

2021 INDIANA GENERAL ASSEMBLY WEEK 13

- Week 13 of the 2021 legislative session is complete. The target final adjournment date for the General Assembly is Wednesday April 21st, basically 2.5 weeks from now. Overall activity at the State House ramped up this week, with next week being the deadline for the workhorses of the legislative process - the committees - to complete their work for the second half of the session.
- The 2nd and 3rd Reading deadlines in the House and Senate are April 12th and 13th. Legislators are being urged to get their legislation in the best form possible before it exits the second chamber and to try to avoid going to conference committee if at all possible.
- The next 2.5 weeks will be busy with numerous issues being addressed, including the new two-year \$36 billion state budget.
- **House Bill 1123** deals with the Governor's emergency declaration powers and has been a focus of the General Assembly since session began. HB 1123 provides that the General Assembly may call itself into an emergency session if the Legislative Council adopts a resolution making certain findings concerning a state of emergency declared by the Governor. The maximum length of an emergency session would be 40 days. The bill provides that in an emergency session, the General Assembly may enact only bills relating to the agenda stated in the Legislative Council's resolution. The bill provides that the General Assembly may adopt concurrent resolutions and each house may adopt simple resolutions during an emergency session. The bill establishes the 10-member Legislative State of Emergency Advisory Group that would serve as a conduit between the executive and legislative branches of government, by consulting with the Governor on an emergency and then communicating with the rank-and-file members of the General Assembly with data and other information. HB 1123 would also create an economic stimulus fund in which discretionary federal stimulus dollars received by the state would be deposited. The Legislature would be responsible for appropriating the funding if lawmakers are in session. If lawmakers are not in session, state agencies could decide how to spend the funding, but the decisions would be subject to review by the State Budget Committee. Any stimulus money received before April 29, 2021, would not be affected by the change. HB 1123 was sent to a conference committee this week, and only a couple of technical changes were accepted. Both the Senate and the House of Representatives must approve the conference committee report, which is anticipated to be Monday next week. The Governor has indicated that he will veto HB 1123 based on the constitutionality of the legislature calling itself into a special session. It is anticipated that the General Assembly will override that veto prior to final adjournment of the session.
- **Senate Bill 5** is another bill that is a result of pandemic-related restrictions. Currently, local health departments and health officers are able to impose more strict local health orders during a public health emergency than a state order or declaration. As an example, right now, local health officials can impose mandatory restrictions like a mask mandate even though the Governor will be ending the state mandate next week. Under SB 5, local health officials would no longer be able to issue or enforce more strict policies than the state during an emergency unless approved by local elected officials. SB 5 establishes an appeals process before local legislative bodies of enforcement actions taken by local boards of health and local health officers. It would allow businesses and individuals to appeal any "enforcement action" taken by local health departments during emergencies. The local legislative body would then have to decide whether or not to hear the appeal and rule on it. The enforcement action - fines, business closures, or other restrictions - would be halted during an appeal, which could allow a business to stay open until the matter is heard by a city or county board, even if it is not following health orders. The full House will consider this legislation next week.
- Legislation regarding electronic meetings of political subdivisions (city and town councils, county councils, others) and allowing this practice to continue under certain circumstances continues to move through the legislative process. This is an agenda item for the Governor this session and there is very broad support among stakeholders for both **House Bill 1437** and **Senate Bill 369**. Specific to IMPA,

the IMPA Board of Commissioners has been meeting virtually since last April due to the pandemic and with the authority of the Governor's Executive Orders. We have successfully worked with both the House and Senate bill authors on incorporating language into both bills specific to IMPA's statute that will officially allow the Board of Commissioners to meet virtually in the future should there ever be another declared emergency by a Governor. HB 1437 and SB 369 are moving through the process. HB 1437 was approved by the Senate this week, 49-0, and SB 369 was approved by the House Government and Regulatory Reform Committee and will be considered by the full House next week.

- The Indiana Senate Utilities significantly changed House Bill 1381, a controversial bill dealing with renewable energy development siting standards. The House version of this legislation set uniform state standards for wind and solar development projects throughout Indiana. Opponents argued that it took away control over such projects at the local level. A committee amendment was adopted into HB 1381 that would change the legislation's approach. Instead of taking away local control, it would try to incentive local participation. While the House passed version gave locals some say in the decisions concerning these types of projects, it was not complete authority. The amended bill gives counties the option to adopt renewable energy districts, or REDs, which would designate certain areas for development. Proponents of the amended bill say that it would allow a county - of which there are many - that have adopted a more restrictive ordinance to keep that ordinance, but also to adopt this framework and work with renewable developers to make sure an area is functional and would benefit the community. The state development standards are not required, but there is also a carrot of a \$3,000/MW construction incentive fee that would come from renewable companies and benefit property owners in the local communities. The bill passed out of committee 9-2 and has been reassigned to the Tax and Fiscal Policy Committee for further review.
- House Bill 1220 passed the Senate 49-0 this week. This bill provides for a 1-year extension of the 21st Century Energy Policy Development Task Force, with work to be completed by November 1, 2022. The measure changes the composition of the Task Force, increasing the number of members from 15 to 17, and requires the Utility Consumer Counselor or his designee to be a member as well as either the public finance director of the IN Finance Authority or that person's designee. The bill moves some of the original Task Force appointments from the Governor to the General Assembly, and those appointments must be people from the State of Indiana. HB 1220 sets out the topics to be considered for study, including but not limited to the following: stranded utility assets, rate fairness to all customer classes, impacts of plant closures on local communities, electric vehicle charging infrastructure, distributed energy resources (DERs), energy storage, the use of securitization to recover stranded utility costs associated with legacy generation units and a potential reporting requirement for cooperatively owned power suppliers (Hoosier/WVPA) to provide to the IURC their calculations of stranded costs. Because HB 1220 was amended in the Senate, the House must now consent to the changes made or send it to a conference committee. IMPA will be actively involved in the extended Task Force, just as we were during the first two years.
- House Bill 1520 is another product of the 21st Century Energy Policy Development Task Force. The bill was approved by the full Senate by a vote of 50-0 and will head to the Governor for his signature into law. Over the last two years, resource adequacy was a large focus for the Task Force. Making sure that all Indiana customers have reliable power supply led the Task Force to recommend that the General Assembly establish resource reliability metrics for Indiana's electric utilities, including IMPA. HB 1520 is the product of a collaborative effort by all electric utilities (including IMPA) who submit Integrated Resource Plans (IRPs) to the Indiana Utility Regulatory Commission (IURC). The bill requires utilities to submit an annual resource planning and capacity report to the IURC with specific information regarding the utility's ability to provide reliable electric service to its customers. The IURC must then review the reports and determine that the utility's capacity resources will or will not be adequate.
- As the 2021 legislative session moves toward final adjournment, we will continue to monitor any and all legislation for any impact on IMPA and our municipal electric members.



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