

*SEA 251:
How much new clean energy?
And how clean?*

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All. Together. Now.

Concerns of our Supporters on Energy Issues

- Climate change
- Air & water quality
- Statewide job creation
- Affordable energy



The core question:
Will SEA 251 really incent
significant new clean energy
development?



Overarching Policy Design Questions

- Vintage date
- Rate impact provision
- Use of Clean Electricity Credits (CECs)



Impacts of No Vintage Date

Preliminary analysis, post-session:

- For AEP, 96% of the 10% goal would be fulfilled by resources already installed, procured, or in development
- For Vectren, 100%.
- For IPL, 75%



Impact of Stringent Rate Provision

“Approving the application will not result in an increase to the retail rates and charges of the electricity supplier above what could reasonably be expected if the application were not approved.”



Impact of CECs on Equal Footing as Generation

“In order to meet any of the goals set forth in Section 3 of this rule, a participating electricity supplier must:

(1) obtain during the goal period through:

- A) clean energy resources as defined in IC 8-1-37-4; or
- B) clean energy credits as defined in IC 8-1-37-3 that are generated by a facility located in a control area that is part of a regional transmission organization”



Overarching point

- Collectively, we're concerned that these provisions will not lead to significant new clean development.
- And if SEA 251 leads to little new clean energy generation, cascade effect on:
 - Greenhouse gas reductions
 - Improvements to air, water quality
 - Job creation



Other Policy Design Challenges

Broad resource eligibility:

- Legislative Intent: cut carbon
- Statutory reality: carbon-intensive tech promoted
 - Waste to energy facilities
 - Coal with no CCS
 - Coal bed methane combustion



Other Policy Design Challenges

Equal incentives for widely different resources:

- Legislative Intent: improve environment
- Statutory reality: resource equality regardless of environmental, carbon impact
 - Waste to energy facilities
 - Coal bed methane combustion
 - Agricultural waste
 - Forest thinnings



Other Design Challenges

Percentage levels and target dates:

- Legislative Intent: promote substantial new clean energy
- Statutory reality: 10% by 2025 (contrast with Ohio, Illinois, Minnesota – 25% by 2025)



Next Steps

Collaborate with:

- Elected officials of both parties
- Clean energy businesses
- Regular Hoosier citizens



Learn More

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