

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 206 be amended to read as follows:

- 1 Page 8, between lines 18 and 19, begin a new paragraph and insert:
- 2 "SECTION 8. IC 8-1-35 IS ADDED TO THE INDIANA CODE AS
- 3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 4 1, 2007]:
- 5 **Chapter 35. Renewable Energy Development**
- 6 **Sec. 1. As used in this chapter, "electricity supplier" means a**
- 7 **public utility (as defined in IC 8-1-2-1) that furnishes retail electric**
- 8 **service to the public. The term does not include a public utility that**
- 9 **is:**
- 10 **(1) a municipally owned utility (as defined in IC 8-1-2-1(h));**
- 11 **(2) a corporation organized under IC 8-1-13; or**
- 12 **(3) a corporation organized under IC 23-17-1 that is an**
- 13 **electric cooperative and that has at least one (1) member that**
- 14 **is a corporation organized under IC 8-1-13.**
- 15 **Sec. 2. As used in this chapter, "fund" refers to the renewable**
- 16 **energy resources fund established by section 8 of this chapter.**
- 17 **Sec. 3. As used in this chapter, "regional transmission**
- 18 **organization" refers to a regional transmission organization**
- 19 **approved by the Federal Energy Regulatory Commission for the**
- 20 **geographic area in which an electricity supplier's assigned service**
- 21 **area (as defined in IC 8-1-2.3-2) is located.**
- 22 **Sec. 4. As used in this chapter, "renewable energy credit", or**
- 23 **"REC", means one (1) megawatt hour of electricity generated by**
- 24 **renewable energy resources that is:**

- 1 (1) quantifiable; and
 2 (2) possessed by not more than one (1) entity at a time.
- 3 **Sec. 5. (a) As used in this chapter, "renewable energy resources"**
 4 **includes the following sources for the production of electricity:**
- 5 (1) Dedicated crops grown for energy production.
 6 (2) Methane systems that convert waste products, including
 7 animal, food, and plant waste, into electricity.
 8 (3) Methane recovered from landfills.
 9 (4) Wind.
 10 (5) Hydropower, other than hydropower involving the
 11 construction of new dams or the expansion of existing dams.
 12 (6) Solar photovoltaic cells and panels.
 13 (7) Fuel cells that directly convert chemical energy in a
 14 hydrogen rich fuel into electricity.
 15 (8) Sawmill or timber waste, other than waste derived from
 16 commercial grade timber.
 17 (9) Agricultural crop waste.
 18 (10) Combined heat and power systems that:
 19 (A) use natural gas or renewable energy resources as
 20 feedstock; and
 21 (B) achieve at least seventy percent (70%) overall
 22 efficiency.
 23 (11) Demand side management or efficiency programs that
 24 reduce electricity consumption or implement load
 25 management or demand response technologies that shift
 26 electric load from periods of higher demand to periods of
 27 lower demand, including the following:
 28 (A) Home weatherization.
 29 (B) Appliance efficiency modifications and replacements.
 30 (C) Lighting efficiency modifications.
 31 (D) Heating and air conditioning modifications or
 32 replacements.
- 33 **(b) The term does not include energy from the incineration,**
 34 **burning, or heating of the following:**
- 35 (1) Tires.
 36 (2) Garbage.
 37 (3) General household, institutional, or commercial waste.
 38 (4) Industrial lunchroom or office waste.
 39 (5) Construction or demolition debris.
 40 (6) Feedstock that is municipal, food, plant, industrial, or
 41 animal waste from outside Indiana.
- 42 **Sec. 6. (a) Each electricity supplier shall supply electricity**
 43 **generated by renewable energy resources to Indiana customers as**
 44 **a percentage of the total electricity supplied by the electricity**
 45 **supplier to Indiana customers as follows:**
- 46 (1) In 2009, at least five-tenths percent (0.5%).
 47 (2) In 2010, at least one percent (1%).

- 1 **(3) In 2011, at least two percent (2%).**
 2 **(4) In 2012, at least two and five-tenths percent (2.5%).**
 3 **(5) In 2013, at least three percent (3%).**
 4 **(6) In 2014, at least four percent (4%).**
 5 **(7) In 2015, at least five percent (5%).**
 6 **(8) In 2016 and 2017, at least six percent (6%).**
 7 **(9) In 2018 and 2019, at least seven percent (7%).**
 8 **(10) In 2020 through 2024, at least eight percent (8%).**
 9 **(11) In 2025 and thereafter, at least ten percent (10%).**
 10 **For purposes of this subsection, electricity is measured in**
 11 **megawatt hours.**
 12 **(b) An electricity supplier may not use a renewable energy**
 13 **resource described in section 5(a)(10) of this chapter to generate**
 14 **more than ten percent (10%) of the electricity that the electricity**
 15 **supplier is required to supply under subsection (a).**
 16 **(c) An electricity supplier may use a renewable energy resource**
 17 **described in section 5(a)(11) of this chapter each to generate not**
 18 **more than ten percent (10%) of the electricity that the electricity**
 19 **supplier is required to supply under subsection (a).**
 20 **(d) An electricity supplier may own or purchase RECs to**
 21 **comply with subsection (a).**
 22 **(e) If an electricity supplier exceeds the applicable percentage**
 23 **under subsection (a) in a compliance year, the electricity supplier**
 24 **may carry forward the amount of electricity that:**
 25 **(1) exceeds the applicable percentage under subsection (a);**
 26 **and**
 27 **(2) is generated by renewable energy resources in an Indiana**
 28 **facility;**
 29 **to comply with the requirement under subsection (a) for either or**
 30 **both of the two (2) immediately succeeding compliance years.**
 31 **(f) An electricity supplier that fails to comply with subsection (a)**
 32 **shall deposit in the fund an amount equal to:**
 33 **(1) the number of megawatt hours of electricity that the**
 34 **electricity supplier was required to but failed to supply under**
 35 **subsection (a); multiplied by**
 36 **(2) fifty dollars (\$50).**
 37 **(g) An electricity supplier is not required to comply with**
 38 **subsection (a) if the commission determines that the electricity**
 39 **supplier has demonstrated that the cost of renewable energy**
 40 **resources or RECs available to the electricity supplier would result**
 41 **in an unreasonable increase in the basic rates and charges for**
 42 **electricity supplied to customers of the electricity supplier if the**
 43 **electricity supplier complied with subsection (a). The commission**
 44 **shall conduct a public hearing to make a determination under this**
 45 **subsection.**
 46 **(h) If the commission determines under subsection (g) that the**
 47 **cost of available renewable energy resources or RECs is not**

- 1 reasonable, the commission shall:
- 2 (1) reduce or eliminate the affected electricity supplier's
- 3 obligations under subsection (a) as appropriate; and
- 4 (2) review its determination not more than twelve (12) months
- 5 after the reduction or elimination under subdivision (1) takes
- 6 effect.
- 7 (i) The commission shall allow an electricity supplier to recover
- 8 reasonable and necessary costs incurred in:
- 9 (1) constructing, operating, or maintaining facilities to comply
- 10 with this chapter; or
- 11 (2) generating electricity from, or purchasing electricity
- 12 generated from, a renewable energy resource;
- 13 by a periodic rate adjustment mechanism.
- 14 **Sec. 7. (a) For purposes of calculating RECs to determine an**
- 15 **electricity supplier's compliance with section 6(a) of this chapter,**
- 16 **the following apply:**
- 17 (1) Except as provided in subdivisions (2) through (4), one (1)
- 18 megawatt hour of electricity generated by renewable energy
- 19 resources in an Indiana facility equals one (1) REC.
- 20 (2) One (1) megawatt hour of electricity generated by a
- 21 renewable energy resource described in section 5(a)(2),
- 22 5(a)(3), or 5(a)(4) of this chapter that originates in Indiana
- 23 equals one and five-tenths (1.5) RECs.
- 24 (3) One (1) megawatt hour of electricity that is:
- 25 (A) generated by a renewable energy resource in the
- 26 territory of a regional transmission organization; and
- 27 (B) imported into Indiana;
- 28 equals five-tenths (0.5) REC.
- 29 (4) One (1) megawatt hour of electricity that is generated by
- 30 a renewable energy resource described in section 5(a)(10) of
- 31 this chapter in Indiana equals five-tenths (0.5) REC.
- 32 (b) Electricity generated by any source outside the territory of
- 33 a regional transmission organization may not be considered for
- 34 purposes of calculating an REC to determine an electricity
- 35 supplier's compliance with section 6(a) of this chapter.
- 36 (c) An electricity supplier may satisfy not more than ten percent
- 37 (10%) of the electricity supplier's requirement under section 6(a)
- 38 of this chapter by owning or purchasing RECs calculated under
- 39 subsection (a)(4).
- 40 (d) An electricity supplier may not apportion all or part of a
- 41 single megawatt of electricity among:
- 42 (1) more than one (1) renewable energy resource; or
- 43 (2) more than one (1) category set forth in subsection (a);
- 44 in order to comply with section 6(a) of this chapter.
- 45 **Sec. 8. (a) The renewable energy resources fund is established**
- 46 **to:**
- 47 (1) support the development, construction, and use of

- 1 renewable energy resources, including small scale renewable
2 energy resources, in rural and urban Indiana; and
3 **(2) reimburse the Indiana economic development corporation**
4 **and the commission for expenses incurred under section 9 of**
5 **this chapter.**
- 6 **(b) The fund consists of the following:**
- 7 **(1) Money deposited under section 6(f) of this chapter.**
- 8 **(2) Money from any other source that is deposited in the fund.**
- 9 **(c) The Indiana economic development corporation shall**
10 **administer the fund.**
- 11 **(d) The expenses of administering the fund shall be paid from**
12 **money in the fund.**
- 13 **(e) The treasurer of state shall invest the money in the fund not**
14 **currently needed to meet the obligations of the fund in the same**
15 **manner as other public money may be invested. Interest that**
16 **accrues from these investments shall be deposited in the fund.**
- 17 **(f) Money in the fund at the end of a state fiscal year does not**
18 **revert to the state general fund.**
- 19 **Sec. 9. (a) This section applies if there is sufficient money in the**
20 **fund to reimburse the Indiana economic development corporation**
21 **and the commission for expenses incurred under subsection (b).**
- 22 **(b) The Indiana economic development corporation, in**
23 **consultation with the commission, shall develop a strategy to**
24 **attract renewable energy manufacturing facilities, including wind**
25 **turbine component manufacturers, to Indiana.**
- 26 **Sec. 10. Beginning in 2011, and not later than March 1 of each**
27 **year, a utility shall file with the commission a report of the utility's**
28 **compliance with this chapter for the preceding calendar year.**
- 29 **Sec. 11. The commission shall adopt rules under IC 4-22-2 to**
30 **implement this chapter.**
- 31 **SECTION 9. [EFFECTIVE JULY 1, 2007] Not later than April 1,**
32 **2013, the Indiana utility regulatory commission shall submit a**
33 **report in an electronic format under IC 5-14-6 to the general**
34 **assembly. A report submitted under this SECTION must include:**
- 35 **(1) an analysis of; and**

1 **(2) any legislative proposals the commission believes would**
2 **increase;**
3 **the effectiveness of and industry compliance with IC 8-1-35, as**
4 **added by this act."**
5 Renumber all SECTIONS consecutively.
 (Reference is to ESB 206 as printed April 3, 2007.)

Representative Grubb