



2010 legislative policy brief

Generating Renewable Energy at Homes, Businesses, Schools & Public Spaces

WHY DOES INDIANA NEED RENEWABLE ENERGY?

From wheezing and coughing to asthma attacks, air pollution affects everyone, no matter age, location, race or gender. Much of the problem stems from burning fossil fuels, like coal-fired power plants or motorized vehicles. Right now, Indiana gets 96% of its electricity from coal-fired power plants. Coal-fired power contributes to unhealthy air quality – primarily, particle pollution and ground-level ozone pollution. This is why the Hoosier Environmental Council advocates for renewable electricity sources, which would greatly reduce air pollution in Indiana. Furthermore, Indiana residents are currently paying more than \$5 billion a year in health costs directly associated with power plants and other pollution sources.

However, renewable electricity is not just a matter of public health. Renewable electricity offers a path to a clean energy economy, which will create jobs and revitalize our manufacturing sectors. Additional jobs would be created through the re-tooling of existing Hoosier businesses to produce renewable energy components, as well as through maintaining, installing, and marketing these technologies. More than 1,300 Hoosier manufacturing firms could be re-tooled to produce renewable energy components, giving Indiana the second highest potential in the country for clean manufacturing job creation – the potential for nearly 45,000 new jobs.

WHAT CAN WE DO TO BRING CLEAN ENERGY INVESTMENTS TO INDIANA?

In order to protect our competitiveness and health, Indiana needs a package of carefully designed policy initiatives to encourage job growth in the clean energy economy. Net Metering is one of these key policies: it enables businesses and homeowners to generate their own electricity and get credit on their monthly bills when they return any excess power to the electric grid. This on-site customer generation is commonly known as distributed generation, since electricity production is located among the electricity consumers, instead of at a central power plant.

Unfortunately, Indiana's current net metering rules are insufficient to encourage widespread development of on-site generating resources, such as solar, wind, and biomass. Indiana's net metering policy received an "F" from the Network for New Energy Choices, a national energy policy organization.



HEC supports expanding Indiana's net metering policy to increase the generating system limit from 10 kilowatts, one of the most restrictive limits in the country, to 2 megawatts, and to allow all types of customers – business, schools, office buildings, factories, homeowners, religious congregations, city and county governments -- to participate.

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FREQUENTLY ASKED QUESTIONS

Substantial renewable energy resources across Indiana can be tapped to produce clean, competitive, low-carbon energy; and, every part of the state has resources, including wind, solar, biomass, and geothermal.

How does net metering work? What are its benefits?

Net metering allows a homeowner or business that produces its own renewable energy – such as a small wind turbine or solar panels on a company’s roof – to get credit for excess electricity generated by their on-site facility. Expanding our current net metering policies will provide more of an incentive for small-scale renewables and help Indiana residents further reduce their electricity bills.

- When the renewable energy system generates more electricity than the customer is using, the meter literally runs backwards, off-setting the electricity that is provided to the customer by its local utility, and lowering electric bills for customers who generate their own power.
- It creates a market for manufacturing and servicing small-scale clean and renewable energy systems, resulting in new jobs for Hoosiers.

Do other utility customers pay more when net metering is allowed?

- Studies show that the overall impact on customers that don’t use net metering is minimal – a few cents more a month at most.
- In some instances on-site generation may save money for utilities and their customers by avoiding the need for costly transmission upgrades or new power plants.

Are net metered on-site generation systems safe?

- On-site generation systems are connected using standardized equipment and procedures intended to protect utility workers and the electricity grid.
- Indiana has already adopted interconnection standards that require use of safe equipment and procedures (170 IAC 4-4.3).

Is there a need for higher net metered system limits?

- Yes, many small renewable power projects being considered by business, schools and local government may generate between 1 to 2 megawatts.
- Indianapolis-based Performance Services has at least fifteen projects on hold around the state because of Indiana’s inadequate net metering policy.



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the environment in Indiana .

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170 IAC 4-4.3, Indiana Interconnection Standards, <http://www.in.gov/legislative/iac/T01700/A00040.PDF>

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