

Adopted Rejected

COMMITTEE REPORT

YES: 12
NO: 0

MR. SPEAKER:

Your Committee on Commerce, Energy, Technology and Utilities, to which was referred Senate Bill 313, 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 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 utilities and to make an appropriation.
- 4 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
- 5 "SECTION 1. IC 8-1-2-36.7 IS ADDED TO THE INDIANA CODE
- 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 7 1, 2010]: **Sec. 36.7. The commission's annual report to the**
- 8 **regulatory flexibility committee under IC 8-1-2.6-4 must include**
- 9 **the following information relating to net metering:**
- 10 (1) **For each electric utility, the number of net metering**
- 11 **customers by customer class and nameplate capacity.**
- 12 (2) **A description of each safety incident that occurred during**
- 13 **the year covered by the report, including the outcome of the**
- 14 **incident and any remedial measures taken in response to the**
- 15 **incident.**
- 16 (3) **A description of each grid reliability incident that**

1 **occurred during the year covered by the report, including the**
 2 **outcome of the incident and any remedial measures taken in**
 3 **response to the incident.**

4 **(4) An estimate of the cross subsidy impact of net metering to**
 5 **other ratepayers of each electric utility.**

6 SECTION 2. IC 8-1-35 IS ADDED TO THE INDIANA CODE AS
 7 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 8 PASSAGE]:

9 **Chapter 35. Renewable Electricity Standard**

10 **Sec. 1. As used in this chapter, "electricity supplier" means a**
 11 **public utility (as defined in IC 8-1-2-1) that furnishes retail electric**
 12 **service to the public. The term does not include a public utility that**
 13 **is any of the following:**

14 **(1) A corporation organized under IC 8-1-13.**

15 **(2) A corporation organized under IC 23-17-1 that is an**
 16 **electric cooperative and that has at least one (1) member that**
 17 **is a corporation organized under IC 8-1-13.**

18 **(3) A municipally owned utility (as defined in IC 8-1-2-1(h)).**

19 **Sec. 2. As used in this chapter, "fund" refers to the renewable**
 20 **energy resources fund established by section 9 of this chapter.**

21 **Sec. 3. As used in this chapter, "regional transmission**
 22 **organization" refers to a regional transmission organization**
 23 **approved by the Federal Energy Regulatory Commission that**
 24 **serves a region that includes all or part of Indiana.**

25 **Sec. 4. As used in this chapter, "renewable energy credit" or**
 26 **"REC" means a tradable commodity equivalent to one (1)**
 27 **megawatt hour of electricity generated by renewable energy**
 28 **resources.**

29 **Sec. 5. As used in this chapter, "renewable energy resources"**
 30 **refers to the production of electricity by wind power.**

31 **Sec. 6. Each electricity supplier shall supply electricity**
 32 **generated by renewable energy resources to Indiana customers as**
 33 **a percentage of the total electricity supplied by the electricity**
 34 **supplier to Indiana customers as follows:**

35 **(1) Not later than December 31, 2012, at least two percent**
 36 **(2%).**

37 **(2) Not later than December 31, 2013, at least three percent**
 38 **(3%).**

1 **(3) Not later than December 31, 2014, at least four percent**
 2 **(4%).**

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

5 **Sec. 7. (a) An electricity supplier may own, generate, purchase,**
 6 **or trade RECs to comply with section 6 of this chapter.**

7 **(b) An electricity supplier is responsible for conducting**
 8 **sufficient advance planning to acquire its allotment of RECs.**

9 **(c) An electricity supplier that is required, and fails, to comply**
 10 **with section 6 of this chapter shall deposit in the fund an amount**
 11 **equal to:**

12 **(1) the number of megawatt hours of electricity generated by**
 13 **renewable energy resources that the electricity supplier was**
 14 **required to but failed to supply under section 6 of this**
 15 **chapter; multiplied by**

16 **(2) fifty dollars (\$50).**

17 **Sec. 8. For purposes of calculating RECs to determine an**
 18 **electricity supplier's compliance with section 6 of this chapter, the**
 19 **following apply:**

20 **(1) One (1) megawatt hour of electricity generated by**
 21 **renewable energy resources in an Indiana facility equals one**
 22 **(1) REC.**

23 **(2) One (1) megawatt hour of electricity generated by a**
 24 **renewable energy resource in the territory of a regional**
 25 **transmission organization and imported into Indiana equals**
 26 **one-half (0.5) REC.**

27 **Sec. 9. (a) The renewable energy resources fund is established**
 28 **to provide funding for the following:**

29 **(1) Renewable energy technology research at state supported**
 30 **colleges and universities.**

31 **(2) Grants or other financial incentives for renewable energy**
 32 **manufacturing projects.**

33 **(b) The fund consists of the following:**

34 **(1) Money deposited under section 7(c) of this chapter.**

35 **(2) Money from any other source that is deposited in the fund.**

36 **(c) The Indiana economic development corporation shall**
 37 **administer the fund.**

38 **(d) The expenses of administering the fund shall be paid from**

1 money in the fund but may not exceed ten percent (10%) of the
2 balance in the fund.

3 (e) The treasurer of state shall invest the money in the fund not
4 currently needed to meet the obligations of the fund in the same
5 manner as other public money may be invested. Interest that
6 accrues from these investments shall be deposited in the fund.

7 (f) Money in the fund at the end of a state fiscal year does not
8 revert to the state general fund.

9 (g) Money in the fund is continuously appropriated for purposes
10 of the fund.

11 Sec. 10. Not later than March 1, 2013, and each year thereafter,
12 an electricity supplier shall file with the commission a report of the
13 electricity supplier's compliance with this chapter for the
14 preceding calendar year.

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

19 Sec. 12. (a) Not later than April 1, 2015, the commission shall
20 submit a report in an electronic format under IC 5-14-6 to the
21 general assembly. A report submitted under this section must
22 include:

- 23 (1) an analysis of; and
24 (2) any legislative proposals the commission believes would
25 increase;

26 the effectiveness of and industry compliance with this chapter.

27 (b) This section expires January 1, 2016.

28 SECTION 3. [EFFECTIVE UPON PASSAGE] (a) As used in this
29 SECTION, "commission" refers to the Indiana utility regulatory
30 commission created by IC 8-1-1-2.

31 (b) Subject to subsections (c) through (e) and not later than July
32 1, 2010, the commission shall adopt rules to amend the net
33 metering and interconnection rules adopted by the commission and
34 codified at 170 IAC 4-4.2 and 170 IAC 4-4.3. The commission shall
35 adopt the rules required by this subsection in the same manner as
36 emergency rules are adopted under IC 4-22-2-37.1. The rules
37 adopted by the commission under this subsection must do the
38 following:

- 1 **(1) Require an electric utility to offer net metering to all**
2 **customer classes.**
- 3 **(2) Allow a net metering customer to interconnect to an**
4 **electric utility's distribution facility a generating system that**
5 **is sized to meet all or part of a customer's electric load.**
- 6 **(3) Allow a net metering customer to interconnect a facility**
7 **that generates electricity through any of the following**
8 **technologies:**
- 9 **(A) Solar.**
- 10 **(B) Wind.**
- 11 **(C) Microhydroelectric facilities.**
- 12 **(D) Hydroelectric facilities at dams existing before**
13 **January 1, 2010.**
- 14 **(E) Combustion technology using renewable fuels or**
15 **natural gas.**
- 16 **(F) Fuel cells using renewable fuels.**
- 17 **(G) Biogas, including anaerobic digestion and algae**
18 **production systems.**
- 19 **(H) Methane from landfills or other waste products.**
- 20 **(I) Combined heat and power systems that achieve at least**
21 **seventy percent (70%) overall efficiency.**
- 22 **(4) Allow for customer meter aggregation.**
- 23 **(c) A rule adopted by the commission under subsection (b) may**
24 **not make the net metering and interconnection rules adopted by**
25 **the commission and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3**
26 **apply to any of the following:**
- 27 **(1) A cooperatively owned power supplier (as defined in**
28 **IC 8-1-13.1-3).**
- 29 **(2) A municipally owned utility (as defined in IC 8-1-2-1(h)).**
- 30 **(d) Rules adopted under subsection (b) expire on the date the**
31 **rules are adopted by the commission under IC 4-22-2-24 through**
32 **IC 4-22-2-36.**
- 33 **(e) Not later than June 1, 2010, the commission shall evaluate**
34 **the net metering and interconnection rules adopted by the**
35 **commission and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 for**
36 **compliance with the requirements set forth in subsection (b). To**
37 **the extent that any rules codified at 170 IAC 4-4.2 and 170**
38 **IAC 4-4.3 do not meet the requirements set forth in subsection (b),**

1 the rules are void. Not later than June 15, 2010, the commission
2 shall notify the publisher of the Indiana Administrative Code and
3 Indiana Register of any rules codified at 170 IAC 4-4.2 and 170
4 IAC 4-4.3 that are void under this subsection. The publisher shall
5 remove the rules that are void under this subsection from the
6 Indiana Administrative Code.

7 (f) Not later than November 1, 2010, the commission shall report
8 to the regulatory flexibility committee established by IC 8-1-2.6-4
9 on the commission's progress under subsection (d) in finally
10 adopting, under IC 4-22-2-24 through IC 4-22-2-36, the emergency
11 rules initially adopted by the commission under subsection (b).

12 (g) This SECTION expires January 1, 2012."

13 Delete pages 2 through 4.

14 Page 5, delete lines 1 through 23.

15 Renumber all SECTIONS consecutively.

(Reference is to SB 313 as reprinted January 29, 2010.)

and when so amended that said bill do pass.

Representative Moses