

## 2021 INDIANA GENERAL ASSEMBLY WEEK 11

- Week 11 of the 2021 legislative session is complete. It is now officially that time of the session when floor calendars are growing in length and the sense of urgency - especially with regard to some of the higher profile issues - has started to fill the air throughout the State House complex. Both the Speaker of the House of Representatives and the Senate President Pro Tempore indicated this week that they are hoping to adjourn the session Sine Die one full week ahead of the statutory deadline of April 29th. They are targeting April 21st or 22nd as the last day for the session.
- Indiana Governor Eric Holcomb announced Tuesday afternoon that he has appointed State Representative Holli Sullivan from Evansville to succeed Connie Lawson as the next Indiana Secretary of State, effective immediately. Lawson announced her resignation after more than 30 years of public service last month so that she could spend more time with her family and pursue other endeavors. Secretary Sullivan has served in the Indiana House of Representatives since 2014. A caucus of Republican precinct committee people in House District 78 will be called in the coming days to fill the legislative vacancy.
- Next Tuesday, March 23rd, Governor Holcomb will give a statewide address to Hoosiers on the status of the pandemic and specifically what the state's next steps with COVID-19 will be. The speech will be at 5:30 p.m.
- This week saw House Bill 1006, a universally supported bill, head to Governor Holcomb's desk after a year of rallies and protests calling for police reform. This bill addresses law enforcement reform and codifies requirements for police officers to undergo de-escalation training in Indiana and addresses racial injustice. HB 1006 was approved by the Senate after a unanimous vote on Tuesday. The House of Representatives previously approved the measure 96-0. It is the product of cooperation between legislators, the law enforcement community and African American leaders following national unrest last summer.
- State lawmakers have agreed to give prosecutors in 10 yet to be determined Indiana counties additional resources for investigating and bringing charges against individuals involved in computer-related crime. House Bill 1082 establishes the High-Tech Crimes Unit Fund for the purpose of establishing up to 10 high tech crimes units in the state that collectively represent the north, south, east, west, and central geographic areas of Indiana to enhance the ability of prosecuting attorneys to investigate, collect evidence, and prosecute high tech crimes. The Senate approved HB 1082 46-1. The House of Representatives previously passed it, 98-0. The bill now goes to the Governor for his signature into law.
- The Senate Rules and Legislative Procedures Committee approved an amended House Bill 1123, which addresses the Governor's emergency declaration powers. Both the House and Senate have moved their own versions of legislation seeking to reign in the Governor's authority to issue a disaster and/or emergency declaration and what role the General Assembly should have in that process. HB 1123 was significantly amended in committee. The bill no longer creates a new special "emergency session" of the legislature, but rather creates a Legislative State of Emergency Advisory Group, which basically is the legislative leadership of all four legislative caucuses. The Advisory Group would be 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. Left in the bill at this point is one of the most contentious provisions that allows the Legislative Council - a bipartisan group of 16 lawmakers - to call the full General Assembly

back into session to alter or terminate a governor's orders. However, that would be optional. HB 1123 would also now give spending oversight of any federal stimulus funds coming into the state to the legislature. If in session, the legislature would be able to appropriate those funds, and if not in session, the State Budget Committee would have that oversight. This bill will be on the Senate calendar for full Senate consideration next week.

- Of note on the local government front, 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. House Bill 1437 addresses the ability of local units of government and other political subdivisions to conduct meetings electronically in certain circumstances and with reasonable transparency guardrails. This is an agenda item for the Governor this session and there is very broad support among stakeholders. 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 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. In the Senate Local Government Committee, the bill was amended to provide additional clarifications and now moves to the full Senate.
  - The House Energy, Utilities and Telecommunications Committee met this week to consider one bill - Senate Bill 386. Senate Bill 386 addresses cost securitization for stranded electric utility assets. The bill itself is energy resource neutral. As the energy industry continues to transition, rate regulated electric utilities will have power plants that are not yet fully depreciated but are approaching the end of their useful lives and will likely be retired over the next several years. SB 386 is an effort to provide ratepayers potential cost benefits as the utilities seek to recover capital costs which are included in rates paid by customers. Securitization is a financial tool - akin to refinancing a house mortgage - that could allow utilities to lessen the rate impact of plant retirements on customers. Securitization would allow customers to "pay off" the remaining costs of coal plants over a longer period of time at a lower rate. Specifically, an investor-owned electric utility (narrowly defined by the bill) with qualified capital costs of at least 5% of the electric utility's total electric rate base, may file a petition with the IURC to issue securitization bonds, collect securitization charges, and encumber securitization property with a lien and security interest. If approved, the IURC will issue a financing order providing for the amount of qualified costs to be recovered by the electric utility and the period for collecting securitization charges, not to exceed 15 years. The 21st Century Energy Policy Development Task Force discussed this complex topic over the last two years and recommended further study. SB 386 creates a pilot program to help facilitate that study. The bill was approved by the Senate 39-6. The House committee held the bill this week and will consider an amendment at its next meeting.
  - The House Environmental Affairs Committee had its first meeting of the 2021 session this past week to consider Senate Bill 271. Of interest to the utilities community, an amendment was added to the legislation that establishes a state permit program for the implementation of federal regulations for the disposal of coal combustion residuals (CCR) in landfills and surface impoundments. The Environmental Rules Board will be required to adopt rules for this state permit program and IDEM will be required to notify the federal EPA by May 15, 2021 of its intention to create the state program and get federal approval. The amendment also creates the fee structure for initial and annual (pre-closure) permits, as well as annual post-closure permits. SB 271 now moves to the full House for consideration.
- Next week, look for both the House Energy, Utilities and Telecommunications Committee and the
- Senate Utilities Committee to meet to consider Senate Bills 348 and 349, and House Bills 1220 and 1520, respectively.

