
HOUSE BILL No. 1714

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-8.5; IC 8-1-8.8.

Synopsis: Sale or export of electricity. Amends the laws governing: (1) the construction of electric generating facilities; and (2) incentives for clean coal and energy projects; to require the utility regulatory commission (IURC) to consider the ability of a facility to sell or export electricity that is generated at the facility and not otherwise needed to meet the needs of Indiana customers.

Effective: Upon passage.

Crooks

January 26, 2007, read first time and referred to Committee on Commerce, Energy and Utilities.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1714



A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 8-1-8.5-3 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The
- 3 commission shall develop, publicize, and keep current an analysis of
- 4 the long-range needs for expansion of facilities for the generation of
- 5 electricity.
- 6 (b) This analysis must include an estimate of:
- 7 (1) the probable future growth of the use of electricity;
- 8 (2) the probable needed generating reserves;
- 9 (3) in the judgment of the commission, the optimal extent, size,
- 10 mix, and general location of generating plants;
- 11 (4) in the judgment of the commission, the optimal arrangements
- 12 for statewide or regional pooling of power and arrangements with
- 13 other utilities and energy suppliers to achieve maximum
- 14 efficiencies for the benefit of the people of Indiana; ~~and~~
- 15 (5) the comparative costs of meeting future growth by other
- 16 means of providing reliable, efficient, and economic electric
- 17 service, including purchase of power, joint ownership of facilities,



1 refurbishment of existing facilities, conservation, load
 2 management, and cogeneration; **and**
 3 **(6) the ability of public utilities, through the sale of electricity**
 4 **on the wholesale electricity market, to:**
 5 **(A) use; and**
 6 **(B) promote the use of;**
 7 **coal, or gases from coal, derived from the geologic formation**
 8 **known as the Illinois Basin.**
 9 (c) The commission shall consider the analysis in acting upon any
 10 petition by any utility for construction.
 11 (d) In developing the analysis, the commission:
 12 (1) shall confer and consult with:
 13 (A) the public utilities in Indiana;
 14 (B) the utility commissions or comparable agencies of
 15 neighboring states;
 16 (C) the Federal Energy Regulatory Commission; and
 17 (D) other agencies having relevant information; and
 18 (2) may participate as it considers useful in any joint boards
 19 investigating generating plant sites or the probable needs for
 20 future generating facilities.
 21 (e) In addition to such reports as public utilities may be required by
 22 statute or rule of the commission to file with the commission, a utility
 23 may submit to the commission ~~its~~ **the utility's:**
 24 **(1) utility specific proposals as to the future needs for electricity**
 25 **to serve the people of the state or the area served by the utility;**
 26 **and**
 27 **(2) plans to promote the reliability of the regional electricity**
 28 **supply through the sale of electricity on the wholesale**
 29 **electricity market.**
 30 (f) Insofar as practicable, each utility, the utility consumer
 31 counselor, and any intervenor may attend or be represented at any
 32 formal conference conducted by the commission in developing a plan
 33 for the future requirements of electricity for Indiana or this region.
 34 (g) In the course of making the analysis and developing the plan
 35 required by this section, the commission shall conduct one (1) or more
 36 public hearings.
 37 (h) Each year, the commission shall submit to the governor and to
 38 the appropriate committees of the general assembly a report of its
 39 analysis and plan, the progress to date in carrying out such plan, and
 40 the program of the commission for the ensuing year in connection with
 41 such plan.
 42 SECTION 2. IC 8-1-8.5-4 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. In acting upon
 2 any petition for the construction, purchase, or lease of any facility for
 3 the generation of electricity, the commission shall take into account:
 4 (1) the applicant's current and potential arrangement with other
 5 electric utilities for:
 6 (A) the interchange of power;
 7 (B) the pooling of facilities;
 8 (C) the purchase **and sale** of power, **including the current**
 9 **and potential ability of the applicant to:**
 10 **(i) sell on the wholesale electricity market; or**
 11 **(ii) export to other states;**
 12 **electricity that is generated at the facility and not**
 13 **otherwise needed to meet the needs of Indiana customers;**
 14 and
 15 (D) joint ownership of facilities; and
 16 (2) other methods for providing reliable, efficient, and economical
 17 electric service, including the refurbishment of existing facilities,
 18 conservation, load management, cogeneration, and renewable
 19 energy sources.
 20 SECTION 3. IC 8-1-8.8-1 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The general
 22 assembly makes the following findings:
 23 (1) Growth of Indiana's population and economic base has created
 24 a need for new energy generating facilities in Indiana.
 25 (2) The development of a robust and diverse portfolio of energy
 26 generating capacity, including the use of renewable energy
 27 resources, is needed if Indiana is to continue to be successful in
 28 attracting new businesses and jobs.
 29 (3) Indiana has considerable natural resources that are currently
 30 underutilized and could support development of new energy
 31 generating facilities at an affordable price **to:**
 32 **(A) serve Indiana customers; and**
 33 **(B) improve Indiana's economy and the reliability of the**
 34 **regional electricity supply through:**
 35 **(i) the sale on the wholesale electricity market; or**
 36 **(ii) the export to other states;**
 37 **of electricity that is generated at the new facilities and not**
 38 **otherwise needed to meet the needs of Indiana customers.**
 39 (4) Certain regions of the state, such as southern Indiana, could
 40 benefit greatly from new employment opportunities created by
 41 development of new energy generating facilities **utilizing that use**
 42 the plentiful supply of coal from the geological formation known

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as the Illinois Basin to:

(A) serve Indiana customers; and

(B) sell or export to other states electricity that is generated at the new facilities and not otherwise needed to meet the needs of Indiana customers.

(5) Technology can be deployed that allows high sulfur coal from the geological formation known as the Illinois Basin to be burned efficiently while meeting strict state and federal air quality limitations. Specifically, the state should encourage the use of advanced clean coal technology, such as coal gasification.

(6) It is in the public interest for the state to encourage the construction of new energy generating facilities that increase the in-state capacity to provide for current and anticipated energy demand to:

(A) serve Indiana customers; and

(B) sell or export to other states electricity that is generated at the new facilities and not otherwise needed to meet the needs of Indiana customers;

at a competitive price.

(b) The purpose of this chapter is to enhance Indiana's energy security and reliability by ensuring all of the following:

(1) Indiana's energy generating capacity continues to be adequate to provide for Indiana's current and future energy needs, including the support of the state's economic development efforts.

(2) The vast and underutilized coal resources of the Illinois Basin are used as a fuel source for new energy generating facilities.

(3) The electric transmission system within Indiana is upgraded to distribute additional amounts of electricity more efficiently.

(4) Jobs are created as new energy generating facilities are built in regions throughout Indiana to:

(A) serve Indiana customers; and

(B) sell or export to other states electricity that is generated at the new facilities and not otherwise needed to meet the needs of Indiana customers.

SECTION 4. IC 8-1-8.8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter, "eligible business" means an energy utility (as defined in IC 8-1-2.5-2) that:

(1) proposes to construct or repower a new energy generating facility to:

(A) serve Indiana customers; and

(B) sell or export to other states electricity that is

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1 **generated at the new facility and not otherwise needed to**
2 **meet the needs of Indiana customers;**
3 (2) proposes to construct or repower a project described in section
4 2(1) or 2(2) of this chapter;
5 (3) undertakes a project to develop alternative energy sources,
6 including renewable energy projects; or
7 (4) purchases fuels produced by a coal gasification facility.
8 SECTION 5. IC 8-1-8.8-8 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) As used in
10 this chapter, "new energy generating facility" refers to a facility that
11 satisfies all of the following:
12 (1) The facility is fueled primarily by coal or gases from coal from
13 the geologic formation known as the Illinois Basin.
14 (2) **Except as provided in subsection (c),** the facility is a:
15 (A) newly constructed or newly repowered energy generation
16 plant; or
17 (B) newly constructed generation capacity expansion at an
18 existing facility;
19 dedicated primarily to serving Indiana retail customers.
20 (3) The repowering, construction, or expansion of the facility was
21 begun by an Indiana utility after July 1, 2002.
22 (4) Except for a facility that is a clean coal and energy project
23 under section 2(2) of this chapter, the facility has an aggregate
24 rated electric generating capacity of at least one hundred (100)
25 megawatts for all units at one (1) site or a generating capacity of
26 at least four hundred thousand (400,000) pounds per hour of
27 steam.
28 (b) The term includes the transmission lines and associated
29 equipment employed specifically to serve a new energy generating
30 facility.
31 **(c) The term includes a facility that sells or exports to other**
32 **states electricity that is:**
33 **(1) generated at the facility; and**
34 **(2) not otherwise needed to meet the needs of Indiana**
35 **customers.**
36 SECTION 6. **An emergency is declared for this act.**

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