

The Hoosier Environmental Council  
*Help Transform Indiana into a 21<sup>st</sup> Century Powerhouse in Renewable Energy*  
**Support a Renewable Electricity Standard in 2009**

**Q: What is a Renewable Electricity Standard (RES)?**

An RES is a state-level policy designed to increase the generation of clean, renewable energy. An RES would require that an increasing percentage of the electricity that electrical utilities provide is generated from renewable resources. The phase-in would occur at about 1% per year—a very feasible pace for Indiana—so that by 2018, Indiana would be getting at least 10% of its electricity from sources like wind, biomass, geothermal, and solar. Indiana has substantial renewable energy resources that can be developed, both in the northern part of the state (wind) and in the central and southern parts of the state (switchgrass and biomass residues).



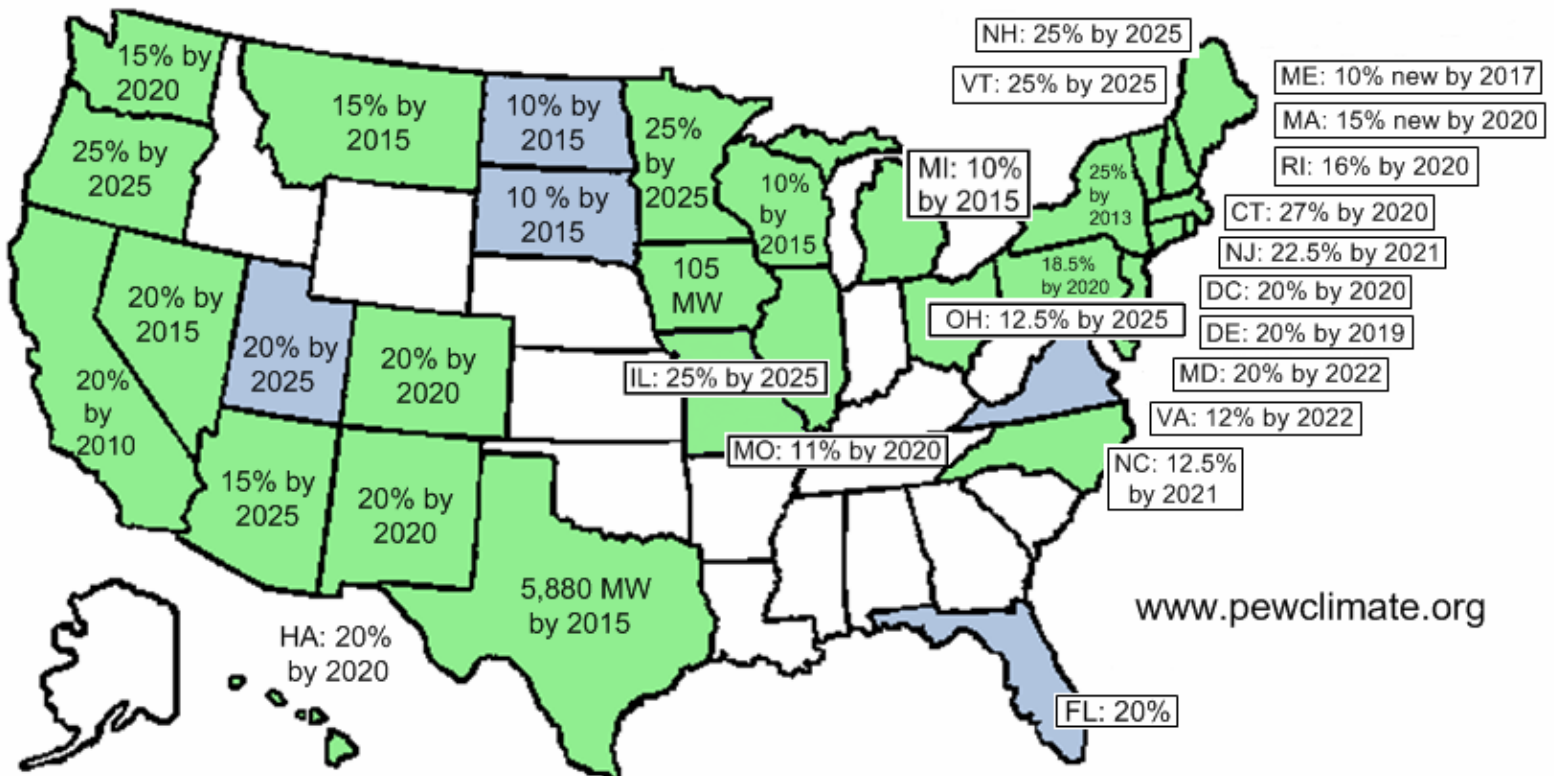
**Q: What will an RES accomplish?**

Passing an RES will:

- ❖ Diversify Indiana’s electricity supply with clean, competitive, low-carbon energy resources
- ❖ Create thousands of new jobs, and generate hundreds of millions of dollars for Indiana’s rural communities
- ❖ Promote investment in Indiana’s broader renewable energy industry, especially in the manufacturing sector, where the necessary component parts of renewable energy technologies must be produced
- ❖ Reduce fossil fuel pollution and improve environmental health
- ❖ Help buffer the impact of federal carbon emissions legislation on Indiana’s 96% coal-fired economy

**Q: What have other states done? Is a 10% goal too much?**

Over half the states in the country (see map below) have policies of varying goals and timeframes. 10% by 2018 would be a very reasonable standard for Indiana. For example, in Illinois and Minnesota, the standard is 25% by 2025; in neighboring Ohio, it is 12.5%. Indeed, many states have upgraded their percentage goals upon experiencing the tremendous economic and environmental benefits of renewable energy development.



**Q: What resources count as “renewable”?**

Wind, solar, geothermal (heat from inside the earth), hydroelectric, and biomass (organic matter, like switchgrass) are considered renewable resources. An RES would have the effect of reducing Indiana's unusually high reliance on fossil fuels, like coal. Presently, Indiana is 96% dependent on coal, the 2<sup>nd</sup> highest in the nation per capita. Coal is the most polluting and carbon-intensive energy source among the major sources of electricity production. So-called "clean" coal power and nuclear power are considered *alternative energy* sources, not renewable energy resources.

**Q: What are the costs of an RES?**

A range of studies have been conducted in other states on the impact of renewable electricity standards on average retail electricity rates and have found minimal price impacts, with the majority of studies showing an impact of approximately **1%** in average rates when final targets are reached<sup>1</sup>. A study by the Engineering Economic Associates of Indianapolis found that the cumulative rate impact of an RES in Indiana would be anywhere from **-2% to 4% by 2017**.



- ❖ Duke Energy customers face a **17.5%** rate increase for retrofitting existing plants with equipment to control sulfur dioxide, nitrogen oxide, and mercury emissions (known as new coal)
- ❖ Duke Energy's proposed "clean" coal gasification plant in Edwardsport is already facing cost increases: the most recent revision brought the cost of the plant up \$365 million **to a total of \$2.35 billion**<sup>2</sup>
- ❖ The Edwardsport plant will use a federal grant of \$1 million to study carbon capture and sequestration, but is not required to in fact clean its coal of greenhouse gases
- ❖ The bottom line is that the costs of complying with an RES are dwarfed by other costs that utilities pass on to their customers. When the expected impacts of federal carbon emissions reduction legislation (to reduce the U.S.'s greenhouse gas emissions) are factored in, the price of fossil fuel energy, especially from coal, becomes increasingly uncompetitive

**Green**



**Jobs**

- ❖ Thousands of new construction, operation, contractor and retail jobs<sup>3</sup>
- ❖ A boom in the Indiana renewable energy component manufacturing sector, leading to potentially tens of thousands of more jobs

**Income Payments and County Revenue**

- ❖ Landowners could receive payments of between \$4,000 and \$9,000 per year, per wind turbine installed<sup>4</sup>
- ❖ Renewable energy investments can generate significant property taxes and/or payments in lieu of taxes<sup>5</sup>

Please visit **[www.hecweb.org](http://www.hecweb.org)** for more information, and to find out how you can help to pass an RES in 2009

<sup>1</sup> Lawrence Berkeley National Labs

<sup>2</sup> <http://www.insideindianabusiness.com/newsitem.asp?ID=29167>

<sup>3</sup> National Renewable Energy Lab JEDI Model

<sup>4</sup> Orion Energy, LLC and enXco

<sup>5</sup> National Wind Technology Center