



VINCE GRIFFIN

VICE PRESIDENT

**ENVIRONMENTAL & ENERGY
POLICY**

INDIANA CHAMBER OF COMMERCE

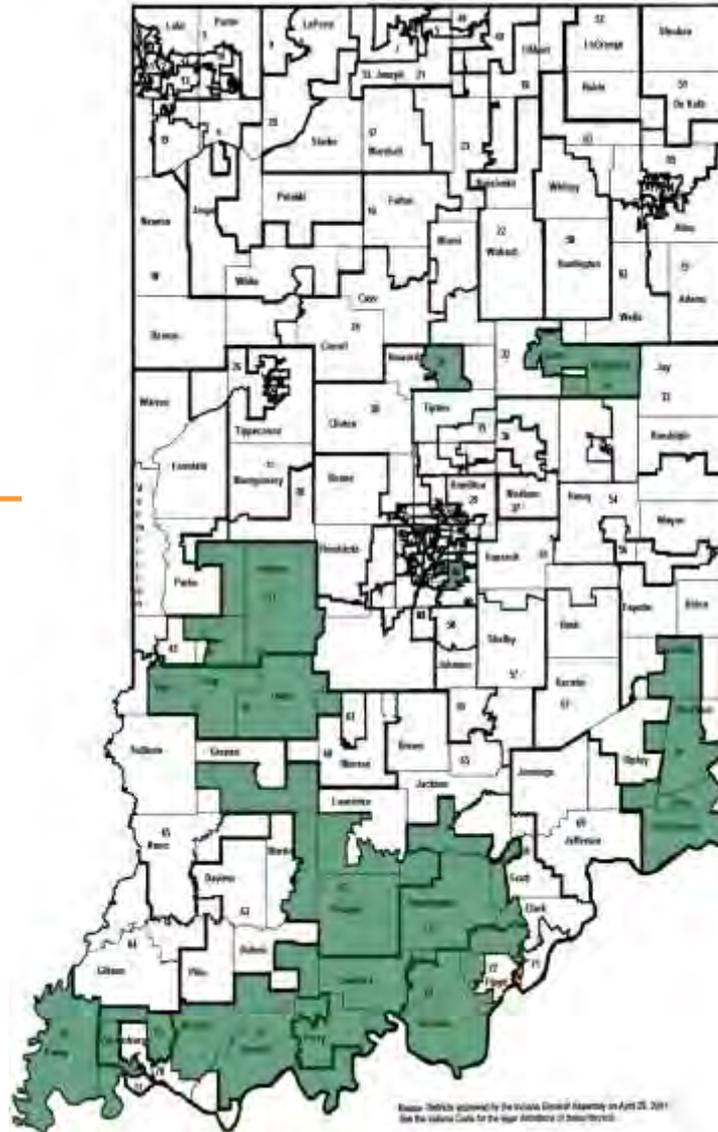
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Election Facts

- All 100 House seats were up
- 25 Senate seats were up
- The Rs control both Houses and the Governor's office for two years
- Not a single incumbent Republican was defeated
- The House went from 48/52 R/D to 60/40 R/D
- The Senate is now 37/13 R/D – a “Super Majority”
- The Rs re-drew the State and US Congressional district maps

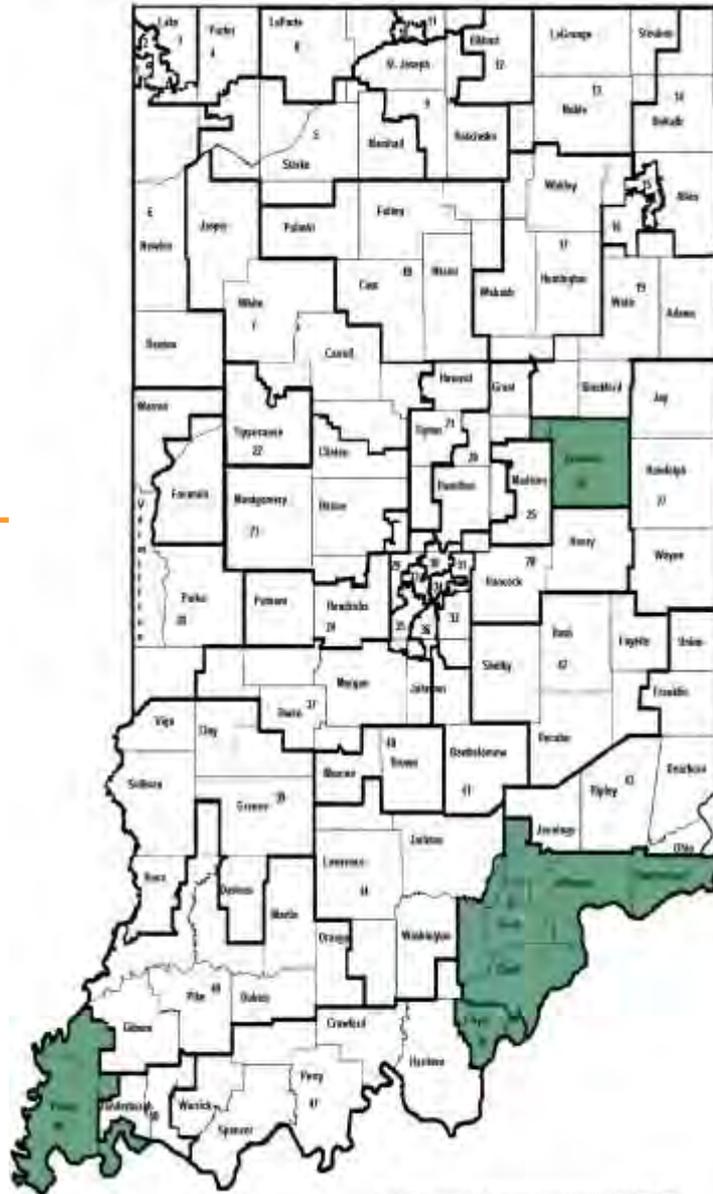


Indiana House





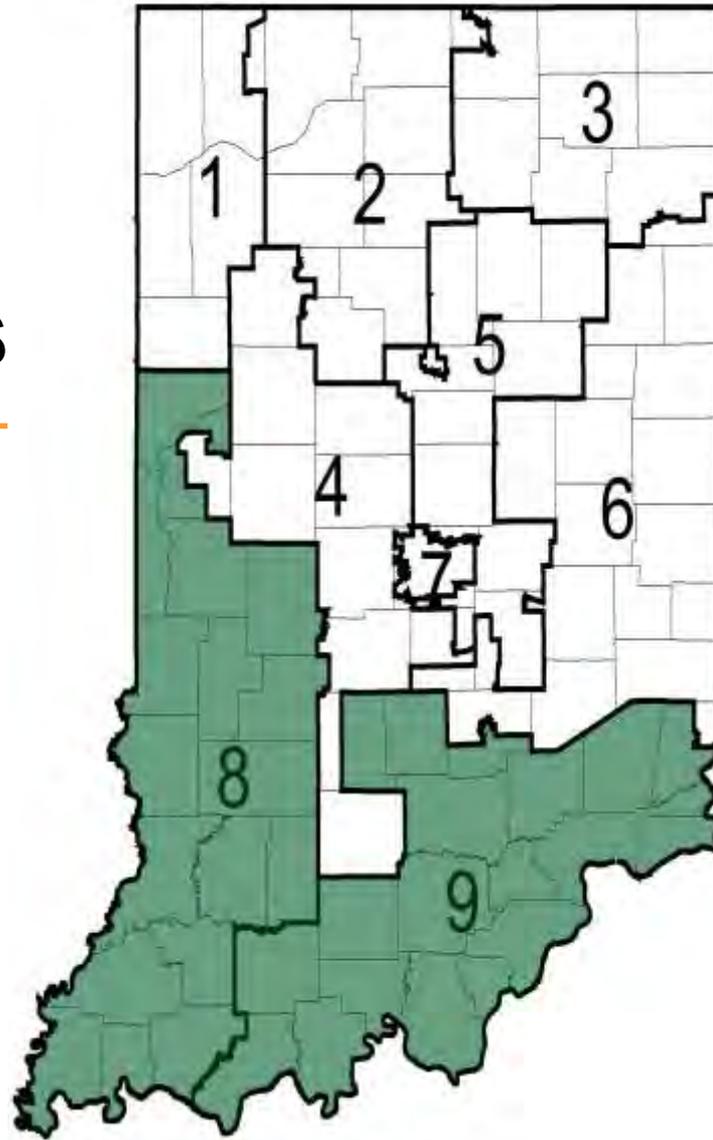
Indiana Senate



Senate Districts approved by the Indiana General Assembly on April 30, 2011
See the Indiana Code for the legal definition of these districts.



Congress





The Legislative Issues



IndianaChamber.

The Voice of
Indiana Business.®

The image features a vertical graphic on the left side, which is a stylized representation of the Indiana state flag. It includes a banner with the word "INDIANA" in gold letters, a central torch, and a field of stars. The colors are primarily blue, gold, and red.

2011 Session Facts

- This was a “Long” Session
- January 5, 2011 – Session Began
- Regular Session ended April 29, 2011
- Constitution requires a budget and maps
- 1200 bills were introduced
- 360 alive at mid-point (30%)
- 229 signed by the Governor (19%)
- House Ds Five-Week walk out

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800 Pound Gorilla Issues

- \$28 billion two-year budget
- Redraw maps
- Education
 - School Choice Scholarships/Vouchers
 - Teacher Pay/Performance
 - Charter Schools
- Unemployment Insurance tax relief-
lower tax rate schedule; balance revenue
and benefits

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Social/Distracting Issues

- Sunday Liquor Sales – Bottoms up
- Smoking Ban – Snuffed out
- Right to Work – Died
- Gun Bill – Shot through
- Illegal Immigration – Toned down
- Same Sex Marriage – First step
- Texting While Driving -- Passed
- State Fair and Alcohol – Died
- Increase micro-brewery production
- Planned Parenthood/Abortion -- Passed



From mint farms to manure and stormwater to haunted houses!

At one time, there were nearly 100 environmental and energy bills alive in the 2011 Legislative Session.

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2011 Environmental Issues

SB 433 “Environmental Issues” was IDEM’s bill to fix/correct several issues.

- Replaces the term "wastewater" with "**septage**".
- Removes the requirement that IDEM have at least **ten** landfill inspectors.
- Defines an environmental restrictive ordinance (**ERO**) and identifies requirements of municipalities and IDEM.

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Cont. SB 433

- Makes changes to the **Underground Storage Tank** provisions and modifies the deductible for claims.
- Makes changes in definitions related to **landfills**.
- Establishes deadlines for various permit applications with respect to certain solid waste **processing facilities**.

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Cont. SB 433

- Directs Solid Waste Management Districts (SWMDs) to implement public education programs concerning **electronic waste**.
- Corrects the EPA concern regarding electronic versus **digital signatures**.
- Expands the grounds on which the commissioner of IDEM may **suspend or revoke** a drinking water or wastewater operator certification.

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Cont. SB 433

- ❑ Allows, in streamlined rulemaking processes, the adoption of a proposed rule with amendments at the public hearing, and requires that the amendments meet **logical outgrowth** requirements.
- ❑ Provides that an **ethanol plant** is not a "chemical process plants"

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Cont. SB 433

- ❑ Requires disclosure in the residential real estate sales disclosure form of contamination caused by the manufacture of a controlled substance (**meth lab**) on the property that has not been certified as decontaminated by an approved environmental inspector. (NOTE: the notification requirement for a “psychologically affected property” -- aka **haunted house** -- was removed.)

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Cont. SB 433

- Directs the EQSC to study IDEM programs and the **costs to administer** those programs.
- Repeals a provision concerning **air pollution control board** permit or registration exemptions.
- Eliminates the **northwest Indiana advisory board**.

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Cont. SB 433

- ❑ Provides that certain environmental rulemaking procedures do not apply to a proposed rule that constitutes an amendment to an existing Indiana rule if the primary and intended purpose of the rule is to **clarify** the existing rule.



SB 159 “Streamlined Environmental Rule Making Procedures”

Creates a means by which IDEM can remove a rule if the federal order that directed that rule should go away. The Chamber strongly endorsed SB 159 as a reasonable way to give IDEM an “**off-ramp**” for many of the EPA initiated air controls targeting Indiana business and industry.

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SB 346 Environmental Legal Action Statute of Limitations

Identifies the date at which a suit was filed as the start date for the statute of limitations for an environmental legal action for corrective action related to a release from an underground storage tank. Related claims may go back in time no more than **ten years** from that filing date.

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SB 347 “Underground Storage Tank (UST) Issues”

Originally included a provision to provide the court system with guidance as to what constitutes a **fair fee** for legal action. In the end, SB 347 allows the use of UST fund for operator training and increases the limit on a claim against the fund.

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SB 200 “General Permits”

- Satisfies a procedural directive from the EPA for the state to have IDEM **administratively issue** their water permits versus the current process that has the Water Board officially issuing permits.
- Thousands** of “general permits” each year
- Possible **gap** between rule and shift

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SB 375 Natural Resources Task Force

Establishes an ad-hoc Commission to **study the DNR** mission, activities, needs assessment, compare with other states and assess funding and compare with other states. Commission sunsets in 2013.

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HB 1200 “Immunity for certain surficial activities” (aka “Pave and Wave”)

Allows a property owner of one acre or less to pave or plant vegetation on a contaminated site so long as it does **not** exacerbate the existing environmental condition. **No** structures can be built on the site.

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HB 1451 “Mint Distilling Operations”

Requires the environmental quality service council to study air emissions of mint distilling operations and report findings and recommendations to the department of environmental management.

Concerns **VOC** emissions during the distillation process. 20 day process from harvest to finished product.



HB 1291 “Storm Water Management”

Attempts to provide a clear path to resolution of stormwater runoff issues.

Directs the drainage board to provide “**advice**” in writing to resolve a situation.

HB 1343 “Lake and River Enhancement Fund”

Allows the Fund to be used for “**river**” projects as well – sediment removal, invasive species, **logjams** or obstructions.

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HB 1187 “**Satellite Manure Storage Facilities**” (SB 202)

Regulates **manure storage facilities** over a certain size; these storage facilities were not previously regulated. Adds various provisions related to **biomass facilities** and provides that if a **fertilizer** is properly applied using proper agronomic procedures, a resulting runoff is not considered a violation. Requires the state chemist to **develop rules** related to the staging and use of fertilizer material.

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HB 1112 “Land application of industrial waste products”

Permits the application of an **industrial waste as a soil additive** or fertilizer from an industrial process. A full disclosure of the by-product constituents is required and imposes a fee that **may not exceed** the costs incurred by IDEM to issue the permit.

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HB 1098 and HB 1197 “Regional water, sewage or solid waste districts”

HB 1098 addresses procedural issues related to board members, methods of payments to districts and board quorums. **HB 1197** concerns septic tank connections, connection fees, easement restrictions, additions to territories procedures and district rate increase procedures.

(Continued concern/attention toward all environmental districts.)

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2011 Energy Issues

SB 251 “Clean Energy” contains four major provisions.

- 1) **Tracker** provision for federally mandate environmental controls; was SB 102; “Certificate of public convenience and necessity” (CPCN); 80% tracker and 20% rate case; if >25% projected cost special justification.
- 2) Allows a **nuclear plant** “financial incentives” (CWIP) for “life cycle management”.

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Cont. SB 251

- 3) Creates a **voluntary clean energy portfolio standard program** with percentage goals and incentives. The IURC has certain responsibilities. The renewable/clean energy cost cannot be more than current power costs and 50% of the clean energy must be from an Indiana source.
- 4) Allows the use, with certain restrictions, of **eminent domain** for a CO₂ pipeline.

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Renewable Energy

SB 251, SB 66 and HB 1128 all modified the growing list of Indiana “**renewables**” including hydrogen, coal bed methane landfill gas and “low temperature, oxygen starved gasification of municipal solid waste”.

It is not clear how the Indiana renewable energy list and qualified “clean energy” items will apply to SB 251’s voluntary renewable energy program.

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RESOLUTIONS

- ❑ **SR 33** “urges” the study of **Solid Waste Management Districts** in the summer study committees.
- ❑ **SR 39** sends a strong message to the Indiana Congressional delegation telling them that the Indiana Senate **opposes** the “numerous new regulations proposed by the US EPA”.

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Cont. RESOLUTIONS

SR 54 sends a stern message to Washington DC “supporting the continued shift toward reliable and secure sources of **Canadian oil**”. It also supports the related Canadian **pipeline** that will carry the Canadian crude to the \$4 billion remodeled BP Whiting refinery on Lake Michigan.

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Summer Study Committee

HB 1451 addressed the “**Mint Farm Distilling**” operation and directed the EQSC to study and make findings and recommendations related to its air emissions.

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Summer Study Committee

HB 1457 and **SB 260** both addressed the issue of “clean energy improvement financing programs” (aka “**PACE**” – Property Assessed Clean Energy). It is likely that this will be reviewed by one or more legislative summer study committees.

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Summer Study Committee

- ❑ **SR 33 - Solid Waste Management Districts** are to be studied this summer by the EQSC.
- ❑ **SB 433** directs the EQSC to study IDEM programs and the costs to administer those programs. This relates to the possibility of increasing current environmental **permit fees**.

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Summer Study Committee

SB 157 directs the EQSC to “review and discuss various topics related to the supply and quality of water in the **Great Lakes**...and review of federal funds for water protection, infrastructure conditions and regulatory matters affecting shipping, and other relevant matters.”

The Great Train Wreck





Possible Timeline for Environmental Regulatory Requirements for the Utility Industry

