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WITHDRAWN	Noes _____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

HOUSE MOTION ____

MR. SPEAKER:

I move that Engrossed Senate Bill 510 be amended to read as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 4-4-11.6 IS REPEALED [EFFECTIVE MARCH 24, 2009 (RETROACTIVE)]. (Additional Authority; Substitute Natural Gas Contracts).

SECTION 2. IC 4-4-10.9-1.2, AS AMENDED BY P.L.1-2010, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.2. "Affected statutes" means all statutes that grant a power to or impose a duty on the authority, including but not limited to IC 4-4-11, IC 4-4-11.4, ~~IC 4-4-11.6,~~ IC 4-4-21, IC 4-13.5, IC 5-1-16, IC 5-1-16.5, IC 8-9.5, IC 8-14.5, IC 8-15, IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-19-5, and IC 14-14.

SECTION 3. IC 6-3.1-29-6, AS AMENDED BY P.L.175-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 24, 2009 (RETROACTIVE)]: Sec. 6. As used in this chapter, "integrated coal gasification powerplant" means a facility that satisfies all the following requirements:

(1) The facility is located in Indiana and is a newly constructed energy generating plant.

(2) The facility converts coal into synthesis gas that can be used as a fuel to generate energy. ~~or as a substitute for natural gas.~~

(3) The facility uses the synthesis gas as a fuel to generate electric energy. ~~or produces synthesis gas that can be used as a substitute for natural gas.~~

(4) The facility is dedicated primarily to production of electricity

or gas for use by energy utilities serving Indiana retail electric or gas utility consumers.

SECTION 4. IC 6-3.1-29-20.7, AS ADDED BY P.L.182-2009(ss), SECTION 204, IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 20.7. (a) The findings in IC 4-4-11.6-12 are incorporated by reference into this section. The general assembly further finds that the refundable credit provided by this section is also necessary to achieve the purposes set forth in IC 4-4-11.6-12.~~

~~(b) This section applies to a taxpayer that:~~

~~(1) makes a qualified investment in an integrated coal gasification powerplant; and~~

~~(2) enters into a contract to sell substitute natural gas (as defined in IC 4-4-11.6-11) to the Indiana finance authority under IC 4-4-11.6.~~

~~(c) Notwithstanding anything in this chapter to the contrary, a taxpayer may elect in the manner prescribed by the department to take and receive all credits to which the taxpayer is entitled under section 15 of this chapter (without regard to section 16 of this chapter) as a refundable credit against the taxpayer's state tax liability, if any, over a period of twenty (20) taxable years, beginning not later than the taxable year in which the taxpayer places into service its integrated coal gasification powerplant. If, in a taxable year, a taxpayer that makes an election under this subsection has no state tax liability, the department shall pay to the taxpayer the full amount of the refundable credit for that taxable year.~~

~~(d) The amount of a credit to which a taxpayer that makes an election under subsection (c) is entitled for a particular taxable year equals the result determined under STEP FOUR:~~

~~STEP ONE: Determine the total credit amount to which the taxpayer is entitled under section 15 of this chapter (without regard to section 16 of this chapter).~~

~~STEP TWO: Divide the STEP ONE amount by twenty (20).~~

~~STEP THREE: Determine the ratio of Indiana coal to total coal used in the taxpayer's integrated coal gasification powerplant in the taxable year.~~

~~STEP FOUR: Multiply the STEP TWO and STEP THREE amounts.~~

~~(e) A taxpayer shall claim a refund under this section in the manner provided by the department. The department shall pay the refunded amount to the taxpayer not more than ninety (90) days after the date on which the refund is claimed.~~

~~(f) The shareholders, members, or partners of a pass through entity that makes an election under subsection (c) are not entitled to a credit allowed under section 20(b) of this chapter.~~

~~(g) A credit allowed under this section is not assignable under section 20.5 of this chapter.~~

SECTION 5. IC 8-1-2-42.1, AS AMENDED BY P.L.52-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 24, 2009 (RETROACTIVE)]: Sec. 42.1. (a) As used in this section, "substitute natural gas" means pipeline quality gas produced by a facility that uses a gasification process to convert coal into a gas capable of being used:

(1) by a utility to supply gas utility service to end use consumers in Indiana; or

(2) as a fuel used by a utility to produce electric power to supply electric utility service to end use consumers in Indiana.

(b) As used in this section, "customer choice program" means a program under which residential and commercial consumers located in the service area of a gas or electric utility may:

(1) purchase their supply from a provider other than the utility in the service area; and

(2) receive transportation service from the utility in the service area for the delivery of the supply purchased under subdivision (1) to the consumer's premises.

(c) ~~Subject to IC 8-1-8.9 and~~ Notwithstanding any other law, if the commission approves a contract for the purchase of substitute natural gas, or electricity generated in connection with the production of substitute natural gas, by a utility, the commission shall allow the utility to recover the following costs on a timely basis throughout the term of the contract:

(1) All costs incurred in connection with and resulting from the utility's purchases under the contract, including the cost of the substitute natural gas and related costs for generation, transmission, transportation, and storage services.

(2) All costs the utility incurs in obtaining replacement gas if the seller fails to deliver substitute natural gas required to be delivered under the contract, including the price of the gas, and related transportation, storage, and hedging costs, to the extent those costs are not paid by the seller.

(3) Upon petition by the utility, any other costs the commission finds are reasonably necessary in association with the contract.

(d) Any costs recovered under subsection (c):

(1) are in addition to the recovery of other costs; and

(2) shall be made through an adjustment under section 42 of this chapter or another rate adjustment mechanism that allows for comparable timely cost recovery.

(e) If a customer choice program is implemented, expanded, or renewed for a utility during the term of a contract approved by order of the commission under subsection (c) that has the effect of reducing the utility's sales volumes, a condition of the authorization of that program must be the proportionate assignment of the gas or electric utility's substitute natural gas purchase obligation to the service providers in the

customer choice program that meets the assignment requirements in the approved contract.

(f) Regardless of changes in market conditions or other circumstances, the commission may not take any action during the term of a contract approved under this section that adversely affects a utility's right to timely recover costs under this section or to otherwise fully recover such costs.

(g) With respect to utilities that are parties to a contract for the purchase of substitute natural gas approved by the commission under this section, the state covenants and agrees that as long as the contract is in effect the state will not limit, alter, or impair a utility's right to recover costs as provided in this section. Notwithstanding any other law, neither the commission nor any other state agency, political subdivision, or governmental unit may take any action that would have the effect of limiting, altering, or impairing a utility's right to recover costs as provided in this section.

SECTION 6. IC 8-1-8.8-2, AS AMENDED BY P.L.150-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 24, 2009 (RETROACTIVE)]: Sec. 2. As used in this chapter, "clean energy projects" means any of the following:

(1) Any of the following projects:

(A) Projects at new energy production or generating facilities that employ the use of clean coal technology and that produce energy, including substitute natural gas, primarily from coal, or gases derived from coal, from the geological formation known as the Illinois Basin.

(B) Projects to provide advanced technologies that reduce regulated air emissions from or increase the efficiency of existing energy production or generating plants that are fueled primarily by coal or gases from coal from the geological formation known as the Illinois Basin, such as flue gas desulfurization and selective catalytic reduction equipment.

(C) Projects to provide electric transmission facilities to serve a new energy production or generating facility or a nuclear energy production or generating facility.

~~(D) Projects that produce substitute natural gas from Indiana coal by construction and operation of a coal gasification facility.~~

~~(E)~~ **(D)** Projects or potential projects that enhance the safe and reliable use of nuclear energy production or generating technologies to produce electricity.

(2) Projects to develop alternative energy sources, including renewable energy projects. ~~or coal gasification facilities.~~

(3) The purchase of fuels or energy produced by ~~a coal gasification facility or by~~ a nuclear energy production or generating facility.

(4) Projects described in subdivisions (1) through (2) that use coal bed methane.

SECTION 7. IC 8-1-8.8-4, AS AMENDED BY P.L.150-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 24, 2009 (RETROACTIVE)]: Sec. 4. As used in this chapter, "coal gasification facility" means a facility in Indiana that uses a manufacturing process that converts coal into a clean gas that can be used ~~(1)~~ as a fuel to generate energy. ~~or~~

~~(2) as substitute natural gas.~~

SECTION 8. IC 8-1-8.9 IS REPEALED [EFFECTIVE MARCH 24, 2009 (RETROACTIVE)]. (Financing of Substitute Natural Gas Costs).".

Delete pages 2 through 4.

Page 5, delete line 1.

Renumber all SECTIONS consecutively.

(Reference is to ESB 510 as printed April 5, 2013.)

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Representative Clere