its stated goal.

On the campaign trail in 2012, Pence announced a new energy policy in which part of the stated intent was to "to maintain low-cost energy and improve environmental health for Hoosiers." Under his direction, the Office of Energy Development is now creating that new energy plan for our state.

If SB340 becomes law, Indiana will not maintain low-cost energy, because the cheapest energy resource would become unavailable to serve the needs of captive ratepayers, and the overall cost of the energy efficiency resource will be much higher than necessary.

If SB340 becomes law, the environmental health of Hoosiers will not be improved, because electricity demand will unnecessarily increase, leading to more expensive power plants and more emissions from fossil-fuel generation facilities.

If SB340 becomes law, any new state energy plan would not include an "all of the above" energy mix. Instead, the least expensive resource we have will be off the table.

SB340 is contrary to Mike Pence's stated campaign and gubernatorial objectives. We ask him to protect Hoosier ratepayers and jobs by standing by his campaign promises and taking a strong position against SB340.

★ Olson is executive director of the Citizens Action Coalition in Indiana.

March 2, 2014

VanNatter creating chaos Indy

By Scott Smith
Kokomo Tribune

Every time a utility company wants to build a new power plant, the cry goes up from consumer advocates.
If you want to make the ratepayers pay for yet another power plant, they say, force the utility to accept energy efficiency programs as a condition.

The idea is simple. Create real energy savings, and you won't need any more new power plants in the future. Ratepayers will save money on bills, and they won't see their bills rise down the road, when the next $3.5 billion Edwardsport plant is floated to the Indiana Utility Regulatory Commission.

There's just one problem, according to Kerwin Olson of the Citizens Action Coalition of Indiana, and that's the utilities themselves.

When energy demand wanes, the utilities see their sales drop. That's not good for business.

Enter State Rep. Heath VanNatter, R-Kokomo, who managed to amend a bill last week in a way which would kill the state's fledgling energy efficiency program, a program put together and implemented by Gov. Mitch Daniels' administration.

VanNatter simply doesn't believe claims that the program saves consumers $2 for every dollar it costs. He doesn't believe that the program will curtail the need for additional power plants in the future. He says consumers are paying millions so that non-profit groups can get paid for referring people to the program.

All of those assertions — coupled with the shock passage of VanNatter's amendment — have left CAC officials like Olson, who spent five years lobbying state regulators and the Daniels administration to implement the program, aghast and outraged.

"If you want to change the program, study it and make recommendations. Send it to committee, and take public comment. You don't offer it as a second reading amendment, with no dialogue, no committee vote. It's just astounding," Olson said.

Most people are familiar with the program as the deal where the power company sends someone to audit your home, who gives you light bulbs, power strips and shower heads, and offers you ways to further reduce your energy consumption.

It's called Demand Side Management, and it has really only been in effect since January 2012. That was probably two years too long for VanNatter, who has become a vocal cheerleader for Indiana's coal industry during his time in the Legislature.

"The whole point was saving 2 percent on our energy consumption by 2019, but we're going to have to build another power plant anyway by then," VanNatter said. "The total cost of the program over 10 years is supposed to be $2 billion. We could build another power plant for that."

One might say that Olson virulently disagrees with VanNatter on that crucial point, and thinks we can avoid building another plant if we let the demand side program work.

Olson offers analysis from the consultants — people hired by the utilities to audit the programs — to back his assertion the program will save consumers money. VanNatter says he's heard from people who had home audits, and who don't think the program will save them any money.

VanNatter said he felt the changes initially proposed to the program, which would have allowed some energy-efficient large companies a break from some of the requirements, were unfair to residential ratepayers.

But those changes weren't expected to blunt the program's energy efficiency gains. VanNatter's amendment would kill the program dead.

The amended bill, SB 340, is expected to return to the Indiana Senate this week.

Watchdog group says Indiana 'shot self in foot' on energy

Associated Press | June 4, 2014

INDIANAPOLIS — The leader of a consumer watchdog group said Tuesday that Indiana lawmakers put the state at a disadvantage when they passed a bill killing an energy-efficiency program that could have helped the state meet the new federal carbon-emission goal by 2030.

Lawmakers approved a bill in March that will halt the state's fledging Energizing Indiana program on Dec. 31, ending its energy-saving efforts such as low-income home weatherizations.

Citizens Action Coalition executive director Kerwin Olson said lawmakers were "short-sighted" in light of Monday's announcement by the U.S. Environmental Protection Agency, which said coal-dependent Indiana has three years to come up with a plan to cut carbon dioxide emissions by 20 percent over the next 16 years as part of a sweeping national push to combat global warming. Energy-efficiency programs are among the tools states can use to reach their carbon-reduction goal.

"We kind of shot ourselves in the foot here in Indiana by eliminating these programs. It was a short-sighted decision and more so now that we've seen these carbon rules that would allow efficiency programs to be used as a tool to meet these goals," Olson said.

Although Gov. Mike Pence said in March he was disappointed lawmakers killed the program without offering a replacement, he nonetheless allowed the law to take effect. The Republican governor said he would propose an alternative program for lawmakers to consider next year.

Indiana's five largest electric utilities have all filed proposals outlining energy-efficiency programs they hope to implement after the Energizing Indiana program ends. The plans by Duke Energy, Vectren, Indiana Michigan Power, Northern Indiana Public Service Co. and Indianapolis Power & Light need the Indiana Utility Regulatory Commission's approval.

IURC spokeswoman Danielle McGrath said the commission will consider those plans as it drafts recommendations that Pence had requested for a successor to the Energizing Indiana program. The panel is also working to prepare an assessment for lawmakers by Aug. 15 on Indiana's efficiency programs — findings that could factor in legislation next session.

The IURC is also accepting public input until Monday on Indiana's future energy-efficiency programs.

"So there are kind of three different tracks going on, but all under that same umbrella," McGrath said.

Energizing Indiana, which began in 2012, has saved enough energy to power nearly 93,000 Indiana homes, according to its website. Its goal was achieving a 2 percent annual savings in total electric sales by 2019.

Supporters, including businesses and environmental groups, said it has employed hundreds of workers and saved money for consumers who receive free in-home energy audits. But Indiana's manufacturing and utility interests argued the program, financed through a fee on monthly electricity bills, had proven too costly and industrial users saw few benefits.

Duke Energy is Indiana's largest electric utility, with about 800,000 customers in 69 of Indiana's 92 counties. Spokesman Lew Middleton said Duke Energy's energy-efficiency proposal would restore programs it offered to its customers from 1991 until the Energizing Indiana program began.

"Instead of mandated targets what we're doing is simply saying to our customers, 'We've got this portfolio of energy-efficiency programs we can offer and we encourage you to take advantage of those — you can save energy and save money," he said.

Olson, of the Citizens Action Coalition, said the utilities' plans are "not bad" but all but one of them would cover only a single year. He said the consumer watchdog group would prefer utilities offer 3-year programs.

State agency fights utility rates for electric cars

Associated Press
June 20, 2014

A consumer group and a state agency said Friday that Indianapolis consumers shouldn't face increased rates for electricity so that a utility can set up a proposed electric car-sharing program.

Indianapolis Power & Light Co. has requested a rate increase to help pay for its part in setting up charging stations for electric cars that drivers could rent as part of the BlueIndy program, a partnership between the city and the France-based Bollore Group, which makes the cars and their lithium metal polymer batteries. The city plans to have the car-sharing service in place by the end of 2014. That's when 125 cars will become available at 25 charging sites, including the city's airport and shopping and cultural districts.

IPL has asked regulators to approve a rate increase that it says would raise an average residential customer's bill 44 cents per month. The proposed $16 million total increase would cover unfunded IPL costs for providing electric line extensions to the charging sites.

But the Indiana Office of Utility Consumer Counselor, the state agency that represents consumers, and consumer watchdog group Citizens Action Coalition both filed testimony opposing the rate increase plan.

Indiana Utility Consumer Counselor David Stippler said that while the community would benefit from BlueIndy, "we believe that the requested rate increase does not fall within the scope of relief allowed under state utility law." That relief, the agency said, is limited to costs related to providing electrical service to all of IPL's customers.

Citizens Action Coalition Executive Director Kerwin Olson went further. "This does not appear to be a project designed to benefit the working class and low income residents of Indianapolis and the struggles they face in getting around town due to Indianapolis' abysmal mass transit," he said in a statement. "IPL ratepayers are subject to monopoly service, meaning that they cannot choose another electric service provider within IPL's service territory."

IPL said it believes its customers will benefit from BlueIndy.

"BlueIndy is an innovative program that will bring a needed transportation option to our community," IPL said in a statement released Friday.

Marc Lotter, a spokesman for Mayor Greg Ballard, said the rate increase is only a backup plan in case revenue from car rentals doesn't cover IPL's costs. Lotter said the increase would last for five years beginning in 2018 if it's needed.

Bollore estimates it'll take 15,000 to 20,000 regular users a year for the program to break even.

"BlueIndy will provide the charging stations and cars and they will pay for the electricity they use," Lotter said. He said the rate increase was only a provisional backup plan.

A hearing on the rate increase proposal is scheduled for July 23.

THE WALL STREET JOURNAL.

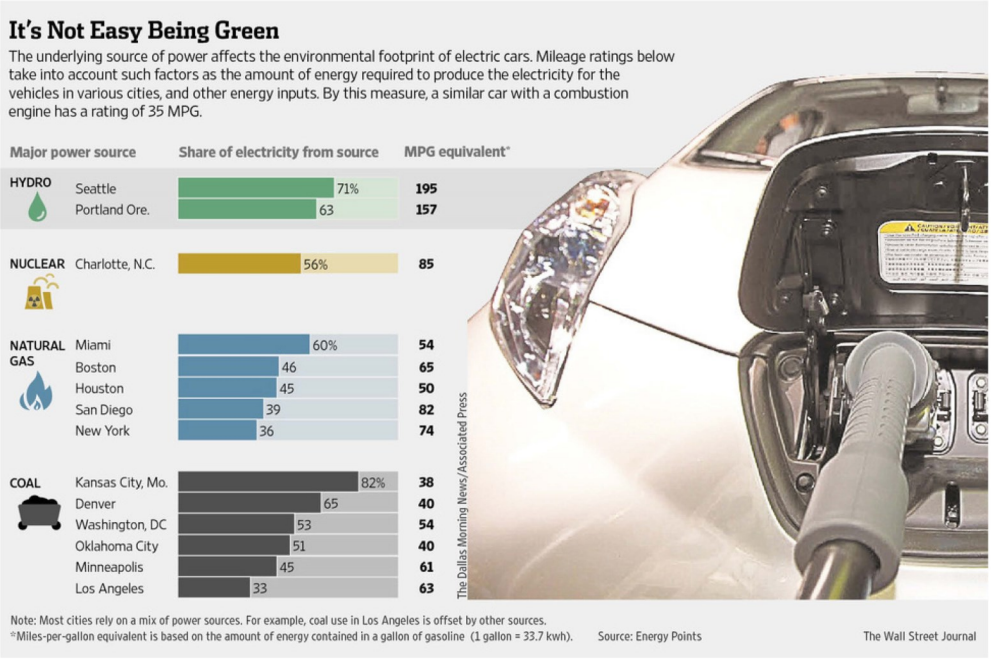
BUSINESS

U.S. Utilities Push the Electric Car

Power Companies Desperate to Sell More Kilowatts Want Americans to Adopt Electric Cars

By CASSANDRA SWEET

Aug. 29, 2014 2:14 p.m. ET



As utilities across the U.S. grapple with stagnant electricity sales, many see opportunity in the fledgling need for electric-car charging stations. But some companies' tactics are spurring complaints from consumer advocates.

Related

- **How Green Is Your Electric Car?**

Electricity companies are asking permission to let them tack on fees to customer bills to fund pilot projects for building networks of charging stations. Critics say the requests are unfair because they would make all customers pay the high cost of experimental equipment even though it would benefit only a few—often affluent—people.

In San Diego, Sempra Energy's power utility wants to install 5,500 electric-car chargers at hundreds of office parks, apartment buildings and condominium complexes at a cost of $100 million. The company says

convenient, easy-to-use charging stations will encourage more Californians to adopt electric cars, improving air quality for everyone. The utility wants to add a surcharge to all San Diego customers' bills.

The Utility Reform Network, a nongovernmental organization that fights rate increases, has asked state regulators to reject the new fee, about 40 cents a month for an average customer.

It is inappropriate to ask consumers to pay for risky business ventures, says Marcel Hawiger, a lawyer for the group. The equipment might not prove profitable in the long term or quickly could become outdated, he says. "Shareholders should fund business opportunities for the company."

As products from light bulbs to refrigerators become more energy efficient, U.S. electricity usage has gone flat. The prospect of more electric cars on the road—and plugged into power sockets when they aren't—could revive demand for power. But consumers have been reluctant to buy electric cars, partly because of their limited range. Nissan Motor Co. 's plug-in Leaf can travel around 80 miles on a single charge.

The Edison Electric Institute, an industry trade group, last month encouraged U.S. utilities to use electric vehicles to entice more consumers to embrace the cars. There are only 200,000 electric cars in the U.S., according to the Electric Power Research Institute.

Sales of individual electric cars are beginning to rise. Americans registered more than 46,000 new plug-in cars last year, according to research firm IHS. That was triple the number of 2012 but still less than half a percent of all U.S. car registrations.

Fueling an electric car costs about a third as much as filling up a comparable gasoline-powered car, according to the Energy Department. Charging an electric car costs the equivalent of $1.27 a gallon, compared with $3.52 a gallon for gasoline, based on nationwide average prices. The comparison calculates the distance an electric car can travel using the same amount of energy contained in a gallon of gasoline.

But it is generally more expensive to buy an electric car than a similar conventionally powered vehicle. Ford Motor Co. prices the Focus Electric around $35,000, roughly $11,000 more than the most-expensive gas-powered Focus. Electric cars also have limited range; most can travel less than 100 miles on a single charge, which can take eight hours.

"There's a place for electric vehicles, but it'll be a long time before they come anywhere close to being a universal replacement to an internal-combustion vehicle," says IHS analyst Phil Gott.

Another factor likely to constrain adoption of electric cars is that fuel costs for conventional vehicles are expected to fall because of federally mandated fuel-efficiency improvements. The average gasoline-fueled car is expected to run 53 miles on a gallon of gasoline by 2025, compared with 35 miles today, according to the U.S. Energy Information Administration.

Many utilities are rolling out public charging stations in convenient locations. NRG Energy Inc. 's Evgo unit operates car-charging stations at drugstores and grocery stores in California, Texas and the Washington, D.C., area. Austin Energy runs 200 public charging stations in central Texas and offers its power customers a 50% rebate when they install a home car charger.

In New Jersey, a utility owned by Public Service Enterprise Group Inc. recently began offering electric-car chargers to any employer in the state with at least five workers who could use it. The company is paying the program's $400,000 cost so it can study usage and better gauge what PSEG's role should be in

customers' charging needs, says Jess Melanson, the utility's director of energy services.

But Indianapolis Power & Light, a unit of AES Corp. , wants its customers to pay the $16 million cost of installing 200 electric-car charging stations around town. The chargers would form the backbone for an electric-car sharing service proposed by France's Bolloré SA, which operates a similar car-sharing service in Paris. The cost would be 28 cents a month for the typical power customer for 10 years, the utility says.

The Citizens Action Coalition, a nonprofit group that advocates for utility consumers, says shareholders—not utility customers—should pay for the investment. "This is corporate welfare at its worst," says Executive Director Kerwin Olson.

More people would be willing to buy an electric car if charging stations were more plentiful, says Dave McCreadie, head of electric-vehicle infrastructure at Ford. "It helps allay people's fears that, 'If I get an electric car I'm going to get stranded.' " If employers added workplace chargers, it would help fill the gap, he says.

Ford is working with seven other auto makers and 15 utilities, including Honda Motor Co. , Daimler AG 's Mercedes-Benz unit, Consolidated Edison Inc. and Southern Co. to create a nationwide program to encourage the use of electric cars.

Write to Cassandra Sweet at cassandra.sweet@wsj.com

Monday, September 08, 2014 4:33 PM ET

Ind. court rules regulators must examine costs of Duke's Edwardsport plant

By Matthew Bandyk

An Indiana appeals court on Sept. 8 ruled against Duke Energy Indiana Inc. and in favor of environmental groups that oppose Duke's Edwardsport integrated gasification combined-cycle plant, ruling that state regulators must reconsider whether certain costs for the multibillion-dollar project should be passed onto ratepayers.

The decision will likely lead the Indiana Utility Regulatory Commission again to take on the question of whether it is fair for ratepayers to be charged for costs that allegedly came from delays in the startup of the plant. The environmental groups argued the delays should be blamed on Duke for trying to push an unproven technology before it was ready.

The Edwardsport facility's technology converts coal into a synthesis gas from which pollutants are removed, and heat from the gasification process is used to generate electricity, allowing the coal plant to provide power but with highly reduced emissions. Implementing this technology at the Indiana plant has led to one of the most expensive projects ever pursued by Duke Energy Corp., but one the company says will pay off over the long run. Unexpected difficulties during testing the plant pushed the startup date back by several months, and the capital costs increased to $3.15 billion from a 2011 estimate of $2.72 billion.

"We've been saying from the get-go that the schedule delays are the result of Duke's mismanagement," said Kerwin Olson, executive director of the Citizens Action Coalition, one of the groups that has been appealing the IURC's approvals of the project's costs in six-month increments. But the Sept. 8 decision from the Indiana Court of Appeals is the first time the court has agreed with the groups that the commission did not consider enough evidence when approving the costs of the project, he said.

The decision gives the group more confidence that other appeals against Edwardsport could be successful, Olson said. This case concerns only the 2013 IURC order that approved the six-month period of the project's spending from October 2011 to March 2012. The Citizens Action Coalition has also appealed the commission's approvals in most of the other six-month periods, including one appeal pending before the Indiana Supreme Court.

According to the decision, during the six-month period in question, Duke delayed the expected completion date for Edwardsport by three months. The Citizens Action Coalition and the other groups said this delay led to $61 million in higher financing costs that were passed onto ratepayers with the IURC's approval. "The commission, from our perspective, has rubberstamped everything Duke wants without making findings of fact," Olson said.

The court ruled that the commission must reconsider how much the delay increased customer rates and how much of that cost increase should be covered by Duke. The decision did not indicate that the IURC must rule in any particular way, but it remanded the issue back to the commission. The court also said the IURC must examine Duke's claim that 50% of the plant should have been considered "in-service" during the period in question. The Citizens Action Coalition claims the "in-service" designation is an accounting mechanism that has allowed Duke to get higher rates from its customers.

The IURC has capped the amount of Edwardsport's costs that can come from ratepayers at about $2.6 billion.

A Duke spokeswoman said the company is still reviewing the decision and would not have an immediate comment.

The Indianapolis Star

Oct 06 2014 Page A01 Clip resized 86%

Judge OKs canvassing

He rules against Yorktown

Kristine Guerra
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An Indiana town's ordinance severely restricting door-to-door canvassing violates free speech, a federal judge says.

Judge Richard Young of the U.S. District Court for the Southern District of Indiana issued the ruling Tuesday in favor of the Citizens Action Coalition of Indiana Inc., which relies on field canvassing for a quarter of its annual revenue.

The Indianapolis-based nonprofit filed a lawsuit in March 2013 against Yorktown, alleging its ordinance requiring application and licensing fees and prohibiting door-to-door canvassing before 9 a.m. and after 8 p.m. or dusk violates the group's First Amendment rights and significantly limits its ability to reach its audience.

In his ruling, Young said there isn't enough evidence to show that evening canvassing poses a threat to residents' safety. Those who aren't willing to talk to canvassers don't have to do so, he said. Young also wrote that the ordinance does not leave alternatives for the group.

"Without any substantive evidence establishing an increase in the crime rate due to door-to-

» See CANVASS, Page A12

Oct 06 2014 Page A12 Clip resized 46% From A01

The Indianapolis Star

Canvass

Continued from A1

door solicitation, the Town fails to show how canvassing after sunset but before 9:00 p.m. poses any greater threat to its citizens than any other person who may come to a resident's door after dark," the judge wrote.

Kerwin Olson, the organization's executive director, applauded the ruling. He said while Yorktown's ordinance doesn't significantly impact their fund-raising efforts because the group raises funds in several other places, such an ordinance could set a "dangerous precedent" that limits free speech.

"One of the largest misunderstandings is that canvassing and solicitation are the same thing," Olson said. "We're not selling. We're doing canvassing on political issues, which is protected free speech."

The American Civil Liberties Union of Indiana filed the lawsuit on behalf of the coalition.

"We are pleased that the Court recognized that the ability of the government at any level to interfere with this activity is severely limited, and hope that this ruling will educate other municipalities that might consider similar legislation," ACLU of Indiana staff attorney Gavin Rose said in a statement.

The grass-roots coalition, which focuses on utility rates and regulation, energy policy and health care, garners about 25 percent of its annual revenue from door-to-door canvassing. The group also uses canvassers to gain membership and to discuss issues with residential neighborhoods.

In February 2012, the town passed an ordinance that requires peddlers, fundraisers and solicitors to apply for a license and prohibits door-to-door canvassing before 9 a.m. and after 8 p.m. or dusk.

The ordinance also called for a $150 application fee and a weekly $50 license fee for each person. Those who violate the time restriction had to pay a $2,500 fine.

According to the coalition's lawsuit, the fees are too costly for the group, which typically sends five to 30 canvassers to a city or town, depending on its size. Yorktown Town Manager Pete Olson said that part of the ordinance was later clarified to apply only to those who are selling something.

The coalition also said the restriction is significantly limiting because residents are more likely to be at home after 7 p.m. Documents said nearly 50 percent of all donations made to the group between April and October 2013 were through door-to-door canvassing after 7 p.m. The organization also said the word "dusk" in the ordinance is too vague, because sunset can be as early as 5:30 p.m. during the winter.

Documents said the coalition's canvassers had been knocking on doors in Yorktown for almost two years, typically between 4 and 9 p.m. on weekdays, before Yorktown passed the ordinance.

Pete Olson said town officials are disappointed about the ruling. He said they are weighing their options, which could include an appeal.

The Town Council passed the ordinance after residents voiced concerns about their privacy and safety, according to court documents. Most were apprehensive about canvassers knocking on their doors after dark.

Yorktown resident Bob Drummond wrote in an affidavit that "if someone approaches my house in the dark, or if my doorbell rings after dark, it alarms me."

★ Call Star reporter Kristine Guerra at (317) 444-6209. Follow her on Twitter: @kristine_guerra.

Oct 12 2014 Page A09 Clip resized 48%

The Courier-Times (New Castle)

CAFO / CFO committee member presents minority opinion

Peckinpaugh points to conflicts of interest as potential snag

By KATIE CLONTZ
kclontz@thecouriertimes.com

A member of the CFO / CAFO study committee says conflicts of interest among committee members could have jeopardized the committee's effectiveness.

Steve Peckinpaugh, a member of the committee tasked with studying large-scale animal feeding operations in Henry County, also serves as a Downstream Project representative. Downstream is a non-profit that works to protect the public from certain threats posed by factory farms.

When the CAFO study committee recently presented what could have been a final report to county officials, Peckinpaugh wasn't quite satisfied. He drafted and then presented Henry County Planning Commission with a minority report.

The Henry County Planning Commission will hold a special meeting regarding CFO / CAFOs at 7 p.m. Oct. 23 on the second floor of the Henry County Courthouse, 101 S. Main St.

In the minority report, Peckinpaugh's main concerns included conflicts of interest among committee members, the future of public hearings, keeping manure odor as far away from neighbors as possible and financial responsibility for CFO / CAFO operators.

In 2012, the Henry County Commissioners issued a moratorium on confined feeding application permits. The study committee was formed in January to discuss potential regulations for such operations. Peckinpaugh said the study committee had some positive impact, such as establishing the importance of concepts such as injected or single-pass manure applications.

"The very best way to handle manure is to inject it in the ground and cover it up as you go," Peckinpaugh said. "It's a very non-odorous way of handling it. In the past we've had a lot of folks just spray manure on top of the ground, which doesn't do much to control odor. A single-pass manure application means manure is spread on the ground, then gone over with a disc to work it into the ground within 24 hours of the manure being applied."

But Peckinpaugh said the most daunting issue facing confined feeding operations is the future of public hearings. Whether applicants will be allowed to use a scoring system designed by the study committee to bypass public hearings prior to establishing a CAFO or CFO will be determined by the planning commission.

The study committee vote tied 3 to 3 regarding the issue. Peckinpaugh said he believes public hearings are a necessity, and re-zoning the county to include a designated agriculture district would be a potential solution to the problem.

"In order to have a point system which has a so-called waiver threshold for avoiding the public hearing, the public must first be given the opportunity to know where and how this action will apply," Peckinpaugh said. "By adding a new zoning district to the county, which allows for an abridgment of this right of the people, the public would have input as to where this would be allowed, and would also be given some certainty that is also desired by confined feeding operations before they apply for their permits."

In terms of the point system, Peckinpaugh also expressed concern that the expected outcomes of such operations would actually be fulfilled.

"The forward monitoring of those point-based activities can be problematic, given the limited resources available to the county, which can give rise to a situation where an operator might forgo activities to which they committed for the purposes of acquiring points," Peckinpaugh said.

Odor set-backs and separation distances were also discussed in the minority report.

"Utilizing a one-size fits-all system of fixed separation distances fails to adequately take into account the differences in odor generated by types and numbers of livestock and poultry, as well as other factors associated with a confined feeding facility," Peckinpaugh said. "The big problem I have is the fact that instead of using a scientifically developed calculator to give you a pretty good idea of what distance is required to keep odors at a minimum, one was made up that has no relation to anything scientific."

"We live in an agriculture community, but it's all about placement and being good neighbors," State Representative Tom Saunders, (R-Lewisville) said. "I think there should be some setback requirements and there should be a public hearing so people can have their say."

Peckinpaugh's other area of concern was conflict of interest among study committee members. He felt that a second study committee should have been formed that did not include anyone who worked for the county, was appointed to represent the county or was an elected county official.

Financial responsibility for CFO / CAFO operators was something Peckinpaugh said the study committee did not address, but was something the planning committee should act upon.

"There is a need for a financial responsibility ordinance associated with earthen storage lagoons, regardless of size," Peckinpaugh said. "These facilities pose the greatest threat to our water supplies and have been abandoned in the past when they suffered a problem. The taxpayers of Henry County do not need to be put on the hook for the cost of cleanup due to a failure of one of these facilities."

The Herald-Times (Bloomington)

Oct 12 2014 Page E09

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OUR OPINION

New energy law needs real bite if it is to be effective

In a report Thursday, the Indiana Utility Regulatory Commission told Ind. Gov. Mike Pence "the commission concurs with the numerous public written comments supporting the use of energy efficiency and demand-side management as an essential part of our state's resource portfolio."

Sounds reasonable.

The report comes at Pence's request after Senate Bill 340 became law in the last session of the Legislature. The bill, which passed both houses of the Republican controlled Legislature by wide margins, kills the state's two-year-old energy efficiency program at the end of the year.

At the time, Pence said he couldn't sign the bill killing the program into law because the program was good for consumers. But neither could he veto it, because, he said, the program would be costly to energy companies, thus raising energy prices here and making the Hoosier state less competitive.

His non-action meant the bill became law without his signature.

Pence expressed disappointment that the benefits to consumers would be lost with the death of the program. He asked the Utility Regulatory Commission to come up with proposed rules that could become part of a new energy efficiency bill in next year's session of the Legislature.

Last week's report was the result.

And that quote in our first paragraph is self-evident, right? No one would be on the side of spending more money for electricity, right?

Then why is Kerwin Olson, who heads up the consumer and environmental watchdog group Citizens Action Coalition, so unhappy with the report?

"Wow, really disappointing comments from the commission today," he began in an email to the H-T Thursday, following release of the report. His complaint is that the recommendations call for only voluntary energy efficiency programs developed and run by each utility, rather than by an independent agency, with no required energy reduction goals to be set.

That approach, he said, would essentially mean the state has no effective energy efficiency plan, just as it was before 2009, when the current law was passed.

That law did have goals and laid out specific methods to reduce energy usage, including light-bulb giveaways and free energy audits by utility companies. The mandate was to reduce total energy use by 2 percent over 10 years, with incremental annual reduction targets also set.

The report's recommendations, of course, are not yet law. Pence says he will be asking the Legislature to come up with a plan to address future energy use and efficiency in the state.

We can only hope that despite the report, a new law has real teeth. We hope Pence sees the importance of energy efficiency for our future.

THE HERALD-TIMES

CAC joins fight against reservoir

By Ken de la Bastide | The Herald Bulletin | Posted: Friday, November 28, 2014 7:00 am

ANDERSON – A consumer advocacy group has joined the fight to prevent the construction of the proposed Mounds Lake Reservoir in Madison and Delaware counties.

The Citizens Action Coalition (CAC), which was formed in 1974, has joined with the Heart of the River and the Hoosier Environmental Council in raising concerns about the proposed reservoir that would extend from Anderson to Yorktown.

Kerwin Olson, spokesman for the CAC, said the group is working to get the word out about its concerns over the reservoir project that is being spearheaded by the Anderson/Madison County Corporation for Economic Development (CED).

Proponents of the project believe the reservoir will provide a stable source of fresh water, which will become the backbone of economic growth over the next 20 years. They contend it will enhance current river activities and expand recreational opportunities in the area.

Supporters believe the benefits of Mounds Lake include an increase in local property values, redevelopment of current and new retail investments and the creation of new trails, fishing opportunities and boating.

The proposed reservoir will create a 2,100-acre lake that would extend from Anderson along the White River to Yorktown in Delaware County. The estimated cost is $450 million.

Olson said the CAC is currently going door-to-door to educate the public and get signatures on petitions in opposition to the reservoir project.

“We’re surprised by how many people in the community are not aware of the proposal,” he said.

Olson said the CAC has multiple concerns about the reservoir project.

“To consider that economic development is done by flooding is an absurd idea in our minds,” he said.

“We don’t need the water, water is available,” Olson said. “The bigger problem is getting the water to where it’s needed.”

Olson said an excuse for going ahead with the project is a need for water in Marion County.

“Citizens Water has said they’re not interested,” he said. “They have cheaper supply sources.”

Olson said claiming there is a need for the water is a false argument to justify a bad idea.

“We’re keeping an eye on it,” he said of the proposal.

Rob Sparks, executive director of CED, said that because the Mounds Reservoir project is so complex there was anticipation that local, regional and national groups would be opposed.

"There have been several studies that forecast a need for water in the region," he said. "There is also a need for drought preparedness, which has not been addressed."

Sparks said conservation has to play a role.

"To depend on an endless water supply for future planning doesn't work," he said. "There is needed additional capacity for future needs and possible drought."

Sparks said there is a lot of information available about the project and is clouding the issue.

He said CED is currently working on how to present the information from the Phase II feasibility study to the public.

"The real issue is how to develop a long-range sustainable water resource," Sparks said. "We hope to release more information by the end of the year."

Currently the CED is working on obtaining financing for the project, he said. Sparks said most of the engineering studies have been completed.

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