

Adopted Rejected

COMMITTEE REPORT

YES: 7
NO: 5

MR. SPEAKER:

Your Committee on Commerce, Energy, Technology and Utilities, to which was referred Senate Bill 300, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
- 2 "SECTION 1. IC 8-1-35 IS ADDED TO THE INDIANA CODE AS
- 3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
- 4 PASSAGE]:
- 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 corporation organized under IC 8-1-13;**
- 11 **(2) a corporation organized under IC 23-17 that is an electric**
- 12 **cooperative and that has at least one (1) member that is a**
- 13 **corporation organized under IC 8-1-13; or**
- 14 **(3) a municipally owned utility (as defined in IC 8-1-2-1(h)).**
- 15 **Sec. 2. As used in this chapter, "energy efficiency measures"**
- 16 **means:**

1 **(1) the use of a device, method, or project implemented by an**
2 **electricity consumer that reduces electrical energy usage; or**

3 **(2) improvements that:**

4 **(A) increase the efficiency of transmission and distribution**
5 **systems used to transmit electricity from the source to the**
6 **end user; and**

7 **(B) reduce the loss of electricity during transmission.**

8 **Sec. 3. As used in this chapter, "renewable energy credit", or**
9 **"REC", means a tradable commodity equivalent to one (1)**
10 **megawatt hour of electricity generated by renewable energy**
11 **resources in an Indiana facility.**

12 **Sec. 4. (a) As used in this chapter, "renewable energy resources"**
13 **includes the following sources for the production of electricity:**

14 **(1) Solar.**

15 **(2) Wind.**

16 **(3) Microhydroelectrical facilities.**

17 **(4) Microturbines using renewable fuels, as determined by the**
18 **commission.**

19 **(5) Fuel cells using renewable fuels, as determined by the**
20 **commission.**

21 **(6) Dedicated crops grown for energy production.**

22 **(7) Methane from anaerobic digestion and municipal solid**
23 **waste.**

24 **(8) Agricultural crop waste.**

25 **(9) Energy efficiency measures installed after January 1,**
26 **2009.**

27 **(10) Electricity generated through net metering.**

28 **(b) Except as provided in subsection (a)(7) and (a)(8), the term**
29 **does not include energy from the incineration, burning, or heating**
30 **of garbage or waste.**

31 **Sec. 5. Each electricity supplier shall supply electricity**
32 **generated or reduced by renewable energy resources to Indiana**
33 **customers as a percentage of the total electricity supplied by the**
34 **electricity supplier to Indiana customers as follows:**

35 **(1) Not later than December 31, 2015, at least five percent**
36 **(5%).**

37 **(2) Not later than December 31, 2020, at least ten percent**
38 **(10%).**

1 **(3) Not later than December 31, 2025, at least fifteen percent**
2 **(15%).**

3 **For purposes of this section, electricity is measured in megawatt**
4 **hours.**

5 **Sec. 6. (a) An electricity supplier may use a renewable energy**
6 **resource described in section 4(a)(9) of this chapter to generate not**
7 **more than thirty percent (30%) of the electricity that the electricity**
8 **supplier is required to supply under section 5 of this chapter.**

9 **(b) An electricity supplier may own, generate, purchase, or**
10 **trade RECs to comply with section 5 of this chapter.**

11 **(c) The commission shall determine and impose penalties for an**
12 **electricity supplier that fails to comply with section 5 of this**
13 **chapter.**

14 **Sec. 7. (a) An electricity supplier is not required to comply with**
15 **section 5 of this chapter if the commission determines that events**
16 **beyond the reasonable control of the electricity supplier prevent it**
17 **from meeting its renewable energy resources or REC**
18 **requirements.**

19 **(b) The commission shall conduct a public hearing before**
20 **making a determination under subsection (a).**

21 **(c) The commission shall review a determination made under**
22 **subsection (a) not more than six (6) months after the date on which**
23 **the determination is made. Upon its review, the commission may:**

24 **(1) allow its determination to remain in effect; or**

25 **(2) require the electricity supplier to comply with section 5 of**
26 **this chapter.**

27 **If the commission allows its determination to remain in effect, it**
28 **shall review the determination not more than six (6) months after**
29 **the date of the most recent review.**

30 **Sec. 8. (a) For purposes of calculating RECs to determine an**
31 **electricity supplier's compliance with section 5 of this chapter, the**
32 **following apply:**

33 **(1) One (1) megawatt hour of electricity generated by**
34 **renewable energy resources in an Indiana facility equals one**
35 **(1) REC.**

36 **(2) One (1) megawatt hour of electricity generated by a**
37 **renewable energy resource described in section 4(a)(1),**
38 **4(a)(7), or 4(a)(10) of this chapter that originates in Indiana**

1 equals two (2) RECs.

2 (3) One (1) megawatt hour of electricity generated by a
3 renewable energy resource described in section 4(a)(6) or
4 4(a)(8) of this chapter that originates in Indiana equals one
5 and two-tenths (1.2) RECs.

6 (b) An REC calculated under this section shall be increased as
7 follows:

8 (1) An REC that is:

9 (A) generated and made available during periods of peak
10 demand; or

11 (B) stored and made available during periods of peak
12 demand;

13 is increased by two-tenths (0.2) REC.

14 (2) An REC that is:

15 (A) generated during periods of nonpeak demand; and

16 (B) stored and made available during periods of peak
17 demand;

18 is increased by two-tenths (0.2) REC.

19 (3) An REC that is generated using equipment made in
20 Indiana, as determined by the commission, is increased by
21 one-tenth (0.1) REC.

22 (4) An REC that is generated in a facility constructed by
23 Indiana workers, as determined by the commission, is
24 increased by one-tenth (0.1) REC.

25 Sec. 9. Not later than March 1, 2011, and each year thereafter,
26 a utility shall file with the commission a report of the utility's
27 compliance with this chapter for the preceding calendar year.

28 Sec. 10. (a) The commission shall allow an electricity supplier to
29 recover the following costs under the schedule set forth in
30 subsection (b):

31 (1) Reasonable and necessary costs incurred in:

32 (A) constructing, operating, or maintaining facilities to
33 comply with this chapter; or

34 (B) generating electricity from, or purchasing electricity
35 generated from, a renewable energy resource;

36 by a periodic rate adjustment mechanism.

37 (2) Up to one million dollars (\$1,000,000) each year for
38 expenditures related to alternative or renewable energy

1 **research that is conducted in Indiana.**

2 **(b) The commission shall limit the total increase per customer**
 3 **account per billing cycle for costs recovered under subsection (a)**
 4 **to one percent (1%) of a customer's overall electric bill.**

5 **Sec. 11. The commission shall adopt rules under IC 4-22-2 to**
 6 **implement this chapter, including rules to establish a program for**
 7 **the certification and trading of RECs to comply with section 5 of**
 8 **this chapter.**

9 **SECTION 2. [EFFECTIVE UPON PASSAGE] (a) As used in this**
 10 **SECTION, "commission" refers to the Indiana utility regulatory**
 11 **commission created by IC 8-1-1-2.**

12 **(b) Subject to subsections (c) and (d) and not later than July 1,**
 13 **2009, the commission shall adopt rules to amend the net metering**
 14 **and interconnection rules adopted by the commission and codified**
 15 **at 170 IAC 4-4.2. The commission shall adopt the rules required by**
 16 **this subsection in the same manner as emergency rules are adopted**
 17 **under IC 4-22-2-37.1. The rules adopted by the commission under**
 18 **this subsection must do the following:**

19 **(1) Require an electric utility to offer net metering to at least**
 20 **the following customer classes:**

- 21 **(A) Residential customers.**
- 22 **(B) Commercial customers.**
- 23 **(C) Industrial customers.**
- 24 **(D) Agricultural customers.**
- 25 **(E) Local governments.**
- 26 **(F) The state.**
- 27 **(G) Kindergarten through grade 12 schools.**
- 28 **(H) Postsecondary educational institutions (as described in**
 29 **IC 6-3-3-5).**

30 **(2) Allow a net metering customer to interconnect a**
 31 **generating facility with a nameplate capacity of one (1)**
 32 **megawatt or less to a distribution facility of an electric utility.**

33 **(3) Allow a net metering customer to interconnect a facility**
 34 **that generates electricity through any of the following**
 35 **technologies:**

- 36 **(A) Solar.**
- 37 **(B) Wind.**
- 38 **(C) Microhydroelectrical facilities.**

- 1 **(D) Microturbines using renewable fuels.**
 2 **(E) Fuel cells using renewable fuels.**
 3 **(F) Biogas, including anaerobic digestion.**
 4 **(G) Methane gas from landfills.**
 5 **(c) Rules adopted under subsection (b) expire on:**
 6 **(1) the date the commission adopts rules under IC 4-22-2-24**
 7 **through IC 4-22-2-36; or**
 8 **(2) January 1, 2011;**
 9 **whichever is earlier."**
 10 Delete page 2.
 11 Page 3, delete lines 1 through 26, begin a new paragraph and insert:
 12 **"(d) Not later than June 1, 2009, the commission shall evaluate**
 13 **the net metering and interconnection rules adopted by the**
 14 **commission and codified at 170 IAC 4-4.2 for compliance with the**
 15 **requirements set forth in subsection (b). A rule that:"**
 16 Page 3, line 27, after "(1)" insert "is".
 17 Page 3, line 29, delete "contrary to this chapter;" and insert "**does**
 18 **not meet the requirements set forth in subsection (b);"**.
 19 Page 3, line 30, after "void." insert "**Not later than June 15, 2009,**
 20 **the commission shall notify the publisher of the Indiana**
 21 **Administrative Code and Indiana Register of any rules codified at**
 22 **170 IAC 4-4.2 that are void under this subsection. The publisher**
 23 **shall remove the rules that are void under this subsection from the**
 24 **Indiana Administrative Code.**
 25 **(e) Not later than November 1, 2009, the commission shall**
 26 **report to the regulatory flexibility committee established by**
 27 **IC 8-1-2.6-4 on the commission's progress under subsection (c)(1)**
 28 **in finally adopting, under IC 4-22-2-24 through IC 4-22-2-36, the**
 29 **emergency rules initially adopted by the commission under**
 30 **subsection (b).**
 31 **(f) For purposes of subsection (b)(1), "electric utility" does not**
 32 **include the following:**
 33 **(1) A corporation organized under IC 8-1-13.**
 34 **(2) A corporation organized under IC 23-17-1 that is an**
 35 **electric cooperative and that has at least one (1) member that**
 36 **is a corporation organized under IC 8-1-13.**
 37 **(g) This SECTION expires January 1, 2011.**
 38 SECTION 3. [EFFECTIVE UPON PASSAGE] **(a) Not later than**

1 **April 1, 2014, the Indiana utility regulatory commission shall**
2 **submit a report in an electronic format under IC 5-14-6 to the**
3 **general assembly. A report submitted under this SECTION must**
4 **include:**
5 **(1) an analysis of; and**
6 **(2) any legislative proposals the commission believes would**
7 **increase;**
8 **the effectiveness of and industry compliance with IC 8-1-35, as**
9 **added by this act.**
10 **(b) This SECTION expires April 2, 2014.**
11 **SECTION 4. An emergency is declared for this act."**
12 Renumber all SECTIONS consecutively.
 (Reference is to SB 300 as printed February 10, 2009.)

and when so amended that said bill do pass.

Representative Moses