

# COMMITTEE REPORT

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## MADAM PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 94, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete everything after the enacting clause and insert the  
2 following:  
3 SECTION 1. IC 8-1-38 IS ADDED TO THE INDIANA CODE AS  
4 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
5 PASSAGE]:  
6 **Chapter 38. Transmission Reliability**  
7 **Sec. 1. As used in this chapter, "electric transmission facility"**  
8 **means a high voltage transmission line with a rating of at least one**  
9 **hundred (100) kilovolts and related transmission facilities and**  
10 **controls.**  
11 **Sec. 2. As used in this chapter, "incumbent electric**  
12 **transmission owner" means a public utility that owns, operates,**  
13 **and maintains an electric transmission facility in whole or in part**  
14 **in Indiana.**  
15 **Sec. 3. (a) As used in this chapter, "local reliability electric**  
16 **transmission facility" means an electric transmission facility**  
17 **located in whole or in part in Indiana that is required by a regional**  
18 **transmission organization to satisfy the reliability standards of the**  
19 **North American Electric Reliability Corporation, a regional**  
20 **reliability organization, or a successor corporation or organization.**  
21 **If the electricity transmission facility is located in the territory of**  
22 **the PJM Interconnection regional transmission organization**  
23 **territory, or its successor organization, its rating must be:**  
24 **(1) at least one hundred (100) kilovolts; and**  
25 **(2) not more than three hundred (300) kilovolts.**  
26 **(b) The term does not include an electric transmission facility**

1 to the extent the facility is required by a regional transmission  
2 organization primarily to address nonreliability drivers.

3 **Sec. 4.** As used in this chapter, "new electric transmission  
4 owner" means a corporation, company, partnership, limited  
5 liability company, or other organization that:

6 (1) on the date of its incorporation or organization, does not  
7 own, operate, or maintain an electric transmission facility  
8 located in whole or in part in Indiana; and

9 (2) is incorporated or organized to construct, own, operate,  
10 and maintain an electric transmission facility located in  
11 whole or in part in Indiana.

12 **Sec. 5.** As used in this chapter, "public utility" has the meaning  
13 set forth in IC 8-1-8.5-1.

14 **Sec. 6.** As used in this chapter, "regional transmission  
15 organization" refers to a regional transmission organization  
16 approved by the Federal Energy Regulatory Commission.

17 **Sec. 7. (a)** The commission shall grant a new electric  
18 transmission owner authority to operate as a public utility in  
19 Indiana if the commission makes the following findings:

20 (1) The new electric transmission owner has the financial,  
21 managerial, and technical capability to construct, own,  
22 operate, and maintain an electric transmission facility.

23 (2) The new electric transmission owner has the ability and  
24 intent to comply with all statutes, rules, and regulations  
25 enforced by the commission.

26 (3) The new electric transmission owner has the intent to  
27 construct, own, operate, and maintain an electric  
28 transmission facility that is under consideration for selection  
29 in a regional transmission plan.

30 (4) The new electric transmission owner has provided  
31 written notice of its request for authority under this section  
32 to each incumbent electric transmission owner that may  
33 connect its existing electric transmission facility to the new  
34 electric transmission facility of the new electric transmission  
35 owner.

36 (b) In making findings under subsection (a), the commission  
37 may consider the creditworthiness of the new electric transmission  
38 owner, including:

39 (1) the new electric transmission owner's investment grade  
40 rating;

41 (2) guarantees of a parent company of the new electric  
42 transmission owner that has an investment grade rating;

43 (3) a bank reference letter or bonding commitment on behalf  
44 of the new electric transmission owner;

45 (4) the authority of the new electric transmission owner to  
46 directly set rates or impose taxes; and

47 (5) the capability of the new electric transmission owner to  
48 meet its financial obligations if it abandons the new electric  
49 transmission facility after its construction.

50 **Sec. 8.** A new electric transmission owner shall notify the

1 commission in a timely manner of the dates on which construction  
2 of the new electric transmission facility began and was completed.

3 **Sec. 9. (a) An incumbent electric transmission owner has the**  
4 **right to construct, own, operate, and maintain the following:**

5 (1) A local reliability electric transmission facility that  
6 connects to an electric transmission facility owned by the  
7 incumbent electric transmission owner.

8 (2) Upgrades to an existing electric transmission facility  
9 owned by the incumbent electric transmission owner.

10 (b) The right to construct, own, operate, and maintain a local  
11 reliability facility that connects to electric transmission facilities  
12 owned by two (2) or more incumbent electric transmission owners  
13 belongs individually and proportionately to each incumbent  
14 electric transmission owner, unless the incumbent electric  
15 transmission owners otherwise agree in writing.

16 **Sec. 10. (a) An incumbent electric transmission owner may**  
17 **enter into a contract with a new electric transmission owner that**  
18 **proposes to connect a new electric transmission facility to the**  
19 **electric transmission facility of the incumbent electric transmission**  
20 **owner. The contract may assign responsibility for:**

21 (1) maintenance and upgrades; and

22 (2) reliability compliance;

23 with respect to the new electric transmission facility.

24 (b) The commission has jurisdiction to resolve a dispute  
25 arising under a contract described in subsection (a).

26 **Sec. 11. This chapter does not affect an incumbent electric**  
27 **transmission owner's use and control of existing property rights.**

28 **SECTION 2. An emergency is declared for this act.**

(Reference is to SB 94 as introduced.)

**and when so amended that said bill be reassigned to the Senate Committee on Utilities.**

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LONG, Chairperson