

Legislative

Update

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The End is Near...

The first half of the 2010 “short” session of the Indiana General Assembly is over, and there could be just a few short weeks left until the end of the session. Of the 800 or so pieces of legislation that were introduced this year, 239 bills and 3 joint resolutions have survived the first part of the process. The predictably dominant issue – putting the property tax caps into the state’s Constitution – was addressed early on, with both the House of Representatives and the Senate passing the necessary Joint Resolutions. House Joint Resolution 1 is ready to be sent to the Governor for his signature. Another issue that has been the focus of much discussion is lobby and government ethics reform. A couple of bills are moving and it looks like there will be new ethics guidelines approved by the end of the session.

The legislature has until March 14th to conclude its business. But there appears to be a good chance that legislators could finish their work earlier than that, perhaps even the first week of March.

For municipal electrics, it has been a relatively quiet legislative session. The usual issues of concern have not risen to the top of chart this year. While legislation dealing with renewable portfolio standards, fining ability of the Indiana Utility Regulatory Commission, rate adjustment mechanisms (trackers), and alternative renewable energy contracts (feed-in tariffs) was introduced, no action has taken place. There has been discussion and debate on the issue of net metering. Both the House of Representatives and the Senate have passed bills out of their respective chambers addressing this issue (see synopsis below). Municipal electric utilities are exempted from the provisions in both bills. We will be watching these bills closely as the second half of the session moves forward.

Utility-Related Bills and Bills of General Interest at the Half-Way Point

House Bill 1094 – Net Metering

This bill requires the Indiana Utility Regulatory Commission (IURC) to adopt emergency rules amending the IURC’s net metering and interconnection rules for electric utilities. It provides that the amended rules must: (1) make net metering available to all customer classes; (2) allow a net metering customer to interconnect to an electric utility’s distribution facility a generating system that is sized to meet all or part of a customer’s electric load; (3) allow a net metering customer to interconnect a generating facility that makes use of specified technologies; and (4) allow for customer meter aggregation. It provides that a rule adopted by the IURC to amend the IURC’s net metering and interconnection rules may not make the net metering and interconnection rules apply to a cooperatively owned power supplier or a municipally owned utility. The bill also provides that the existing rules are void to the extent they do not comply with the requirements for the amended rules. It requires the IURC to report to the regulatory flexibility committee on the IURC’s progress in adopting the amended rules. It requires the IURC to include certain information in its annual report to the regulatory flexibility committee regarding the number of net metering customers, any safety incidents, and the cross subsidy impact of net metering to other ratepayers of each electric utility.

Senate Bill 313 – Net Metering

This bill requires the Indiana Utility Regulatory Commission (IURC) to adopt emergency rules amending the IURC’s net metering rules for electric utilities (investor-owned electric utilities only). It provides that the amended rules must: (1) allow certain net metering customers to interconnect facilities that generate energy from certain renewable energy resources; (2) make net metering available to all customer classes; (3) establish a maximum nameplate capacity for all customer classes; (4) require certain net metering customers to pay all interconnection costs; (5) establish certain billing requirements; and (6) permit an electric utility to establish in its proposed tariff net metering standards that exceed the standards set forth by the IURC. The bill provides that the amended rules do not apply to existing net metering agreements. The bill also requires the IURC to notify the publisher of the Indiana Administrative Code to the extent the existing rules do not comply with the requirements for the amended rules. It requires the IURC to report to the Regulatory Flexibility Committee on: (1) the IURC’s progress in adopting the amended rules; and (2) beginning not later than November 1, 2016, the impact of technological advances on the IURC’s net metering rules.

Senate Bill 93 -- Yield to stationary utility service vehicles

This bill provides that the failure to use due caution when approaching a stationary utility service vehicle that is being used to perform utility services is a Class A infraction that may also result in the loss of driving privileges.

House Bill 1279 – Texting while driving

This is the “texting while driving” bill. It provides that it is a Class C infraction if a person uses a telecommunications device to transmit a text message or electronic mail message while operating a moving motor vehicle. It allows a person to use hands-free or voice-

operated technology to transmit a text message or electronic mail message while operating a moving motor vehicle. The bill provides, for purposes of the prohibition against using a telecommunications device while operating a motor vehicle, that “telecommunications device” does not include amateur radio equipment operated by a person licensed by the FCC as an amateur radio operator. It repeals the current definition of “telecommunications device”.

House Bill 1107 -- IURC review of certain water rates

This bill provides that: (1) a municipality that operates a water utility; or (2) users of the waterworks located outside the corporate boundaries of the municipality; may petition the Utility Regulatory Commission (IURC) under certain circumstances for review and revision of the rates and charges imposed on the users. It requires the IURC to prescribe the form and content of the petition. It provides that a petition is deemed approved if the IURC does not approve or disapprove the petition within 120 days. The bill also authorizes the IURC to adopt rules.

Please be assured that we are keeping a watchful eye on all legislation as it moves through the process.

IMPORTANT (TENTATIVE) DATES FOR THE REMAINDER OF THE 2010 SESSION:

- February 25th – Deadline to adopt committee reports in the second chamber
- March 2nd – 2nd Reading deadline second chamber
- March 3rd – 3rd Reading deadline second chamber
- Conference Committees to meet the first 2 weeks of March
- March 14th – Adjournment Sine Die of the regular legislative session