



**VINCE GRIFFIN**

**VICE PRESIDENT**

**ENVIRONMENTAL & ENERGY  
POLICY**

**INDIANA CHAMBER OF COMMERCE**

The Indiana state flag is visible on the left side of the slide. It features a blue field with a yellow torch in the center, surrounded by yellow stars. The word "INDIANA" is written in yellow at the top. The bottom of the flag shows red and white stripes.

# **2012 Session Facts**

- ❑ “Short Session” – January 4, 2012 – March 9, 2012**
- ❑ 812 Bills Introduced**
- ❑ 248 Bills Passed out of First House (30%)**
- ❑ Governor signs 175 Bills into law (22%)**

# The Legislative Issues

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**IndianaChamber**

*The Voice of  
Indiana Business.®*

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# ***800 Pound Gorilla Issues***

## **Right-to-work for employees (HB 1001)**

### **What does it do?**

Prohibits unions from forcing Indiana workers to join or pay dues and fees to a labor union to get or keep a job in this state; makes it the employees' choice.

### **What does it NOT do?**

Does not eliminate unions or collective bargaining.



## ***800 Pound Gorilla Issues Cont..***

### **Statewide smoking ban (HB 1149)**

– Prohibits smoking in the majority of workplaces (bars/taverns, gambling institutions are biggest exceptions), all restaurants and within eight feet of a building's public entrance. Local governments may enact stricter ordinances.

A vertical graphic on the left side of the slide. It features a blue background with yellow stars. At the top, the word "INDIANA" is written in yellow, arched letters. Below it is a yellow torch with a flame. The bottom of the graphic shows red and white stripes, reminiscent of the American flag.

## ***800 Pound Gorilla Issues Cont.***

**Elimination of the state's inheritance tax (SB 293)** – Phases out the inheritance tax incrementally over a nine-year period beginning in 2013, with elimination of the tax complete in 2022. Also expands the more favorably-treated Class A category of inheritors and raises the inheritance amount (currently very low) that's excluded from the tax.



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# **SB 132 Water utility** **resource data**

- ❑ Ultimate goal – create a “Water Plan” for Indiana**
- ❑ Empowers IURC to collect data**
- ❑ Avon Water Issue**



# Indiana Chamber of Commerce

## Vision 2025 -- **WATER**

- Survey available **water resources**.
- Identify the areas of the state that have or will have significant **water needs**.
- Identify those local, regional or statewide **approaches** to water resources and requirements that would best **maximize** the value and **minimize** the cost of water use.
- Develop **infrastructure** investment priorities.



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## Cont. Vision 2025 – “Water”

- Identify constitutional, statutory, administrative, or other **policy changes** necessary to create an effective system that will maximize water resources.
- Develop and implement a **comprehensive, long-range plan** considering both water and waste water needs that will realize a secure and advantageous position for the state’s citizens, businesses and industries while promoting **aggressive economic development**.

A vertical graphic of the Indiana state flag is positioned on the left side of the slide. It features a blue field with a yellow torch in the center, surrounded by yellow stars. The word "INDIANA" is written in yellow at the top. The bottom of the graphic shows the red and white stripes of the American flag.

# **SB 130/HB1002**

## **Environmental board consolidation**

- ☐ Eliminates Air, Water and Solid Waste Boards
- ☐ One Consolidated/Super Board
- ☐ IDEM Commissioner sits on Board
- ☐ Four ex-officio voting members
- ☐ No funding for technical or legal staff
- ☐ Allows unpaid Technical Advisory Committees

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# **SB 131 Environmental** **Matters**

**❑ Retains ‘lay’ members  
of the EQSC**

**❑ Several other ‘fix’ items  
affecting many areas**

A vertical graphic on the left side of the slide featuring the Indiana state flag. It includes a torch, stars, and the word "INDIANA" in a banner.

# **SB 131 Cont.**

## **Various requirements for SWMDs:**

- ☐ Districts will be required to annually report on waste disposal, expenditures, recycling and produce an annual report.
- ☐ In cooperation with education experts, develop a school “recycling” curriculum
- ☐ Commission on Tax and Fiscal Policy to study: property taxes, landfill disposal fees, solid waste management fees and other funding sources.
- ☐ In 2015 the legislature will assess the need for Districts



# **HB 1107 Hydraulic Fracturing** **(Fracking)**

**Requires the natural resources commission, in regulating oil and gas wells, to adopt rules for the reporting and disclosure of hydraulic fracturing treatments.**

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## **SB 168 UST Fees**

**If a buyer conducts all property title checks and then learns that there are outstanding tank fees, the fees are waived so long as the new owner begins paying the proper fees and conducts any necessary cleanups.**

**This promotes the clean-up of tanks and the sale and reuse of a property. The property then becomes a “clean” site, a viable business and a tax asset – not a liability.**





*“Silver Buckshot”*



*7,000,000,000*




# Elements of Indiana's Energy Supply

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**Adequate**

**Reliable**

**Affordable**

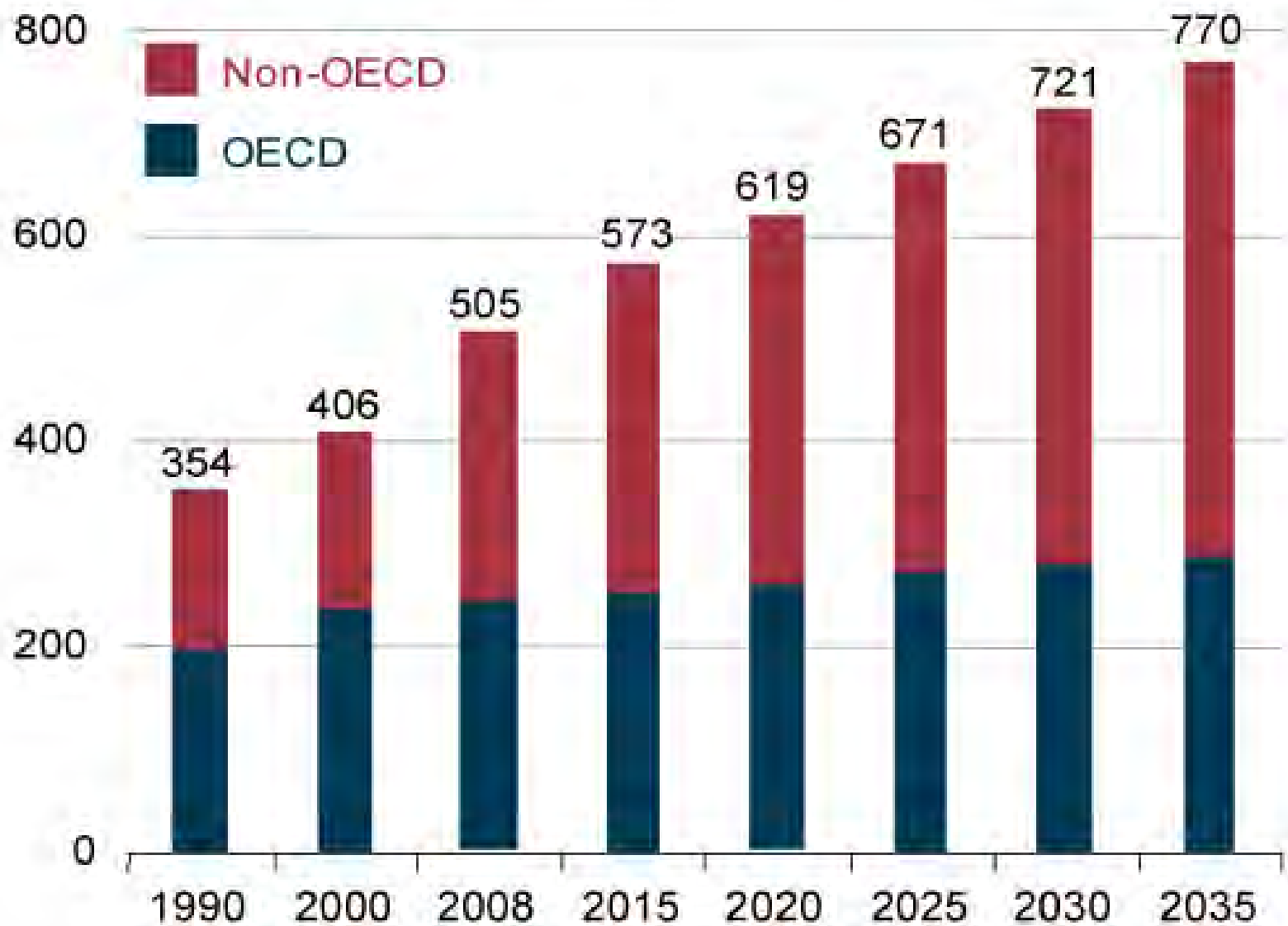
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# **United States Electricity Demand Will Increase by 21% by 2030!**

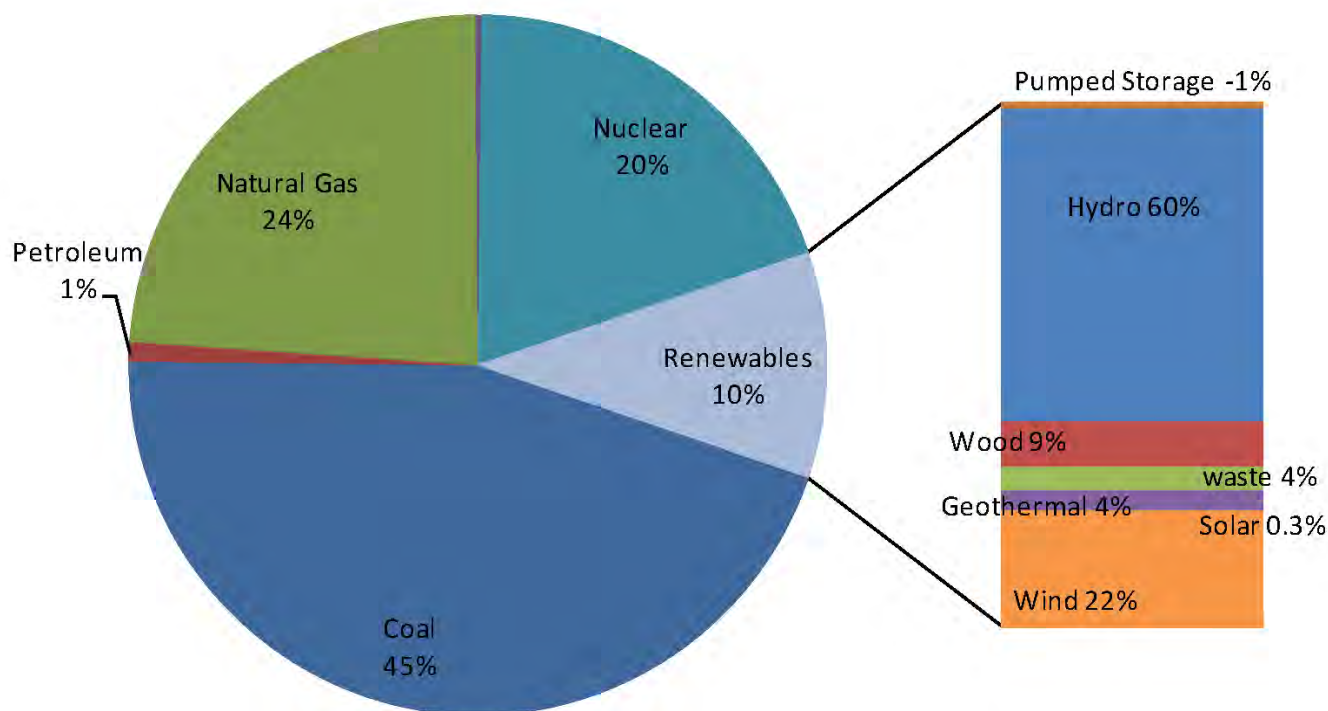
(US Energy Information Agency Forecast)



Figure 1. World energy consumption, 1990-2035  
(quadrillion Btu)

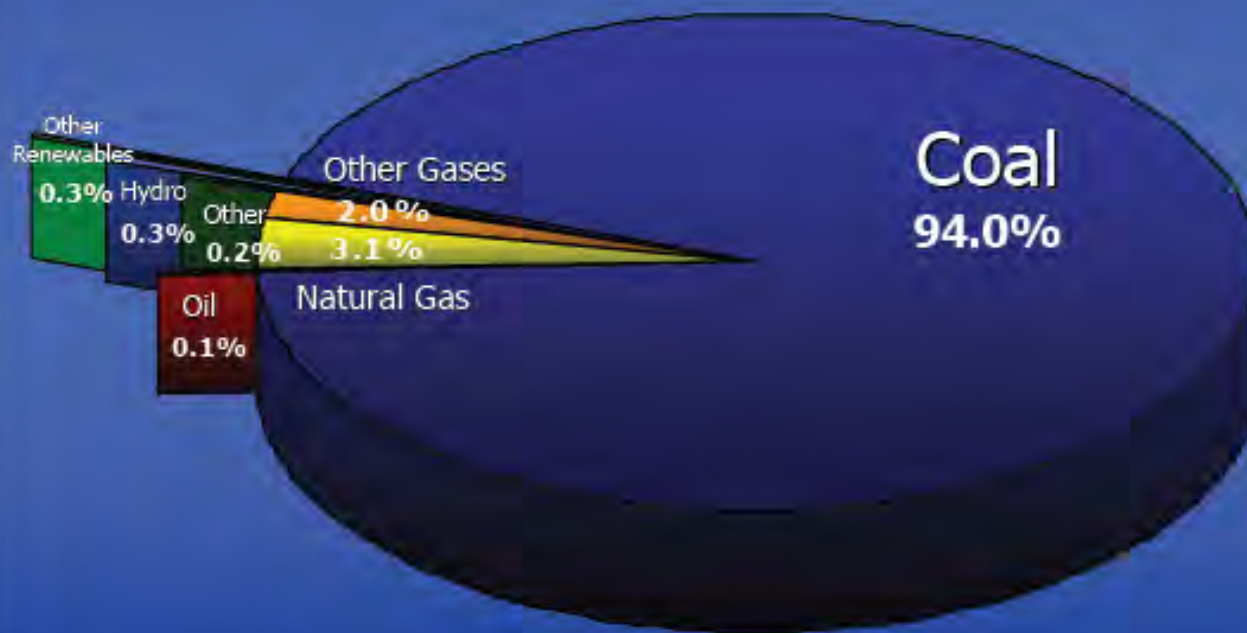


# 2010 U.S. Electricity Generation by Energy Source





# Indiana Electricity Generation by Fuel Type (2007)

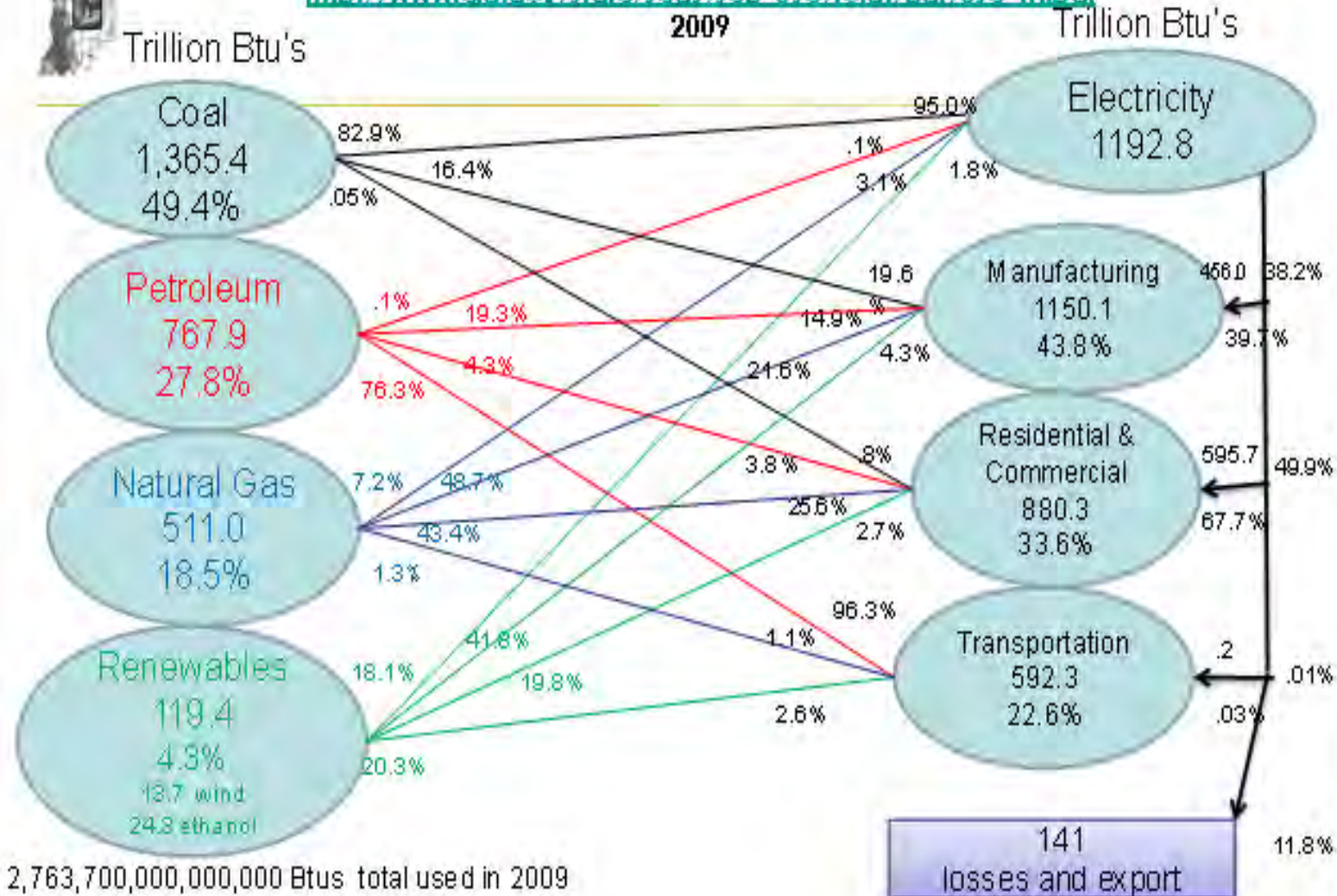


USDOE/EIA Electric Power Industry Generation by Primary Energy Source



## Indiana Primary Energy Consumption Source and Sector

[http://www.eia.gov/state/seds/sep\\_use/total/pdf/use\\_IN.pdf](http://www.eia.gov/state/seds/sep_use/total/pdf/use_IN.pdf)

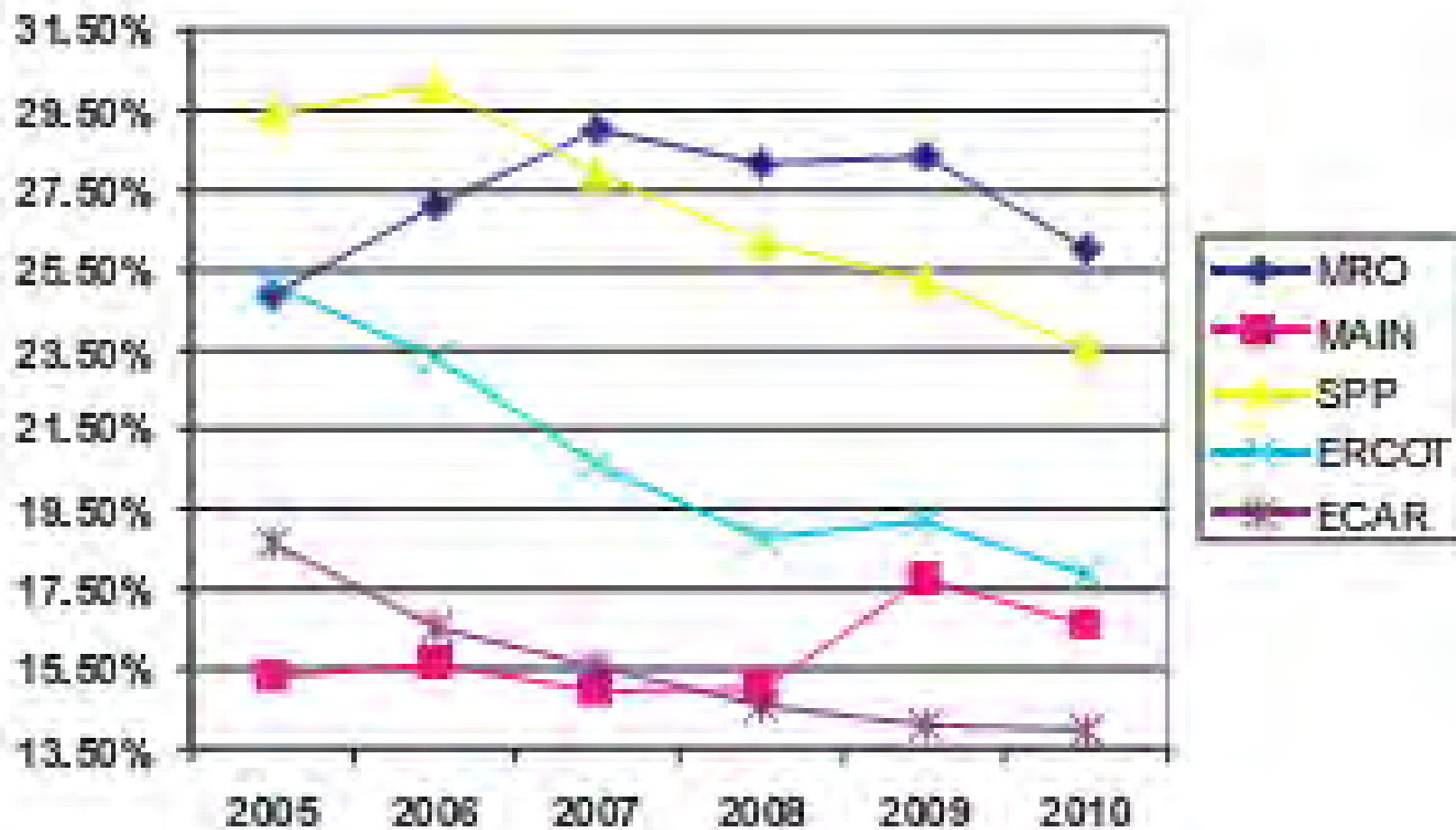




INDIANA BUSINESS DAILY  
2012 @carboons.com



# Declining Reserve Margins



Source: Megawatt Daily, January 3, 2006



# Evolution of the Coal Power Plant

Yet the electricity per ton of coal input stays level

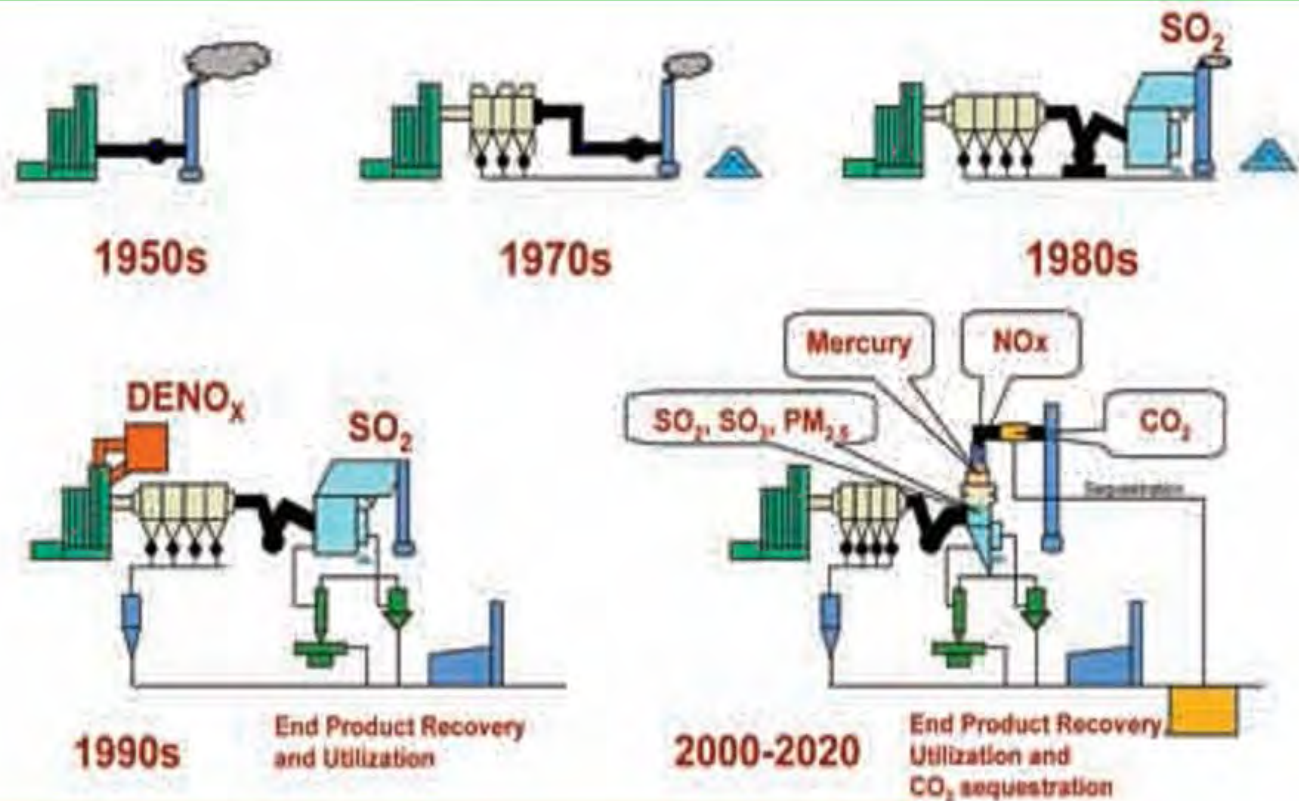


Figure ES-1

Evolution of Coal Fired Power Plant Emissions Capture<sup>2</sup>

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# Indiana Energy Sources

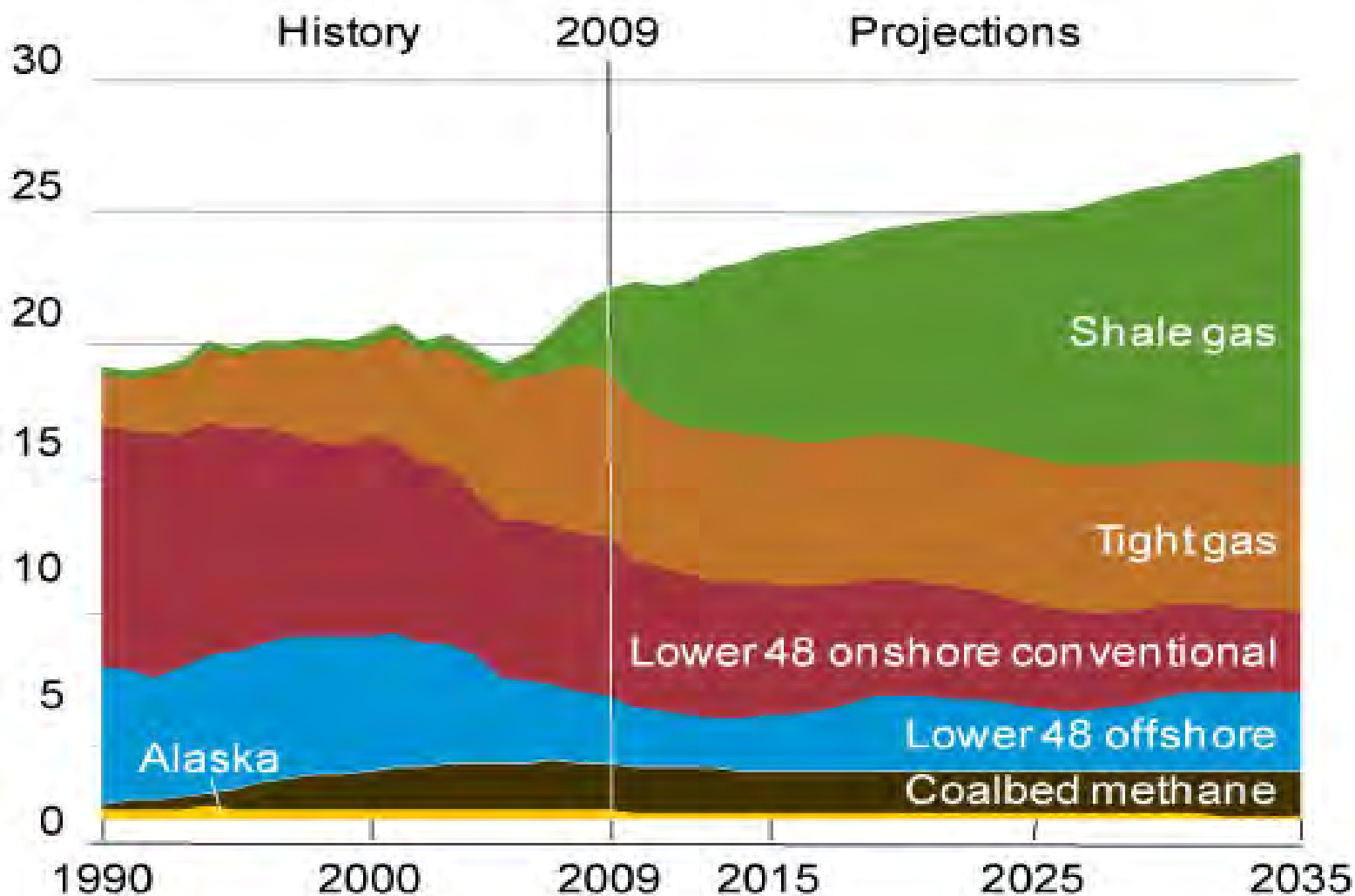
## PROS/CONS

- ☐ **COAL:** 300 year supply; environmental considerations/Climate Change; \$\$; build time
- ☐ **NUCLEAR:** Unlimited fuel; NO climate change; waste; perception; \$\$; build time
- ☐ **NATURAL GAS:** Plentiful; environmental concerns; “Game changer”; fast build time; cleaner; cheaper?
- ☐ **RENEWABLES:** intermittent; \$\$/kw; capital cost; location





Figure 2. U.S. natural gas production, 1990-2035  
(trillion cubic feet per year)



# North American Shale Plays



Source: U.S. Energy Information Administration based on data from various published studies. Canada and Mexico plays from ARI.  
Updated: May 9, 2011



# SUFG Forecast Comparison

2007	2009
Need for new resources in next few years.	<b>Not</b> a need for significant resources in short term but will long term.
<b>2.46%</b> per year growth over 20 years.	<b>1.55%</b> per year growth over 20 years
Peak demand per year increase of <b>500MW</b>	Peak demand per year increase of <b>350MW</b>
<b>Significant</b> price increase thru 2012, then <b>leveling off</b> thru 2027.	<b>Significant</b> price increase thru 2013 then <b>drift up</b> thru 2029.



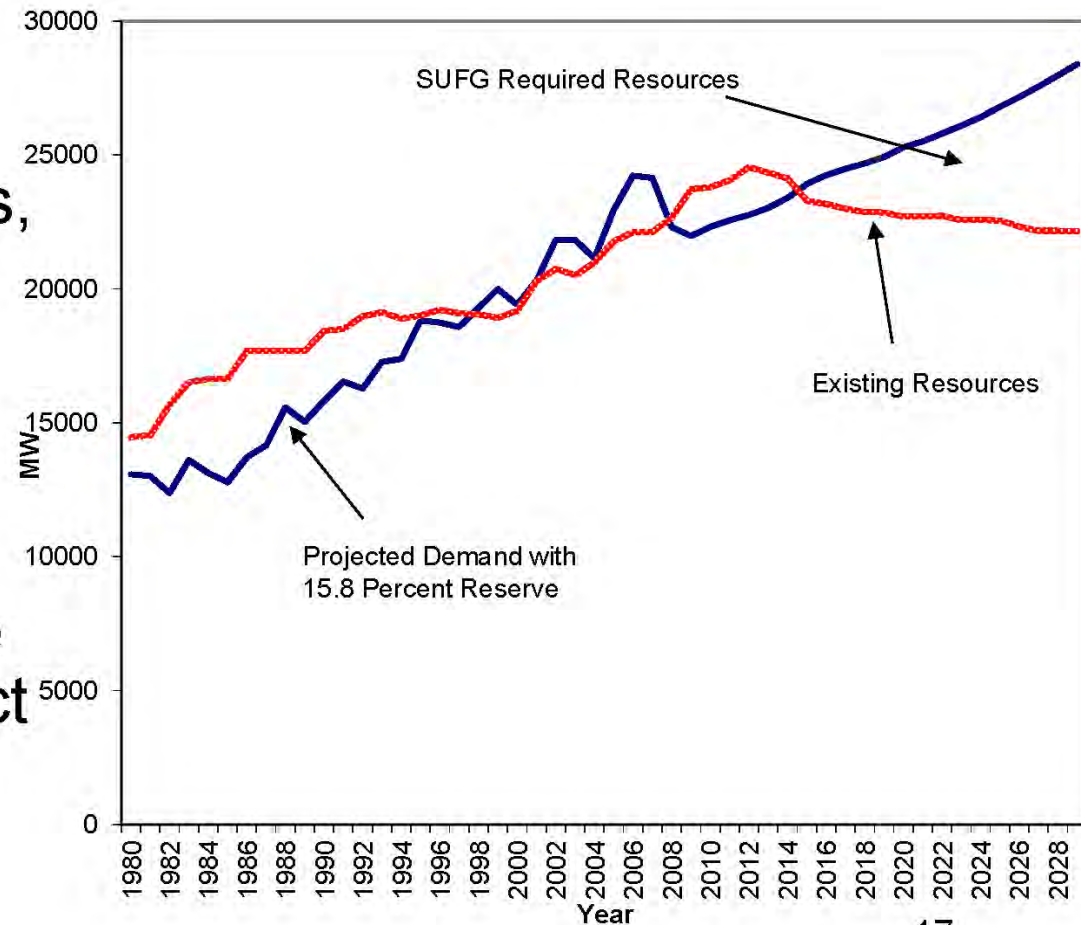
# **2011 Electric Power Forecast**

- ❑ 1.30% increase in usage/year**
- ❑ 275 MW of increased demand/year**
- ❑ 20% increase in price by 2017 – then level off**
- ❑ (new plants; life extensions; environmental controls)**



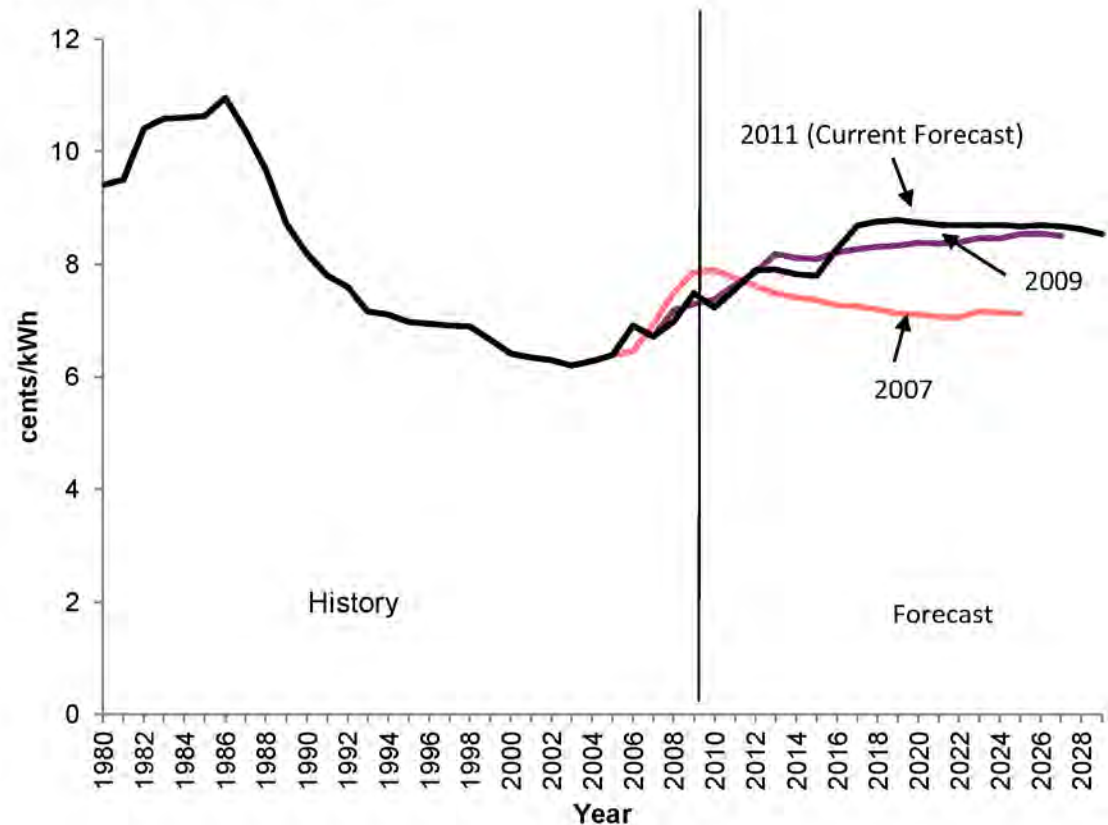
# Indiana Resource Requirements

- Resources may be provided by conservation measures, contractual purchases, purchases of existing assets, or new construction
- Existing resources are adjusted into the future for retirements, contract expirations, and IURC approved new resources



# Indiana Real Price Projections (2009 \$)

- Effect of inflation removed
- Includes the cost of new resources
- Does not include cost of expected EPA regulations
  - unless utility has already taken steps or included costs in data request

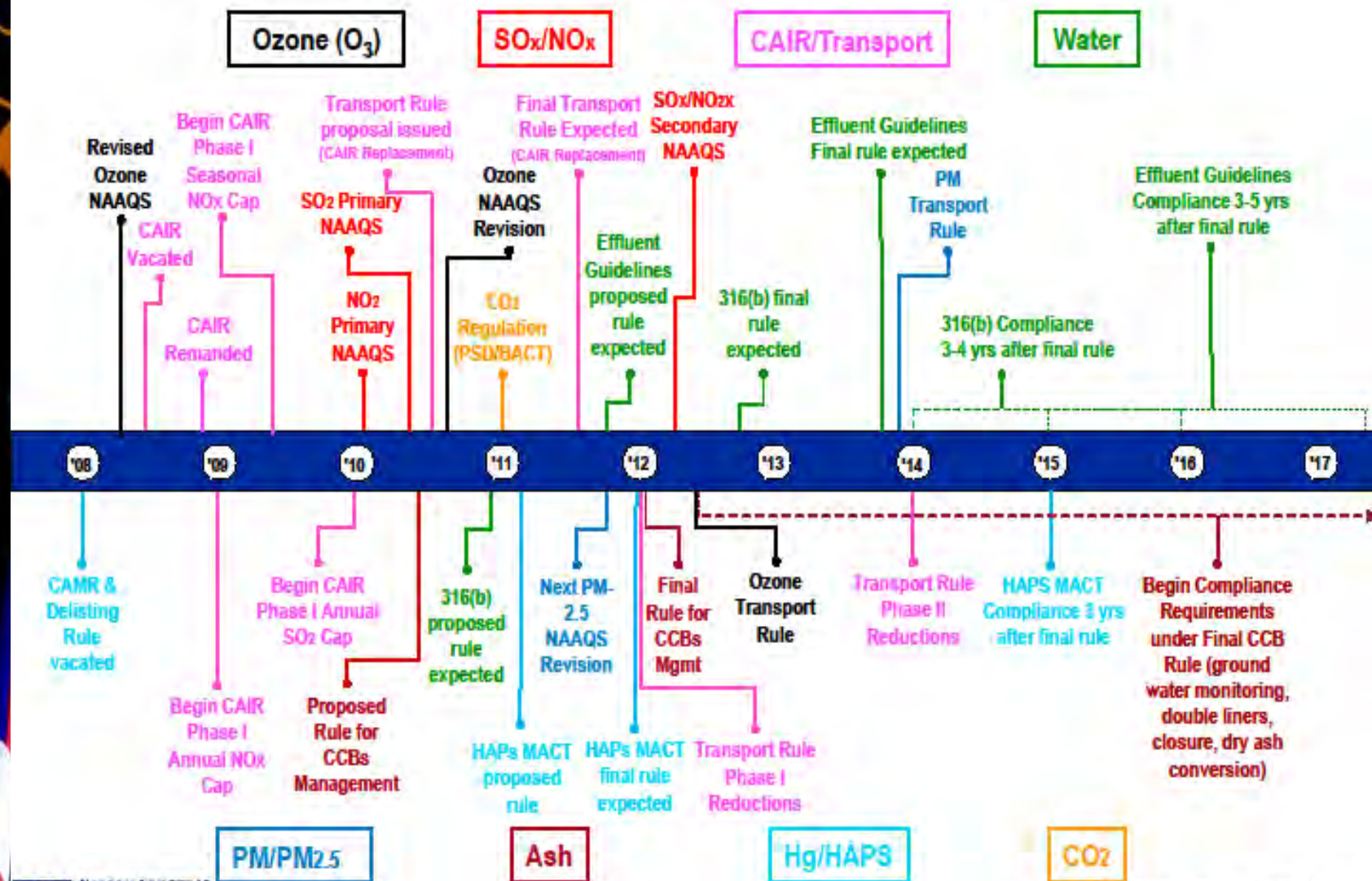




# *The Great Train Wreck*



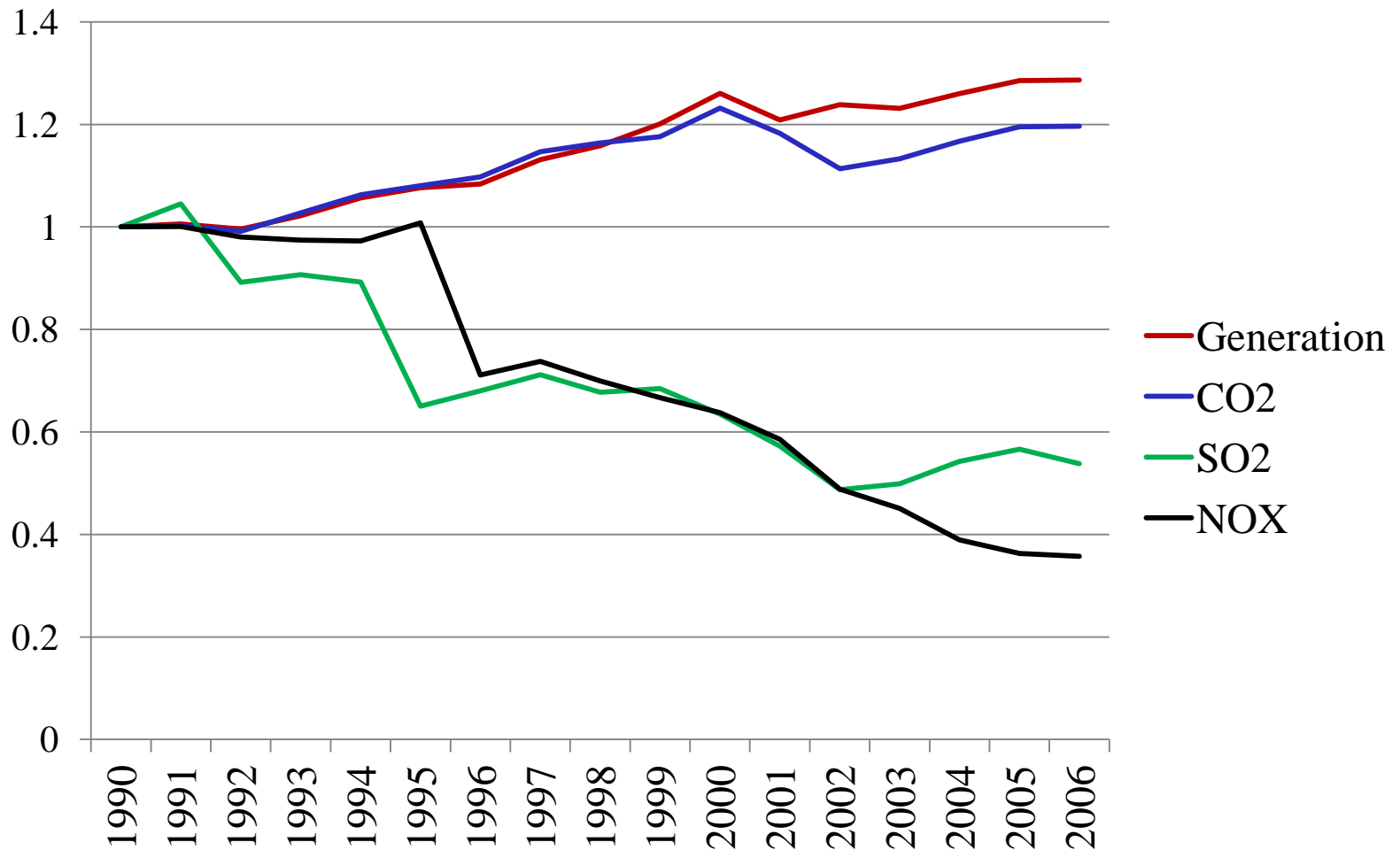
# Possible Timeline for Environmental Regulatory Requirements for the Utility Industry



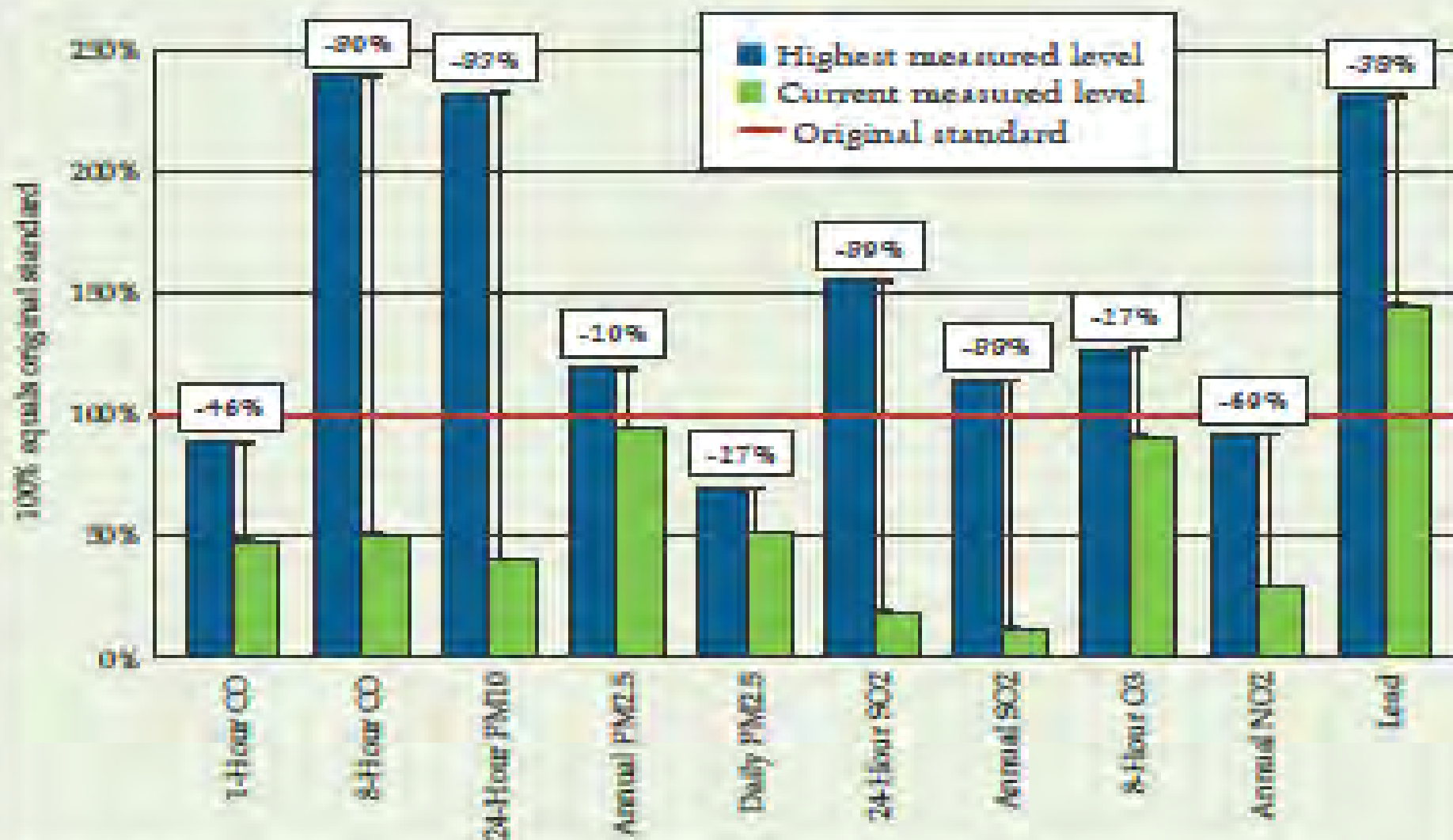
# Emissions Trends for Indiana

## Electricity Industry

(normalized to 1990 values)



# Then and Now: Historic Air Pollution Levels vs. Current Levels



Source: Indiana Department of Environmental Management 25th Anniversary State of the Environment report, 2011

This chart shows the percentage difference between the highest measured concentration of air pollutants (represented by the left bar) and where those pollution levels are today (represented by the right bar). All levels meet or are below current standards, with the exception of lead.

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## Vision 2025 – “Energy”

- Create an aggressive near and long-term energy plan, recognizing and involving all stakeholders.
- Create and implement a plan to position Indiana as a net exporter of energy.
- Identify all energy resources including coal, natural gas, petroleum, shale gas, wind, solar, nuclear and geothermal and determine their potential contribution to Indiana’s energy future.
- Assess Indiana’ current energy infrastructure and develop a plan to address those needs to maintain an adequate, reliable and affordable supply of energy.





## Cont. Vision 2025 – “Energy”

- Identify and implement mechanisms to incentivize Indiana’s energy sources and building of additional capacity.
- Identify and implement workable energy conservation strategies.
- Diversify Indiana’s energy mix with an emphasis on clean coal, nuclear power and renewables.
- Identify and implement workable energy conservation strategies.