

MID-SESSION LEGISLATIVE BRIEFING

February 24, 2024



INTRODUCTIONS

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CITIZENS ACTION COALITION

- CAC is Indiana's oldest and largest consumer and environmental advocacy organization.
- Since our inception in 1974, we've helped to save Hoosiers **billions** in excess utility charges.
- CAC advocates on behalf of Hoosiers on issues regarding energy policy, utility reform, health care, pollution prevention, and family farms.

Grassroots organizing



Legislative advocacy



Regulatory advocacy



LEGISLATIVE DEADLINES

■ **Tuesday, April 15, 2025:**

- Last day for 3rd reading of House bills in Senate
- Last day for 3rd reading of Senate bills in House
- Last day for Senate & House adoption of conference committee reports without Rules Committee approval

■ **Tuesday, April 29, 2025:**

- Last day for adjournment of both houses

WHAT DID NOT GET A HEARING?

■ **Consumer Protections, Affordability**

- **SB97, Sen. La Keisha Jackson (utility disconnections & customer data reporting)**
- **SB226, Sen. Andrea Hunley (customer assistance programs)**
- **SB434, Sen. Andrea Hunley (utility transparency & reporting)**
- **HB1446, Rep. Ryan Dvorak (sales tax exemption for utility bills)**

■ **Consumer Choices & Self-Generation**

■ **Community Solar**

- **SB541, Sen. Mark Spencer**
- **HB1581, Rep. Carey Hamilton**
- **HB1371, Rep. Pat Boy**

■ **Net Metering**

- **HB1537, Rep. Vernon Smith**

BAD LEGISLATION

TODAY'S STAR:

Payday Lending Expansion – HB 1174

*We are a steering member
of [Hoosiers for Responsible Lending](#).*

*We seek to safeguard Hoosiers from
predatory lending practices.*

HB 1174 creates new longer-term loans of up to \$5000 with monthly "service" fees of up to \$200/month.



BAD LEGISLATION

Payday Lending Expansion – HB 1174

These service fees can be *charged monthly for the life of the loan, no matter how much a borrower has paid back* - in addition to interest and other charges. The bill also allows very large loans - like car loans - to charge interest rates as high as 36%, a dramatic increase from our current cap of 25%.

Take action *immediately* to oppose this bill!

BAD LEGISLATION

Voting “reform” – SB 10

SB 10 masquerades as an “election integrity” measure. The bill would ban college students from being able to use their student IDs as a form of acceptable voter identification at the ballot box.

*SB 10 is alive. Make sure your legislators know to **vote no** on this bill.*

BAD LEGISLATION

Local stormwater projects – HB 1037

House Bill 1037 paves the way for further no-more-stringent-than policy in Indiana and bars locals from stormwater management that goes above federal standards. HB 1037 caters to the construction and building lobbies and ignores our local communities' innate geographical differences - southern Indiana Karst, wetlands, aquifers, etc.

HB 1037 is alive and in the Senate. Make sure your legislators know to **vote no** on this bill.

BAD LEGISLATION

Voting “reform” – SB 284

SB 284 will reduce early, in-person voting in Indiana from 28 days to 14 days, even though early voting is extremely popular. So popular that in some counties a majority of voters cast their ballot before Election Day.

GOOD NEWS!

SB 284 died last week without being called for a vote—meaning there was not enough support for it to be called down.

THE BUDGET

HB 1001

The House Budget fully funds the CHOICE program. This is a win, in a year when the biennial budget is tight and public benefit programs are on the chopping block.

Background

In 1987, CAC and our coalition organizations helped to get state legislation passed to create the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program. Since then, CHOICE has served tens of thousands of Hoosiers and their family caregivers. On countless occasions, CHOICE has been a vital service to senior citizens and people with disabilities. It allows people who require just a few hours of care each day to remain in their homes with part-time assistance rather than being forced prematurely into round-the-clock nursing facilities. Thank you to the Area Agencies on Aging for working on CHOICE!

GOOD LEGISLATION

SB 310 – Energy Audits

GOOD NEWS!

Senate Bill 310, which would allow the Indiana Department of Administration to conduct energy audits of the Indiana State Government Center and the Statehouse. Bill is in the House.

SB 193 – CFO/CAFO oversight

GOOD NEWS!

Senate Bill 193, which provides enhanced oversight for Confined Feeding Operations (CFOs). Sen. Rick Niemeyer (R-Lowell) cited the effects endured by Hoosiers living near and downwind of CFOs including the constant smell and olfactory harassment of large feeding lots. Bill is in the House.

SMALL MODULAR NUCLEAR REACTOR(S), OR SMR(S)

- Need for “baseload”, coal retirements, data centers, manufacturing
- Indiana Office of Energy Development:
 - Small modular nuclear reactors are defined as nuclear reactors that generally produce 300 Mw equivalent or less. (note: Indiana law defines an SMR as “*having a rated electric generating capacity of not more than four hundred seventy (470) megawatts*”
 - November 2024: *SMR Technology and its Impact for Indiana*
 - CONCLUSION: SMRs present a viable opportunity for Indiana to transition to a cleaner, resilient and diversified energy future. Successful deployment of SMR technology requires a careful balance of economic, regulatory and social considerations along with development of the technology.
- Governor Mike Braun - *Freedom and Opportunity for Every Hoosier*
 - Nuclear Development: Position Indiana to become a leading state for the nuclear energy development over the next decade, with the intent to unlock nuclear energy’s potential to help fill gaps in Indiana’s mid-to long-term power generation mix for flexible, 24/7 dispatchable generation. (page 37)

SMALL MODULAR NUCLEAR REACTOR(S), OR SMR(S)

■ Proponents opine that:

- Smaller footprint - located on sites not suitable for traditional reactors
- More affordable - they can be pre-fabricated and shipped/installed onsite
- More flexible – greater control to ramp up and down to match load
- Safer – smaller size, alleged design advantages

■ Reality:

- No operational SMRs exist in the US
- Highly touted pilot project in Idaho expected to come online in 2029 cancelled due to significant cost increases
- Experts highly skeptical of claims - less mature designs, materials not readily available, untested technologies, regulatory corner cutting
- Cheaper, cleaner technologies available today (false solution for climate)
- Water usage, nuclear fuel cycle, still no solution for waste

SMR TRACKER – “PROJECT DEVELOPMENT COSTS” INCLUDED IN SB423, SB424, & HB1007

- **Project Development Costs means costs that have been incurred, or are reasonably estimated to be incurred, in the development of one (1) or more small modular nuclear reactors**
 - evaluation, design, and engineering costs;
 - costs for federal approvals and licensing;
 - costs for environmental analyses and permitting;
 - early site permit (as defined in 10 CFR 52.1) costs;
 - equipment procurement costs; and
 - authorized carrying costs.
- **A public utility may petition the commission for approval to incur, before obtaining a certificate under this chapter**
- **The commission shall approve the recovery of the project development costs...through a periodic rate adjustment mechanism**
 - 80% of costs recoverable through tracker
 - 20% of costs deferred to next base rate case

SMR TRACKER – “PROJECT DEVELOPMENT COSTS” INCLUDED IN SB423, SB424, & HB1007

- **Project development costs that are incurred by a public utility for a project that is canceled or not completed may be recovered by the public utility if found by the commission to be reasonable, necessary, and prudently incurred...**
- **But such costs shall be recovered without a return unless the commission also finds that:**
 - (1) the decision to cancel or not complete the project was prudently made for good cause;
 - (2) the project development costs incurred will be offset, as applicable, by:
 - (A) funding opportunities from the United States Department of Energy that are pursued in good faith by the public utility;
 - (B) a recoupment of revenues received by the public utility from one (1) or more third parties for the transfer of assets created through the costs incurred; or
 - (C) a reimbursement of costs by a single customer or prospective customer at whose request the project was pursued; and
 - (3) a return on the project development costs incurred is appropriate under the circumstances to avoid harm to the public utility and its customers.

SB423, SECTION 3(1) THROUGH 3(6) ELIGIBLE PARTNERS

- **Sec. 3. As used in this chapter, eligible partner means any of the following:**
 - (1) An eligible utility.
 - (2) A person that is a current or prospective customer of an eligible utility and that commits to:
 - (A) use electricity generated by an SMR to be constructed under the program; or
 - (B) host on the person's premises an SMR to be constructed under the program.
 - (3) A capital partner or third-party investor.
 - (4) A military installation (as defined in IC 1-1-16-5).
 - (5) A reuse authority established under IC 36-7-30-3 for a military base reuse area established under IC 36-7-30-10.
 - (6) A manufacturer of SMRs.
 - (7) A state educational institution (as defined in IC 21-7-13-32)

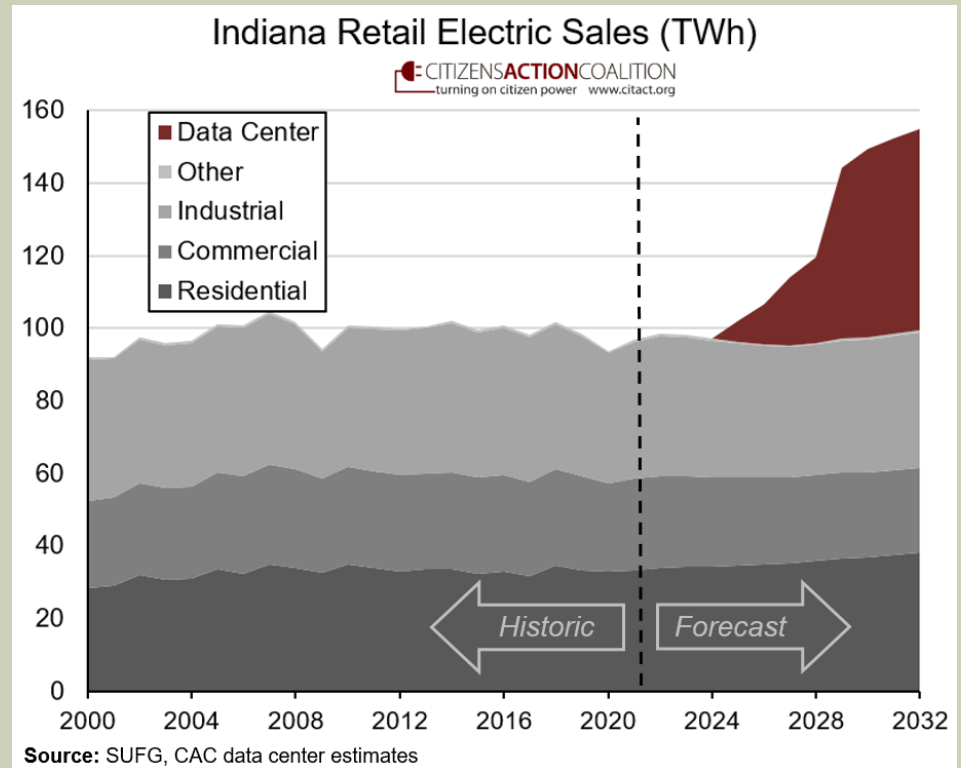
HB 1007: EXPEDITED POWER PLANTS

■ Load growth in Indiana

- Expected to increase rapidly as a result of new data centers

■ HB 1007

- Establishes **fast-track processes with little oversight** for approving billions in new power plants for specific large customers or load growth more generally
- **Shift costs and risks** from Big Tech and utility shareholders onto existing ratepayers
- **Creates new bill trackers** (surcharges) that will undermine affordability



HB 1007: EXPEDITED POWER PLANTS

| Issue | Current Process | HB 1007 |
|--|-----------------|---|
| Timeline for Regulatory Approval | Medium | Very Short |
| Opportunity for Stakeholder Input | Robust | Minimal, Unclear |
| Consistency with IRP | Required | Not required |
| Ratepayer Protections | Some | Few, Ambiguous |
| IURC Permission Required Before Starting Construction? | Yes | No |
| Cost Recovery | Tracker(s) | Tracker(s) under 90 day approval |
| IURC Discretion | Broad | Limited |

HB 1007: STANDARD TARIFF FOR LARGE LOAD CUSTOMERS

- **CAC Settlement Agreement with I&M, data centers, and OUCC**
 - IURC [approved](#) in Cause No. 46097 on 2/19 with one minor modification
 - Increases transparency and protections for I&M ratepayers from stranded assets created by data centers
- **HB 1007**
 - 80% of “project costs reasonably allocable” to data centers will be paid by data centers under a utility’s standard tariffs
- **But 1007 does not include other essential consumer protections in Settlement like:**
 - A set exit fee wherein a 1,000 megawatt data center would pay an exit fee of more than \$1 billion if they close five or more years early.
 - Minimum bill
 - Reporting and transparency
 - Long-Term Commitment that requires data centers to commit to sticking around

HB 1007: RESOURCE RETIREMENTS

■ **Current process:**

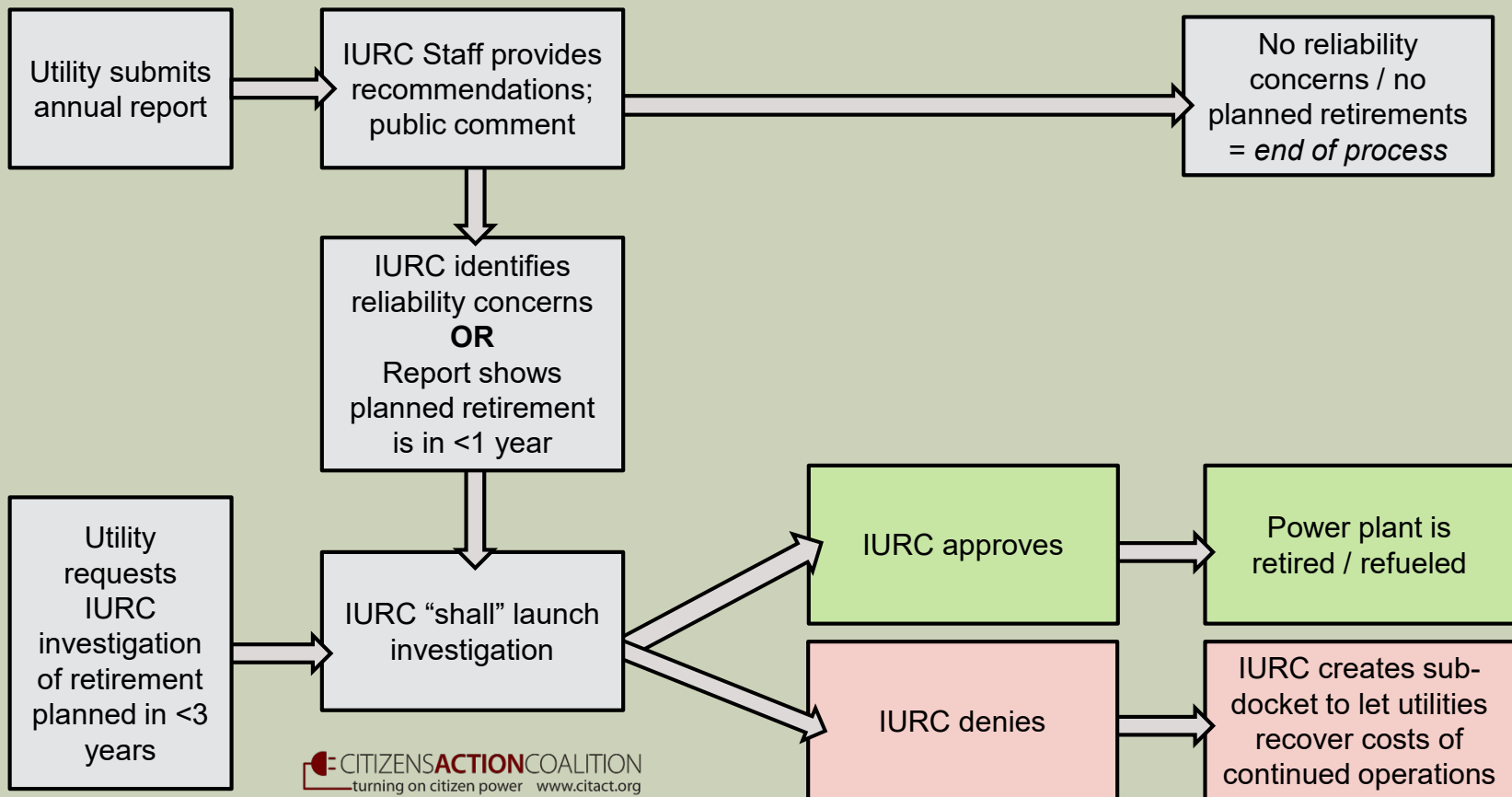
- IURC “may” launch investigation
- IURC can order the utility to acquire or construct **additional** resources (but it was not clear that IURC could prohibit a resource from retiring / refueling)

■ **Now HB 1007:**

- Explicitly requires the utility to file for approval to retire a powerplant
- Allows IURC to **prohibit** a power plant from retiring or refueling
- IURC considerations include:
 - Provides economic benefit to ratepayers
 - Replaced with approximately the same accredited capacity
 - Consistent with Five Pillars of reliability, affordability, resiliency, stability, and environmental sustainability
 - Environmental laws / regulations

HB 1007: IURC REVIEW OF POWER PLANT RETIREMENTS OR REFUELING

- New processes give IURC power to prohibit a utility from retiring or refueling (coal → gas) a power plant:



SB423, SB424, HB1007 BILL SPECIFICS

- **SB424, just the tracker, duplicative of HB1007**
- **HB1007 SMR provisions, tracker and**
 - **20% Indiana State tax credit against a taxpayer's expenditures incurred in the manufacture of a small modular nuclear reactor in Indiana.**
- **SB423, Small modular nuclear reactor pilot program**
 - **Tracker for pilot project(s) at not more than two (2) eligible project sites**
 - **Eligible Project Sites**
 - a location in Indiana; or
 - the site of a nuclear energy production or generating that supplies electricity to Indiana retail customers on July 1, 2011.
 - **Eligible Partnership means a group or entity, however organized, that consists of:**
 - (1) (A) at least one (1) eligible utility; and (B) one (1) or more other eligible partners described in section 3(1) through 3(6) of this chapter; and
 - (2) is formed for the purpose of developing one (1) or more SMRs at an eligible project site under the program.

GOVERNOR MIKE BRAUN COMMENTS ABOUT NUCLEAR COSTS, WTHI-TV TERRE HAUTE

FOR IMMEDIATE RELEASE: February 24, 2025

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CAC Applauds Governor for Concerns about Ratepayers

Gov. Braun Appropriately Believes Risk for Nuclear Costs belongs with Utilities

INDIANAPOLIS – Citizens Action Coalition (“CAC”) was reassured by Governor Mike Braun’s comments regarding the appropriate placement of the investment risk involved with the potential build-out of expensive and experimental small modular nuclear reactors (“SMRs”) in Indiana. In an interview about energy production with WHTI-TV News out of Terre Haute, Governor Braun stated:

*“I’m hesitant about putting that solely on the back of the rate payers. Some of that they (the utility companies) will have to absorb through what is called ‘capitalism’. **They are out there as investor owned, and some of that is going to have to be the risk that they take.**”¹*

The Governor’s comments stand at odds with provisions included in three separate pieces of legislation currently working their way through the 2025 session of the Indiana General Assembly – House Bill 1007, Senate Bill 423, and Senate Bill 424. All three bills include an adjustable-rate mechanism, more commonly referred to as a utility bill rider or tracker, which would force captive utility ratepayers to assume all the financial risk for “project development costs,” or **pre-construction costs**, related to SMRs - should these bills survive the legislative process in their current form and Governor Braun signs them into law.

SITING BILLS

SB425 AND HB1628

- **HB1628 heard twice in committee, no vote taken, bill dead**
 - Introduced bill would have made the State the sole regulator concerning the development of any "multi-jurisdictional infrastructure project" that involves the siting, construction, or deployment of facilities, equipment, or infrastructure used in the generation, transmission, distribution, or storage of electricity, gases or fluids, or water
 - Amended in committee to effectively block solar and wind
- **SB425, Energy Production Zones**
 - No local permits or variances required for electric generation facility in an "Energy Production Zone", defined as
 - an existing electric generation facility with a generating capacity of at least 80 megawatts
 - a former surface or underground mine;
 - Definition of an electric generation facility does not include:
 - A wind power device
 - A commercial solar energy system

OTHER ENERGY BILLS OF NOTE

- **Carbon Capture & Sequestration (“CCS”)**
 - **SB457, Sens. Glick & Koch, passed Senate 27-21. now in House Utilities**
 - **HB1579, Rep. Ed Soliday**
 - **Passed Utilities 11-2**
 - **Passed Ways & Means 15-8**
 - **Did not receive a floor vote, bill dead**
- **SB178, Sens. Buck, Koch, & Doriot**
 - **Natural gas and propane as a clean energy resources.**
 - **Added wind energy, solar energy, photovoltaic cells and panels, hydropower, fuel cells, hydrogen, geothermal energy, and nuclear energy on 2nd Reading**
 - **Passed Senate 43-4**
- **SB422, Sens. Koch, Byrne, & Leising**
 - **Advanced transmission technologies, passed unanimously**

SB4: WATER MATTERS

- **Motivated by controversial LEAP District**
- **Senate Republican Caucus priority bill**
 - **Senate Committee vote 7-1 (Sen. Deery, R, West Lafayette)**
 - **Senate floor vote 48-0**
- **Defines a “long haul water pipeline” as having the capacity to:**
 - **Transport at least 10 million gallons per day, AND**
 - **Transport water to a destination at least 30 miles from the water source**
 - **Some exceptions**
- **Requires IURC approval (“CPCN”) before constructing, purchasing, selling, or leasing a “long haul water pipeline”**
 - **Establishes criteria that the IURC must consider**
 - **Allows cost recovery for the pipeline (aka, ratepayers foot the bill)**
 - **Utility may be allowed to charge ratepayers even if the pipeline is cancelled**

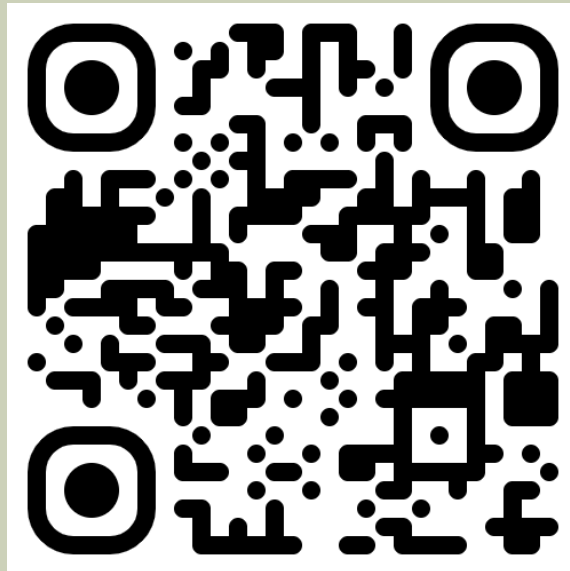
SB4: WATER MATTERS

- **Address Inter-Basin Water transfers**
- **Defines “notable user” as a person that transfers or proposes to transfer:**
 - **More than an annual average of 30 million gallons of water per day out of a basin, OR**
 - **Water from a restricted use area**
- **Requires a transfer permit from DNR before a notable user:**
 - **Transfers water out of a basin OR**
 - **Supplies water to another person that the notable user knows will transfer more than 100,000 gallons of water per day out of a basin**
- **Establishes criteria DNR must consider when reviewing application**
- **DNR must approve the permit application if the proposal will NOT result in a perennial overdraft of a ground water resource or in a perennial stream flow depletion**

TAKE ACTION AND Q&A

CONTACT INDIANA LEGISLATORS

- Scan the QR code to visit act.citact.org/i45khgj to email your legislators and all members of the utility committee about the trio of anti-consumer bills: HB 1007, SB 423 & 424



QUESTIONS & ANSWERS

- Please type your question using the Q&A function
- Scan the QR code to visit our website to stay connected and support our work
 - Access webinar recording and slides
 - Sign up for emails and texts
 - Make a contribution to help us keep up the fight!

