

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6107**

**BILL NUMBER:** HB 1128

**NOTE PREPARED:** Feb 3, 2011

**BILL AMENDED:** Jan 27, 2011

**SUBJECT:** Renewable Energy Resources

**FIRST AUTHOR:** Rep. Koch

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that the following qualify as a renewable energy resources for purposes of the statute that provides financial incentives for clean coal and energy projects: (1) Hydrogen. (2) Coal bed methane derived from a naturally occurring biogenic process.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *Indiana Utility Regulatory Commission (IURC)* : This bill will increase administrative expenditures of the IURC by requiring the IURC to evaluate applications to determine eligibility for financial incentives. It is estimated that the IURC will be able implement this provision with its existing level of resources.

(Revised) *State and Local Government Utility Expenditures:* This bill could increase expenditures by state and local governments for utilities. It is estimated that the amendment to the definition of renewable energy resources to include hydrogen and coal bed methane will increase the number of utilities that are eligible for the incentives provided for implementing that type of technology, and therefore allow more utilities to adjust rates and recover costs for such technology.

**Explanation of State Revenues:** *Utility Rate Increases:* To the extent that this bill increases utility rates, there could be an increase in Utility Receipts Tax (URT), Utility Services Use Tax (USUT), and Sales Tax collections. The amount of any increase is indeterminable and will ultimately depend on rate adjustments allowed by the IURC for cost recovery.

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** IURC; All.

**Local Agencies Affected:** All.

**Information Sources:**

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