

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 251 be amended to read as follows:

- 1 Page 2, line 6, delete "safety." and insert "**safety, including**
- 2 **integrity, additions, enhancements, and replacement projects**
- 3 **related to safe and reliable operation."**
- 4 Page 4, line 9, after "from" insert "**or increase the efficiency of**".
- 5 Page 5, line 33, after "energy" insert "**production or**".
- 6 Page 5, line 33, strike "or coal gasification".
- 7 Page 7, delete lines 1 through 33, begin a new paragraph and insert:
- 8 "SECTION 11. IC 8-1-8.8-10, AS AMENDED BY P.L.95-2010,
- 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 10 JULY 1, 2011]: Sec. 10. (a) As used in this chapter "renewable energy
- 11 resources" means ~~alternative sources of renewable energy~~, including
- 12 ~~the following~~:
- 13 (1) Energy from wind:
- 14 (2) Solar energy:
- 15 (3) Photovoltaic cells and panels:
- 16 (4) ~~Dedicated crops grown for energy production~~:
- 17 (5) Organic waste biomass, including any of the following organic
- 18 matter that is available on a renewable basis:
- 19 (A) Agricultural crops:
- 20 (B) Agricultural wastes and residues:
- 21 (C) Wood and wood wastes, including the following:
- 22 (i) Wood residues:
- 23 (ii) Forest thinnings:
- 24 (iii) Mill residue wood:
- 25 (D) Animal wastes:
- 26 (E) Animal byproducts:
- 27 (F) Aquatic plants:
- 28 (G) Algae:
- 29 (6) Hydropower from existing dams:
- 30 (7) Fuel cells:

- 1 (8) Energy from waste to energy facilities.
- 2 (9) Energy storage systems: a clean energy resource listed in
- 3 **IC 8-1-37-4(1) through (13).**
- 4 (b) Except for energy described in subsection (a)(8), from waste to
- 5 **energy facilities**, the term does not include energy from the
- 6 incinerations, burning, or heating of any of the following:
- 7 (1) Tires.
- 8 (2) General household, institutional, commercial, industrial
- 9 lunchroom, office, or landscape waste.
- 10 (c) The term excludes treated or painted lumber."
- 11 Page 8, line 36, delete "financial incentives".
- 12 Page 11, line 11, after "37." insert "**Voluntary**".
- 13 Page 11, delete lines 18 through 25, begin a new line single block
- 14 indented and insert:
- 15 **"(1) represents one (1) megawatt hour of clean energy that**
- 16 **satisfies the applicable conditions set forth in section 12(c)(2)**
- 17 **of this chapter;"**.
- 18 Page 11, line 28, after "4." insert "(a)".
- 19 Page 12, delete lines 13 through 35, begin a new line block indented
- 20 and insert:
- 21 **"(12) Coal bed methane.**
- 22 **(13) A source, technology, or program approved by the**
- 23 **commission and designated as a clean energy resource by a**
- 24 **rule adopted by the commission under IC 4-22-2.**
- 25 **(14) Demand side management or energy efficiency initiatives**
- 26 **that:**
- 27 **(A) reduce electricity consumption; or**
- 28 **(B) implement load management, demand response, or**
- 29 **energy efficiency measures designed to shift customers'**
- 30 **electric loads from periods of higher demand to periods of**
- 31 **lower demand;**
- 32 **as a result of equipment installed, or customers enrolled, after**
- 33 **January 1, 2010.**
- 34 **(15) A clean energy project described in IC 8-1-8.8-2(1).**
- 35 **(16) Nuclear energy.**
- 36 **(17) Electricity that is:**
- 37 **(A) generated by a customer owned distributed generation**
- 38 **facility that is interconnected to the electricity supplier's**
- 39 **distribution system in accordance with the commission's**
- 40 **interconnection standards set forth in 170 IAC 4-4.3; and**
- 41 **(B) supplied back to the electricity supplier for use in**
- 42 **meeting the electricity supplier's electricity demand**
- 43 **requirements in accordance with the commission's net**
- 44 **metering rules set forth in 170 IAC 4-4.2.**
- 45 **(18) Combined heat and power systems.**
- 46 **(19) Electricity that is generated from natural gas at a facility**

1 **constructed in Indiana after July 1, 2011, which displaces**
 2 **electricity generation from an existing coal fired generation**
 3 **facility."**

4 Page 12, line 36, delete "(19)" and insert "**(20)**".

5 Page 12, between lines 37 and 38, begin a new paragraph and insert:

6 **"(b) Except for energy described in subsection (a)(9), the term**
 7 **does not include energy from the incineration, burning, or heating**
 8 **of any of the following:**

9 **(1) Tires.**

10 **(2) General household, institutional, commercial, industrial,**
 11 **lunchroom, office, or landscape waste.**

12 **(c) The term excludes treated or painted lumber."**

13 Page 13, line 15, after "Indiana " insert "**voluntary**".

14 Page 13, line 25, after "Indiana" insert "**voluntary**".

15 Page 13, line 38, after "incentives" insert "**and periodic rate**
 16 **adjustment mechanisms**".

17 Page 14, line 24, delete "The commission shall approve an
 18 application submitted".

19 Page 14, line 25, delete "under subsection (a) if" and insert "**If**".

20 Page 14, delete line 26, begin a new line single block indented and
 21 insert:

22 **"(1) an application submitted under subsection (a) is complete**
 23 **and reasonably complies with the purpose of this chapter;**
 24 **and"**.

25 Page 14, line 29, delete "supplying" and insert "**obtaining**".

26 Page 14, line 29, after "to" insert "**meet the energy requirements**
 27 **of**".

28 Page 14, line 34, delete "chapter." and insert "**chapter;**
 29 **the commission shall approve the application. If, however, the**
 30 **commission determines that the application does not meet the**
 31 **requirements set forth in this subsection, the commission shall**
 32 **reject the application. The electricity supplier that submitted the**
 33 **application under subsection (a) bears the burden of proving to the**
 34 **commission that the application meets the requirements set forth**
 35 **in this subsection."**

36 Page 14, line 35, delete "(b)," and insert "**(c),"**.

37 Page 14, line 37, delete "supply" and insert "**obtain**".

38 Page 14, line 37, after "to" insert "**meet the energy requirements**
 39 **of**".

40 Page 14, delete lines 40 through 42, begin a new line single block
 41 indented and insert:

42 **"(1) CPS Goal Period I: For the six (6) calendar years**
 43 **beginning January 1, 2013, and ending December 31, 2018, an**
 44 **average of at least four percent (4%) of the total electricity**
 45 **obtained by the participating electricity supplier to meet the**
 46 **energy requirements of its Indiana retail electric customers**

- 1 **during the base year.**
- 2 **(2) CPS Goal Period II: For the six (6) calendar years**
- 3 **beginning January 1, 2019, and ending December 31, 2024, an**
- 4 **average of at least seven percent (7%) of the total electricity**
- 5 **obtained by the participating electricity supplier to meet the**
- 6 **energy requirements of its Indiana retail electric customers**
- 7 **during the base year.**
- 8 **(3) CPS Goal Period III: In the calendar year ending**
- 9 **December 31, 2025, at least ten percent (10%) of the total**
- 10 **electricity obtained by the participating electricity supplier to**
- 11 **meet the energy requirements of its Indiana retail electric**
- 12 **customers during the base year."**
- 13 Page 15, delete lines 1 through 19.
- 14 Page 15, line 20, before "For" begin a new paragraph and insert
- 15 **"(b)".**
- 16 Page 15, line 20, delete "this subsection," and insert "**subsection**
- 17 **(a),"**
- 18 Page 15, line 23, after "energy" insert "**as follows:**
- 19 **(1) Subject to subdivision (2), for clean energy".**
- 20 Page 15, between lines 25 and 26, begin a new line single block
- 21 indented and insert:
- 22 **"(2) For clean energy that is generated by a facility located in**
- 23 **Indiana from a clean energy resource listed in section 4(1)**
- 24 **through 4(13) of this chapter by a factor of one and five tenths**
- 25 **(1.5)."**
- 26 Page 15, line 26, delete "(b)" and insert "(c)".
- 27 Page 15, line 29, delete "(e)," and insert "(f),".
- 28 Page 15, line 29, delete "supplied" and insert "**obtained**".
- 29 Page 15, line 30, after "to" insert "**meet the energy requirements**
- 30 **of"**.
- 31 Page 15, delete lines 33 through 42, begin a new line single block
- 32 indented and insert:
- 33 **"(2) is generated by a facility located in a control area that is**
- 34 **part of a regional transmission organization of which an**
- 35 **electricity supplier is a member."**
- 36 Page 16, delete lines 1 through 18, begin a new paragraph and
- 37 insert:
- 38 **"(d) An electricity supplier is not required to obtain clean**
- 39 **energy to meet a particular CPS goal if the commission determines**
- 40 **that the cost of clean energy resources available to the electricity**
- 41 **supplier would result in an increase in the rates and charges of the**
- 42 **electricity supplier that would not be just and reasonable."**
- 43 Page 16, line 19, delete "(d)" and insert "(e)".
- 44 Page 16, line 22, delete "one (1) of".
- 45 Page 16, line 22, delete "(b)(2)." and insert "**(c)(2)."**
- 46 Page 16, line 23, delete "(e)" and insert "(f)".

- 1 Page 16, line 31, delete "(f)" and insert "(g)".
- 2 Page 16, line 32, delete "4(18)" and insert "**4(15) through 4(20)**".
- 3 Page 16, line 35, delete "shall" and insert "**may**".
- 4 Page 16, line 35, delete "the following".
- 5 Page 16, delete line 36.
- 6 Page 16, line 37, delete "(1) A" and insert "**a**".
- 7 Page 16, run in lines 35 through 37.
- 8 Page 17, delete lines 1 through 9, begin a new line blocked left and
- 9 insert:
- 10 **"authorized by the commission under this subsection may:**
- 11 **(1) be different for each of the CPS goal periods identified in**
- 12 **section 12(a) of this chapter, as the commission determines is**
- 13 **appropriate; and**
- 14 **(2) in the case of a particular participating electricity supplier,**
- 15 **be based on the extent to which the participating electricity**
- 16 **supplier met a particular CPS goal using clean energy**
- 17 **resources listed in section 4(1) through 4(13) of this chapter."**
- 18 Page 17, line 10, beginning with "The" begin a new line blocked
- 19 left.
- 20 Page 17, line 11, delete "subdivision" and insert "**subsection**".
- 21 Page 17, line 12, delete "cumulative." and insert "**cumulative and**
- 22 **may not be authorized for a clean energy resource for which the**
- 23 **commission has authorized an incentive under**
- 24 **IC 8-1-8.8-11(a)(2)."**
- 25 Page 17, delete lines 20 through 42, begin a new paragraph and
- 26 insert:
- 27 **"(b) If the commission approves an electricity supplier's**
- 28 **application under section 11(c) of this chapter, the commission**
- 29 **shall permit the recovery, by means of a periodic rate adjustment**
- 30 **mechanism, of incentives based on the following:**
- 31 **(1) The sharing of achieved savings or as a percentage of**
- 32 **costs.**
- 33 **(2) Avoided costs resulting from achieving demand side**
- 34 **management or energy efficiency targets."**
- 35 Page 18, delete lines 1 through 3.
- 36 Page 18, line 4, delete "(4)" and insert "**(3)**".
- 37 Page 18, line 7, delete "(5)" and insert "**(4)**".
- 38 Page 18, between lines 13 and 14, begin a new paragraph and insert:
- 39 **"(c) If the commission approved an electricity supplier's**
- 40 **application under section 11(c) of this chapter, the commission**
- 41 **shall permit the recovery, by means of a periodic rate adjustment**
- 42 **mechanism of all reasonable and necessary program costs incurred**
- 43 **by a participating electricity supplier in:**
- 44 **(1) constructing, operating, or maintaining facilities that**
- 45 **generate clean energy that:**
- 46 **(A) is used by the participating electricity supplier in its**

- 1 **efforts to meet a CPS goal set forth in section 12(a) of this**
 2 **chapter; and**
 3 **(B) meets the requirements set forth in section 12(c) of this**
 4 **chapter; or**
 5 **(2) otherwise generating or purchasing clean energy that is**
 6 **used by the participating electricity supplier in its efforts to**
 7 **meet a CPS goal set forth in section 12(a) of this chapter.**
 8 **For purposes of this subsection and subsection (h)(1), "program**
 9 **costs" includes administrative costs, ancillary costs, capacity costs,**
 10 **costs associated with CECs, capital costs, depreciation costs, tax**
 11 **costs, and financing costs incurred in connection with an activity**
 12 **described in subdivision (1) or (2)."**
 13 Page 18, line 14, delete "(b)" and insert "**(d)**".
 14 Page 18, line 15, after "(a)" insert "**or periodic rate adjustment**
 15 **mechanisms established by the commission under subsection (b) or**
 16 **(c)**".
 17 Page 18, line 21, after "incentives" insert "**or periodic rate**
 18 **adjustment mechanisms**".
 19 Page 18, line 22, delete "(c)" and insert "**(e)**".
 20 Page 18, line 26, delete "(d)" and insert "**(f)**".
 21 Page 18, line 28, after "incentives" insert "**or periodic rate**
 22 **adjustment mechanisms**".
 23 Page 18, line 33, delete "(e)" and insert "**(g)**".
 24 Page 18, line 37, delete "(a)(1)" and insert "**(a)**".
 25 Page 19, line 2, delete "(f)" and insert "**(h)**".
 26 Page 19, line 6, delete "(a)(2)" and insert "**(c)**".
 27 Page 19, line 13, delete "Subject to subsection (c), beginning" and
 28 insert "**Beginning**".
 29 Page 20, line 22, delete "12(e)" and insert "**12(f)**".
 30 Page 20, line 37, delete "Subject to subsection (c), beginning" and
 31 insert "**Beginning**".
 32 Page 21, delete lines 5 through 10.
 (Reference is to SB 251 as printed February 14, 2011.)

Senator GARD