

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1824 be amended to read as follows:

- 1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
2 "SECTION 1. IC 8-1-2-6.1 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) As used in
4 this section, "clean coal technology" means a technology (including
5 precombustion treatment of coal):
6 (1) that is used at a new or existing electric **or steam** generating
7 facility and directly or indirectly reduces **or avoids** airborne
8 emissions:
9 (A) of:
10 (i) **carbon**, sulfur, **mercury**, or nitrogen based pollutants; **or**
11 (ii) **particulate matter**;
12 **(B) that are** associated with the combustion or use of coal;
13 and
14 **(C) that are regulated, or reasonably anticipated by the**
15 **commission to be regulated, by:**
16 (i) **the federal government**;
17 (ii) **the state**;
18 (iii) **a political subdivision of the state**; **or**
19 (iv) **any agency of a unit of government described in**
20 **items (i) through (iii); and**
21 (2) that either:
22 (A) is not in general commercial use at the same or greater
23 scale in new or existing facilities in the United States as of
24 January 1, 1989; or
25 (B) has been selected by the United States Department of
26 Energy for funding under its Innovative Clean Coal
27 Technology program and is finally approved for such funding
28 on or after January 1, 1989.
29 (b) As used in this section, "Indiana coal" means coal from a mine
30 whose coal deposits are located in the ground wholly or partially in
31 Indiana regardless of the location of the mine's tippie.

1 (c) Except as provided in subsection (d), the commission shall allow
 2 a utility to recover as operating expenses those expenses associated
 3 with:

4 (1) research and development designed to increase use of Indiana
 5 coal; and

6 (2) preconstruction costs (including design and engineering costs)
 7 associated with employing clean coal technology at a new or
 8 existing coal burning electric **or steam** generating facility if the
 9 commission finds that the facility:

10 (A) utilizes and will continue to utilize (as its primary fuel
 11 source) Indiana coal; or

12 (B) is justified, because of economic considerations or
 13 governmental requirements, in utilizing non-Indiana coal;
 14 after the technology is in place.

15 (d) The commission may only allow a utility to recover
 16 preconstruction costs as operating expenses on a particular project if
 17 the commission awarded a certificate under IC 8-1-8.7 for that project.

18 (e) The commission shall establish guidelines for determining
 19 recoverable expenses.

20 SECTION 2. IC 8-1-2-6.6 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.6. (a) As used in
 22 this section:

23 "Clean coal technology" means a technology (including
 24 precombustion treatment of coal):

25 (1) that is used at a new or existing electric **or steam** generating
 26 facility and directly or indirectly reduces **or avoids** airborne
 27 emissions:

28 (A) of:

29 (i) **carbon, sulfur, mercury, or nitrogen based pollutants; or**

30 (ii) **particulate matter;**

31 (B) **that are** associated with **the** combustion or use of coal;
 32 and

33 (C) **that are regulated, or reasonably anticipated by the**
 34 **commission to be regulated, by:**

35 (i) **the federal government;**

36 (ii) **the state;**

37 (iii) **a political subdivision of the state; or**

38 (iv) **any agency of a unit of government described in**
 39 **items (i) through (iii); and**

40 (2) that either:

41 (A) is not in general commercial use at the same or greater
 42 scale in new or existing facilities in the United States as of
 43 January 1, 1989; or

44 (B) has been selected by the United States Department of
 45 Energy for funding under its Innovative Clean Coal
 46 Technology program and is finally approved for such funding
 47 on or after January 1, 1989.

1 "Indiana coal" means coal from a mine whose coal deposits are
 2 located in the ground wholly or partially in Indiana regardless of the
 3 location of the mine's tippie.

4 "Qualified pollution control property" means an air pollution control
 5 device on a coal burning electric **or steam** generating facility or any
 6 equipment that constitutes clean coal technology that has been
 7 approved for use by the commission, that meets applicable state or
 8 federal requirements, and that is designed to accommodate the burning
 9 of coal from the geological formation known as the Illinois Basin.

10 "Utility" refers to any electric **or steam** generating utility allowed
 11 by law to earn a return on its investment.

12 (b) Upon the request of a utility that began construction after
 13 October 1, 1985, and before March 31, 2002, of qualified pollution
 14 control property that is to be used and useful for the public
 15 convenience, the commission shall for ratemaking purposes add to the
 16 value of that utility's property the value of the qualified pollution
 17 control property under construction, but only if at the time of the
 18 application and thereafter:

19 (1) the facility burns only Indiana coal as its primary fuel source
 20 once the air pollution control device is fully operational; or

21 (2) the utility can prove to the commission that the utility is
 22 justified because of economic considerations or governmental
 23 requirements in utilizing some non-Indiana coal.

24 (c) The commission shall adopt rules under IC 4-22-2 to implement
 25 this section.

26 SECTION 3. IC 8-1-2-6.7 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) As used in
 28 this section, "clean coal technology" means a technology (including
 29 precombustion treatment of coal):

30 (1) that is used in a new or existing electric **or steam** generating
 31 facility and directly or indirectly reduces **or avoids** airborne
 32 emissions:

33 (A) of:

34 (i) **carbon**, sulfur, **mercury**, or nitrogen based pollutants; **or**

35 (ii) **particulate matter**;

36 (B) **that are** associated with the combustion or use of coal;
 37 and

38 (C) **that are regulated, or reasonably anticipated by the**
 39 **commission to be regulated, by:**

40 (i) **the federal government**;

41 (ii) **the state**;

42 (iii) **a political subdivision of the state**; **or**

43 (iv) **any agency of a unit of government described in**
 44 **items (i) through (iii); and**

45 (2) that either:

46 (A) is not in general commercial use at the same or greater
 47 scale in new or existing facilities in the United States as of

- 1 January 1, 1989; or
 2 (B) has been selected by the United States Department of
 3 Energy for funding under its Innovative Clean Coal
 4 Technology program and is finally approved for such funding
 5 on or after January 1, 1989.
- 6 (b) The commission shall allow a public or municipally owned
 7 electric **or steam** utility that incorporates clean coal technology to
 8 depreciate that technology over a period of not less than ten (10) years
 9 or the useful economic life of the technology, whichever is less and not
 10 more than twenty (20) years if it finds that the facility where the clean
 11 coal technology is employed:
- 12 (1) utilizes and will continue to utilize (as its primary fuel source)
 13 Indiana coal; or
 14 (2) is justified, because of economic considerations or
 15 governmental requirements, in utilizing non-Indiana coal;
 16 after the technology is in place.
- 17 SECTION 4. IC 8-1-2-6.8 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.8. (a) This
 19 section applies to a utility that begins construction of qualified
 20 pollution control property after March 31, 2002.
- 21 (b) As used in this section, "clean coal technology" means a
 22 technology (including precombustion treatment of coal):
- 23 (1) that is used in a new or existing energy **or steam** generating
 24 facility and directly or indirectly reduces **or avoids** airborne
 25 emissions:
- 26 (A) of:
- 27 (i) **carbon**, sulfur, mercury, or nitrogen oxides;
 28 (ii) **particulate matter**; or
 29 (iii) other ~~regulated~~ air emissions;
- 30 (B) **that are** associated with the combustion or use of coal;
 31 and
 32 (C) **that are regulated, or reasonably anticipated by the**
 33 **commission to be regulated, by:**
- 34 (i) **the federal government**;
 35 (ii) **the state**;
 36 (iii) **a political subdivision of the state**; or
 37 (iv) **any agency of a unit of government described in**
 38 **items (i) through (iii); and**
- 39 (2) that either:
- 40 (A) was not in general commercial use at the same or greater
 41 scale in new or existing facilities in the United States at the
 42 time of enactment of the federal Clean Air Act Amendments
 43 of 1990 (P.L.101-549); or
 44 (B) has been selected by the United States Department of
 45 Energy for funding under its Innovative Clean Coal
 46 Technology program and is finally approved for such funding
 47 on or after the date of enactment of the federal Clean Air Act

1 Amendments of 1990 (P.L.101-549).

2 (c) As used in this section, "qualified pollution control property"
3 means an air pollution control device on a coal burning energy **or**
4 **steam** generating facility or any equipment that constitutes clean coal
5 technology that has been approved for use by the commission and that
6 meets applicable state or federal requirements.

7 (d) As used in this section, "utility" refers to any energy **or steam**
8 generating utility allowed by law to earn a return on its investment.

9 (e) Upon the request of a utility that begins construction after March
10 31, 2002, of qualified pollution control property that is to be used and
11 useful for the public convenience, the commission shall for ratemaking
12 purposes add to the value of that utility's property the value of the
13 qualified pollution control property under construction.

14 (f) The commission shall adopt rules under IC 4-22-2 to implement
15 this section.

16 SECTION 5. IC 8-1-8.7-1 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
18 chapter, "clean coal technology" means a technology (including
19 precombustion treatment of coal):

20 (1) that is used in a new or existing electric **or steam** generating
21 facility and directly or indirectly reduces **or avoids** airborne
22 emissions:

23 (A) of:

24 (i) **carbon**, sulfur, **mercury**, or nitrogen based pollutants; **or**

25 (ii) **particulate matter**;

26 (B) **that are** associated with the combustion or use of coal;
27 and

28 (C) **that are regulated, or reasonably anticipated by the**
29 **commission to be regulated, by:**

30 (i) **the federal government**;

31 (ii) **the state**;

32 (iii) **a political subdivision of the state**; **or**

33 (iv) **any agency of a unit of government described in**
34 **items (i) through (iii); and**

35 (2) that either:

36 (A) is not in general commercial use at the same or greater
37 scale in new or existing facilities in the United States as of
38 January 1, 1989; or

39 (B) has been selected by the United States Department of
40 Energy for funding under its Innovative Clean Coal
41 Technology program and is finally approved for such funding
42 on or after January 1, 1989."

43 Delete pages 2 through 5.

44 Page 6, delete lines 1 through 8.

45 Page 7, delete lines 14 through 39, begin a new paragraph and
46 insert:

47 "SECTION 7. IC 8-1-8.8-3 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this
 2 chapter, "clean coal technology" means a technology (including
 3 precombustion treatment of coal):

4 (1) that is used in a new or existing energy generating facility and
 5 directly or indirectly reduces **or avoids** airborne emissions:

6 (A) of:

7 (i) **carbon**, sulfur, mercury, or nitrogen oxides;

8 (ii) **particulate matter**; or

9 (iii) other ~~regulated~~ air emissions;

10 (B) **that are** associated with the combustion or use of coal;
 11 and

12 (C) **that are regulated, or reasonably anticipated by the**
 13 **commission to be regulated, by:**

14 (i) **the federal government;**

15 (ii) **the state;**

16 (iii) **a political subdivision of the state; or**

17 (iv) **any agency of a unit of government described in**
 18 **items (i) through (iii); and**

19 (2) that either:

20 (A) was not in general commercial use at the same or greater
 21 scale in new or existing facilities in the United States at the
 22 time of enactment of the federal Clean Air Act Amendments
 23 of 1990 (P.L.101-549); or

24 (B) has been selected by the United States Department of
 25 Energy for funding under its Innovative Clean Coal
 26 Technology program and is finally approved for such funding
 27 on or after the date of enactment of the federal Clean Air Act
 28 Amendments of 1990 (P.L.101-549)."

29 Page 8, line 16, delete "emissions from an" and insert "**emissions:**

30 (1) **of:**

31 (A) **carbon, sulfur, mercury, or nitrogen based pollutants;**

32 **or**

33 (B) **particulate matter;**

34 (2) **that are produced by an electric or a steam generating**
 35 **facility; and**

36 (3) **that are regulated, or reasonably anticipated by the**
 37 **commission to be regulated, by:**

38 (A) **the federal government;**

39 (B) **the state;**

40 (C) **a political subdivision of the state; or**

1 **(D) any agency of a unit of government described in**
2 **clauses (A) through (C)."**

3 Page 8, delete lines 17 through 23.

4 Renumber all SECTIONS consecutively.

(Reference is to EHB 1824 as printed March 30, 2007.)

Senator GARD