

Submission to Indiana Utility Regulatory Commission  
Voluntary Clean Energy Portfolio Standard Program  
IURC Rulemaking #11-05

The goal of the Voluntary Clean Energy Portfolio Standard Program (VCEPS) or, as we like to call it, the Comprehensive Hoosier Option to Incentivize Cleaner Energy (CHOICE) Program, is to provide “incentives to participating electricity suppliers” to supply “clean energy” to their “retail electric customers” (Section 10, SEA 251).

Section 2 defines “clean energy” as “electricity that is produced from a clean energy resource.” The electricity producing technologies delineated in Section 4 demonstrate that the legislature intended to incentivize energy that does less harm to the environment than traditional, coal-fired power plants. If that is the case, and we believe it to be so, the IURC should categorize the various clean energy sources into tiers, ensuring that our end result is prioritizing the cleanest of energies possible.

While cleaner technologies should receive greater priority, the IURC must also consider such factors as the cost-containment mechanisms established in SEA 251. The tiers should be flexible as well, acknowledging that technologies change due to advances in efficiency, cost-effectiveness and availability. The tiered system will function no differently whether the IURC allows previous or only future investments to be considered for incentives.

Establishing clean energy tiers is within the IURC’s rule-making authority. Consider an analogy. Imagine that the Indiana General Assembly (IGA) passed a bill creating a Voluntary Healthy Diet Portfolio Standard Program (VHDPS) to encourage all major food manufacturers/distributors in Indiana to produce and sell healthy foods by providing tax incentives for companies that met specified standards. Imagine further that the act listed a wide range of foods that would count as “healthy,” but specific rules regarding the VHDPS program were left up to the Indiana Food Regulatory Commission (IFRC). If the intention was to encourage the healthiest possible diets, the IFRC would surely not treat all products the same. Instead, products that were determined to be the healthiest would be given preference by the IFRC over those that were less healthy. Just as the IFRC could use its discretion to encourage the healthiest of diets for Indiana, the IURC should encourage the cleanest of energies.

Like “healthy,” “clean” is a relative term. One of the most comprehensive ways to determine how clean a technology is would be by measuring its carbon footprint. A calculation of each energy technology’s CO<sub>2</sub> and other equivalent greenhouse gas emissions (CO<sub>2</sub>eq/kWh) through its entire life cycle would provide an appropriate basis for the tier system. Determining how clean a technology is based upon its carbon footprint is not arbitrary. According to the Purdue Climate Change Research Center, greenhouse gas emissions will cause Indiana to experience air quality deterioration, more frequent storms and flooding, decreased crop production, and increased days of higher temperatures.<sup>1</sup> The IURC should use life-cycle emission studies for each technology listed in IC 8-1-37-4 to establish that base. By creating clean energy tiers, the IURC will help lessen the threat of these occurrences for Indiana.

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<sup>1</sup> Purdue Climate Change Research Center. “Impacts of Climate Change for the State of Indiana.” February 2008.

<<http://www.purdue.edu/discoverypark/climate/assets/pdfs/ClimateImpactsIndiana.pdf>>. For additional information see the Union of Concerned Scientist’s 2009 report, “Confronting Climate Change in the U.S. Midwest: Indiana.” July 2009. <[www.ucsusa.org/mwclimate](http://www.ucsusa.org/mwclimate)>.

Thank you for your consideration. If you have any questions or would like more information, please do not hesitate to contact us.

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