

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6966**

**BILL NUMBER:** HB 1278

**NOTE PREPARED:** Mar 6, 2024

**BILL AMENDED:** Feb 22, 2024

**SUBJECT:** IURC and Office of Energy Development Matters.

**FIRST AUTHOR:** Rep. Soliday

**FIRST SPONSOR:** Sen. Koch

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill repeals the Indiana Code provisions concerning the following obsolete programs and funds administered by the Indiana Office of Energy Development (OED):

- (1) The Alternative Fuel Fueling Station Grant Program.
- (2) The Alternative Fuel Vehicle Grant Program for local units.
- (3) The Indiana Coal Research Grant Fund.
- (4) The Office of Alternative Energy Incentives.
- (5) The Alternative Energy Incentive Fund.
- (6) The Center for Coal Technology Research.

The bill also makes conforming amendments to other sections of the Indiana Code that reference the repealed provisions.

The bill repeals and relocates a provision that authorizes the OED to establish and administer a revolving loan program to make low interest loans for energy efficiency or recycling market development projects from the chapter governing the Indiana Recycling Market Development Board to the chapter governing the OED. The bill also removes language authorizing the OED to consult with the Board in establishing and administering the program.

It provides that the Commercial Solar and Wind Energy Ready Communities Development Center may make a reasonable determination to certify a unit if the unit's commercial solar regulation or wind power regulation does not: (1) materially differ from applicable industry or regulatory standards; (2) otherwise materially affect the ability of a project owner to develop a commercial solar project or a wind power project in the unit;

or (3) has other clear standards for the construction, installation, siting, modification, operation, or decommissioning of commercial solar or wind power systems and the unit's clear standards meet specified requirements.

The bill also amends the Indiana Code section concerning a rate case in which a utility seeks an increase in revenues exceeding \$2.5 M, and with respect to which a public hearing is required, to provide that the Indiana Utility Regulatory Commission (IURC) shall conduct at least one public hearing in one of the following, as determined by the IURC: (1) The largest municipality located within the utility's service area. (2) The municipality containing the largest number of customers served by the utility. (3) The county containing the largest number of customers served by the utility. (Current law requires the IURC to conduct the public hearing in the largest municipality located within the utility's service area.)

The bill makes a corresponding change to the statute concerning rural electric membership corporations. It repeals a provision in the statute concerning incentives for clean energy projects that requires eligible businesses under the statute to file with the Lieutenant Governor a monthly report concerning purchases of: (1) Illinois Basin coal for energy production or generation; and (2) fuel or energy produced by a coal gasification facility or by a nuclear energy production or generating facility.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** The bill could increase the workload of the Office of Energy Development's (OED) Commercial Solar and Wind Energy Ready Communities Development Center to certify additional unit's power regulation under certain conditions. Increases in workload are expected to be accomplished within existing and resource levels.

*Additional Information* - The Commercial Solar and Wind Energy Ready Communities Development Center was established by SEA 390-2023. The Center provides information regarding wind and solar energy development, as well as administers a certification program for communities to be designated as a Community Solar Energy Ready Community, a Wind Energy Ready Community, or both.

The bill also repeals other programs under the OED that are no longer in operation.

**Explanation of State Revenues:** The bill repeals funds that are no longer used by the OED. These include the Indiana Coal Research Grant Fund and the Alternative Energy Incentive Fund. These funds do not have balances, therefore repealing these funds is expected to have no impact.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** OED; IURC; Indiana Recycling Market Development Board.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 317-232-9559.