

### **ENGROSSED HOUSE BILL No. 1278**

DIGEST OF HB 1278 (Updated February 22, 2024 12:08 pm - DI 119)

**Citations Affected:** IC 4-3; IC 4-4; IC 4-12; IC 4-13; IC 4-23; IC 5-28; IC 8-1; IC 21-47.

Synopsis: IURC and office of energy development matters. Repeals the Indiana Code provisions concerning the following obsolete programs and funds administered by the Indiana office of energy development (office): (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. Makes conforming amendments to other sections of the Indiana Code that reference the repealed provisions. Repeals, in the Indiana Code chapter governing the Indiana recycling market development board (board), a provision that authorizes the office to establish and administer a revolving loan program to make low interest loans for energy efficiency or recycling market development projects. Relocates that provision to the Indiana Code chapter governing the office and removes from the provision (Continued next page)

Effective: July 1, 2024.

### Soliday, Jeter, Pierce M

(SENATE SPONSOR — KOCH)

January 9, 2024, read first time and referred to Committee on Utilities, Energy and January 18, 2024, read first time and Transcommunications.

January 18, 2024, reported — Do Pass.

January 22, 2024, read second time, ordered engrossed. Engrossed.

January 23, 2024, read third time, passed. Yeas 86, nays 8.

SENATE ACTION
February 5, 2024, read first time and referred to Committee on Utilities. February 22, 2024, amended, reported favorably — Do Pass.



#### Digest Continued

language authorizing the office to consult with the board in establishing and administering the program. Provides that, notwithstanding the statutory requirements for a local unit to be certified as a commercial solar energy ready community or a wind energy ready community, the commercial solar and wind energy ready communities development center may make a reasonable determination to certify a unit as a commercial solar energy ready community or a wind energy ready community if the unit: (1) has adopted a commercial solar or wind power regulation and the unit's regulation does not: (A) materially differ from applicable industry or regulatory standards; or (B) otherwise materially affect the ability of a project owner to develop a commercial solar project or wind power project in the unit; or (2) 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. Amends the Indiana Code section concerning a rate case in which a utility seeks an increase in revenues exceeding \$2,500,000, 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.) Makes a corresponding change to the statute concerning rural electric membership corporations. 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.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1278

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 4-3-23-5, AS AMENDED BY P.L.109-2015,
2	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	JULY 1, 2024]: Sec. 5. The office shall administer the following:
4	(1) The alternative fuel fueling station grant program under
5	<del>IC 4-4-32.2.</del>
6	(2) The alternative fuel vehicle grant program for local units
7	<del>under IC 4-4-32.3.</del>
8	(3) (1) The energy development fund under IC 4-23-5.5-10.
9	(4) (2) A low interest revolving loan program for certain energy
10	efficiency or recycling projects in consultation with the Indiana
11	recycling market development board. under section 9 of this
12	chapter.
13	(5) The coal research grant fund under IC 4-23-5.5-16.
14	(6) (3) The green industries fund under IC 5-28-34, in
15	consultation with the Indiana economic development corporation.



1	(7) The office of alternative energy incentives established by
2	IC 8-1-13.1-9 and the alternative energy incentive fund
3	established by IC 8-1-13.1-10.
4	(8) The center for coal technology research established by
5	IC 21-47-4-1 and the coal technology research fund established
6	<del>by IC 21-47-4-5.</del>
7	SECTION 2. IC 4-3-23-9 IS ADDED TO THE INDIANA CODE
8	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
9	1, 2024]: Sec. 9. The office may establish and administer a
10	revolving loan program for the purpose of making low interest
11	loans to projects designed to promote the development and efficient
12	use of energy resources or to promote recycling market
13	development. The interest rates for the loans shall be fixed by the
14	office.
15	SECTION 3. IC 4-3-23.1-12, AS ADDED BY P.L.50-2023,
16	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17	JULY 1, 2024]: Sec. 12. (a) The commercial solar and wind energy
18	ready communities development center may be established within the
19	office. If established, the center shall have has the following duties:
20	(1) Providing comprehensive information concerning permits
21	required for projects and related business activities in Indiana,
22	and making the information available and easily accessible to:
23	(A) project owners;
24	(B) state and local government offices, departments, and
25	administrative entities; and
26	(C) the public.
27	(2) Working with permit authorities to encourage the timely and
28	efficient issuance of permits and the resolution of related issues.
29	(b) The center, if established, may create and administer:
30	(1) a program for the certification of units as commercial solar
31	energy ready communities under section 13 of this chapter; and
32	(2) a program for the certification of units as wind energy ready
33	communities under section 14 of this chapter.
34	(c) Notwithstanding:
35	(1) section 13(a) or 13(b) of this chapter, the center, if
36	established, may make a reasonable determination to certify
37	a unit as a commercial solar energy ready community if the
38	unit's commercial solar regulation under section 13(a) of this
39	chapter or clear standards under section 13(b) of this chapter,
40	as applicable, differ in one (1) or more respects from the
41	standards set forth in section 13(a) or 13(b) of this chapter, as



applicable; or

1	(2) section 14(a) or 14(b) of this chapter, the center, if
2	established, may make a reasonable determination to certify
3	a unit as a wind energy ready community if the unit's wind
4	power regulation under section 14(a) of this chapter or clear
5	standards under section 14(b) of this chapter, as applicable,
6	differ in one (1) or more respects from the standards set forth
7	in section 14(a) or 14(b) of this chapter, as applicable;
8	if the unit's commercial solar regulation, wind power regulation,
9	or clear standards, as applicable, do not materially differ from
10	applicable industry or regulatory standards, or otherwise
11	materially affect the ability of a project owner to develop a project
12	in the unit.
13	SECTION 4. IC 4-3-23.1-13, AS AMENDED BY THE
14	TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL
15	ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16	JULY 1, 2024]: Sec. 13. (a) A unit may apply to the office for
17	certification as a commercial solar energy ready community. The
18	application must be in a form and manner prescribed by the office.
19	Subject to section 12(c) of this chapter, the office may approve an
20	application and certify a unit as a commercial solar energy ready
21	community if the office determines the following:
22	(1) That the unit has adopted a commercial solar regulation that
23	includes clear standards for the construction, installation, siting,
24	modification, operation, or decommissioning of one (1) or more
25	commercial solar energy systems (as defined in IC 8-1-42-2) in
26	the unit.
27	(2) That the unit's commercial solar regulation:
28	(A) includes standards that are not more restrictive, directly or
29	indirectly, than the default standards for commercial solar
30	energy systems set forth in IC 8-1-42;
31	(B) provides a clear and transparent process for project owners
32	to identify potential commercial solar project sites;
33	(C) does not unreasonably eliminate portions of the unit as
34	sites for commercial solar projects;
35	(D) provides for a fair review and approval process for
36	proposed commercial solar projects, including final approval
37	that cannot be revoked; and
38	(E) includes a specific plan for using any funds from an
39	incentive granted by the office under subsection (b): (d):
40	(i) for economic development purposes within or near the
41	commercial solar project's footprint; or

(ii) to otherwise benefit residents and businesses within or



1	near the commercial solar project's footprint.
2	(3) That the unit has demonstrated a commitment to maintain:
3	(A) the standards and procedural framework set forth in the
4	unit's commercial solar regulation; and
5	(B) all applicable zoning, land use, and planning regulations;
6	with respect to any particular commercial solar project that is
7	approved under the unit's commercial solar regulation, for a
8	period of at least ten (10) years, beginning with the start date of
9	the commercial solar project's full commercial operation.
10	operation or the date of the office's certification of the unit
11	under this section, whichever is later.
12	(b) If a unit has not adopted a commercial solar regulation, the
13	unit may apply to the office for certification as a commercial solar
14	energy ready community. The application must be in a form and
15	manner prescribed by the office. Subject to section 12(c) of this
16	chapter, the office may approve an application and certify a unit
17	as a commercial solar energy ready community if the office
18	determines the following:
19	(1) That the unit has clear standards for the construction,
20	installation, siting, modification, operation, or
21	decommissioning of one (1) or more commercial solar energy
22	systems (as defined in IC 8-1-42-2) in the unit.
23	(2) That the unit's clear standards:
24	(A) are not more restrictive, directly or indirectly, than the
25	default standards for commercial solar energy systems set
26	forth in IC 8-1-42;
27	(B) provide a clear and transparent process for project
28	owners to identify potential commercial solar project sites;
29	(C) do not unreasonably eliminate portions of the unit as
30	sites for commercial solar projects;
31	(D) provide for a fair review and approval process for
32	proposed commercial solar projects, including final
33	approval that cannot be revoked; and
34	(E) include a specific plan for using any funds from an
35	incentive granted by the office under subsection (d):
36	(i) for economic development purposes within or near
37	the commercial solar project's footprint; or
38	(ii) to otherwise benefit residents and businesses within
39	or near the commercial solar project's footprint.
40	(3) That the unit has demonstrated a commitment to maintain
41	its clear standards for a period of at least ten (10) years,
42	beginning with the start date of the commercial solar project's



1	full commercial operation or the office's certification of the
2	unit under this section, whichever is later.
3	(c) For purposes of subsection (b), the office may consider one
4	(1) or more of the following as evidence of a unit's clear standards
5	with respect to the construction, installation, siting, modification,
6	operation, or decommissioning of one (1) or more commercial solar
7	energy systems (as defined in IC 8-1-42-2) in the unit:
8	(1) A contract or an otherwise binding agreement between the
9	unit and a project owner.
0	(2) An economic development agreement.
1	(3) Any other documentation that the office determines
2	provides sufficient evidence of the unit's clear standards.
3	(b) (d) If:
4	(1) a unit receives certification as a commercial solar energy
5	ready community by the office under this section;
6	(2) after the unit's certification, a project owner constructs a
7	commercial solar project is constructed or has been constructed
8	in the unit; and
9	(3) the fund is established and there is a sufficient balance in the
20	fund;
21	the office may authorize the unit to receive from the fund, for a period
22	of ten (10) years beginning with the start date of the commercial solar
.3 .4	project's full commercial operation, operation or the date of the
.4	office's certification of the unit under this section, whichever is
25	later, one dollar (\$1) per megawatt hour of electricity generated by the
26	commercial solar project, if the office determines that the procedures
27	and standards set forth in the unit's commercial solar regulation under
28	subsection (a) or the unit's clear standards under subsection (b), as
.9	applicable, were adhered to in the development of the project.
0	However, if the office determines at any time after the start of the
1	commercial solar project's full commercial operation that the unit has
2	failed to continue to meet the requirement for certification set forth in
3	subsection (a)(3), (a)(3) or (b)(3), as applicable, the office shall
4	discontinue the incentive granted under this subsection and shall
5	require the unit to return to the fund any amounts collected by the unit
6	under this subsection after the unit's breach of the requirement for
7	certification set forth in subsection (a)(3). (a)(3) or (b)(3), as
8	applicable.
9	<del>(e)</del> <b>(e)</b> After:
0	(1) a unit receives certification as a commercial solar energy
-1	ready community under this section; and

(2) a project owner constructs a commercial solar energy facility



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1	<b>project</b> that qualifies the unit to receive the incentive payments
2	under subsection (b); (d);
3	the project owner shall annually report to the office the total megawatt
4	hours generated by the commercial solar energy facility project in the
5	previous year.
6	SECTION 5. IC 4-3-23.1-14, AS AMENDED BY THE
7	TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL
8	ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9	JULY 1, 2024]: Sec. 14. (a) A unit may apply to the office for
0	certification as a wind energy ready community. The application must
11	be in a form and manner prescribed by the office. Subject to section
12	12(c) of this chapter, the office may approve an application and certify
13	a unit as a wind energy ready community if the office determines the
14	following:
15	(1) That the unit has adopted a wind power regulation that
16	includes clear standards for the construction, installation, siting,
17	modification, operation, or decommissioning of one (1) or more
18	wind power devices (as defined in IC 8-1-41-7) in the unit.
19	(2) That the unit's wind power regulation:
20	(A) includes standards that are not more restrictive, directly or
21	indirectly, than the default standards for wind power devices
22	set forth in IC 8-1-41;
23	(B) provides a clear and transparent process for project owners
24	to identify potential wind power project sites;
25 26	(C) does not unreasonably eliminate portions of the unit as
	sites for wind power projects;
27	(D) provides for a fair review and approval process for
28	proposed wind power projects, including final approval that
29	cannot be revoked; and
30	(E) includes a specific plan for using any funds from an
31	incentive granted by the office under subsection (b): (d):
32	(i) for economic development purposes within or near the
33	wind power project's footprint; or
34	(ii) to otherwise benefit residents and businesses within or
35	near the wind power project's footprint.
36	(3) That the unit has demonstrated a commitment to maintain:
37	(A) the standards and procedural framework set forth in the
38	unit's wind power regulation; and
39	(B) all applicable zoning, land use, and planning regulations;
10	with respect to any particular wind power project that is approved
11	under the unit's commercial solar wind power regulation, for a
12	period of at least ten (10) years, beginning with the start date of



1	the wind power project's full commercial operation. operation or
2	the date of the office's certification of the unit under this
3	section, whichever is later.
4	(b) If a unit has not adopted a wind power regulation, the unit
5	may apply to the office for certification as a wind energy ready
6	community. The application must be in a form and manner
7	prescribed by the office. Subject to section 12(c) of this chapter, the
8	office may approve an application and certify a unit as a wind
9	energy ready community if the office determines the following:
10	(1) That the unit has clear standards for the construction,
11	installation, siting, modification, operation, or
12	decommissioning of one (1) or more wind power devices (as
13	defined in IC 8-1-41-7) in the unit.
14	(2) That the unit's clear standards:
15	(A) are not more restrictive, directly or indirectly, than the
16	default standards for wind power devices set forth in
17	IC 8-1-41;
18	(B) provide a clear and transparent process for project
19	owners to identify potential wind power project sites;
20	(C) do not unreasonably eliminate portions of the unit as
21	sites for wind power projects;
22	(D) provide for a fair review and approval process for
23	proposed wind power projects, including final approval
24	that cannot be revoked; and
25	(E) include a specific plan for using any funds from an
26	incentive granted by the office under subsection (d):
27	(i) for economic development purposes within or near
28	the wind power project's footprint; or
29	(ii) to otherwise benefit residents and businesses within
30	or near the wind power project's footprint.
31	(3) That the unit has demonstrated a commitment to maintain
32	its clear standards for a period of at least ten (10) years,
33	beginning with the start date of the wind power project's full
34	commercial operation or date of the office's certification of
35	the unit under this section, whichever is later.
36	(c) For purposes of subsection (b), the office may consider one
37	(1) or more of the following as evidence of a unit's clear standards
38	with respect to the construction, installation, siting, modification,
39	operation, or decommissioning of one (1) or more wind power
40	devices (as defined in IC 8-1-41-7) in the unit:
41	(1) A contract or an otherwise binding agreement between the



unit and a project owner.

	(2) An economic development agreement.
2	(3) Any other documentation that the office determines
3	provides sufficient evidence of the unit's clear standards.
1	( <del>b)</del> ( <b>d)</b> If:
5	(1) a unit receives certification as a wind energy ready community
6	by the office under this section;
7	(2) after the smith contification a majest arrown constructs a wind

- (2) after the unit's certification, a project owner constructs a wind power project is constructed or has been constructed in the unit; and
- (3) the fund is established and there is a sufficient balance in the fund:

the office may authorize the unit to receive from the fund, for a period of ten (10) years beginning with the start date of the wind power project's full commercial operation, operation or the date of the office's certification of the unit under this section, whichever is later, one dollar (\$1) per megawatt hour of electricity generated by the wind power project, if the office determines that the procedures and standards set forth in the unit's wind power regulation under subsection (a) or the unit's clear standards under subsection (b), as applicable, were adhered to in the development of the project. However, if the office determines at any time after the start of the wind power project's full commercial operation that the unit has failed to continue to meet the requirement for certification set forth in subsection (a)(3), (a)(3) or (b)(3), as applicable, the office shall discontinue the incentive granted under this subsection and shall require the unit to return to the fund any amounts collected by the unit under this subsection after the unit's breach of the requirement for certification set forth in subsection  $\frac{(a)(3)}{(a)(3)}$  (a)(3) or (b)(3), as applicable.

#### (e) After:

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- (1) a unit receives certification as a wind energy ready community under this section; and
- (2) a project owner constructs a wind energy facility **power project** that qualifies the unit to receive the incentive under subsection (b); (d);

the project owner shall annually report to the office the total megawatt hours generated by the wind energy facility power project in the previous year.

SECTION 6. IC 4-3-23.1-16, AS ADDED BY P.L.50-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 16. (a) The commercial solar and wind energy ready communities incentive fund may be established by the office for



1	the purpose of:
2	(1) providing payments to commercial solar energy ready
3	communities under section 13(b) 13(d) of this chapter; and
4	(2) providing payments to wind energy ready communities under
5	section 14(b) 14(d) of this chapter.
6	(b) The fund, if established, shall be administered by the office.
7	(c) The fund, if established, shall consist of:
8	(1) grants, gifts, and donations intended for deposit in the fund;
9	(2) federal funds;
10	(3) interest that accrues from money in the fund; and
11	(4) any amounts returned to the fund by units under section 13(b)
12	<b>13(d)</b> or <del>14(b)</del> <b>14(d)</b> of this chapter.
13	(d) The treasurer of state shall invest the money in the fund no
14	currently needed to meet the obligations of the fund in the same
15	manner as other public money may be invested.
16	SECTION 7. IC 4-4-32.2 IS REPEALED [EFFECTIVE JULY 1
17	2024]. (Alternative Fuel Fueling Station Grant Program).
18	SECTION 8. IC 4-4-32.3 IS REPEALED [EFFECTIVE JULY 1
19	2024]. (Alternative Fuel Vehicle Grant Program for Local Units).
20	SECTION 9. IC 4-12-12-6, AS AMENDED BY P.L.152-2018
21	SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22	JULY 1, 2024]: Sec. 6. Money in the account that is not otherwise
23	designated under section 3 of this chapter is annually dedicated to the
24	following:
25	(1) The Indiana economic development partnership fund under
26	IC 4-12-10.
27	(2) The scientific instrument project within the department of
28	education.
29	(3) The coal technology research fund under IC 21-47-4-5 (before
30	its repeal on July 1, 2024).
31	SECTION 10. IC 4-13-16.5-2, AS AMENDED BY P.L.15-2020
32	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33	JULY 1, 2024]: Sec. 2. (a) There is established a governor's
34	commission on supplier diversity. The commission shall consist of the
35	following members:
36	(1) A governor's designee, who shall serve as chairman of the
37	commission.
38	(2) The commissioner of the Indiana department of transportation
39	or the economic opportunity director of the Indiana department of
40	transportation if the commissioner of the Indiana department of
41	transportation so designates.

(3) The chairperson of the board of the Indiana economic



1	development corporation or the chairperson's designee.
2	(4) The commissioner.
3	(5) Nine (9) individuals with demonstrated capabilities in
4	business and industry, especially minority business enterprises,
5	women's business enterprises, and veteran owned small
6	businesses, appointed by the governor from the following
7	geographical areas of the state:
8	(A) Three (3) from the northern one-third $(1/3)$ of the state.
9	(B) Three (3) from the central one-third $(1/3)$ of the state.
0	(C) Three (3) from the southern one-third $(1/3)$ of the state.
1	(6) Two (2) members of the house of representatives, no more
2	than one (1) from the same political party, appointed by the
3	speaker of the house of representatives to serve in a nonvoting
4	advisory capacity.
5	(7) Two (2) members of the senate, no more than one (1) from the
6	same political party, appointed by the president pro tempore of
7	the senate to serve in a nonvoting advisory capacity.
8	(8) The deputy commissioner, who shall serve as a nonvoting
9	member.
20	Not more than six (6) of the ten (10) members appointed or designated
21	by the governor may be of the same political party. Appointed members
22	of the commission shall serve four (4) year terms. A vacancy occurs if
23	a legislative member leaves office for any reason. Any vacancy on the
22 23 24	commission shall be filled in the same manner as the original
25	appointment.
26	(b) Each member of the commission who is not a state employee is
27	entitled to the following:
28	(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
.9	(2) Reimbursement for traveling expenses and other expenses
0	actually incurred in connection with the member's duties as
1	provided under IC 4-13-1-4 and in the state travel policies and
2	procedures established by the Indiana department of
3	administration and approved by the budget agency.
4	(c) Each legislative member of the commission is entitled to receive
5	the same per diem, mileage, and travel allowances established by the
6	legislative council and paid to members of the general assembly
7	serving on interim study committees. The allowances specified in this
8	subsection shall be paid by the legislative services agency from the
9	amounts appropriated for that purpose.
0	(d) A member of the commission who is a state employee but who
-1	is not a member of the general assembly is not entitled to any of the



following:

1	(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
2	(2) Reimbursement for traveling expenses as provided under
3	IC 4-13-1-4.
4	(3) Other expenses actually incurred in connection with the
5	member's duties.
6	(e) The commission shall meet at least four (4) times each year and
7	at other times as the chairman considers necessary.
8	(f) The duties of the commission shall include but not be limited to
9	the following:
10	(1) Identify minority business enterprises, women's business
11	enterprises, and veteran owned small businesses in the state.
12	(2) Assess the needs of minority business enterprises, women's
13	business enterprises, and veteran owned small businesses.
14	(3) Initiate aggressive programs to assist minority business
15	enterprises, women's business enterprises, and veteran owned
16	small businesses in obtaining state contracts.
17	(4) Give special publicity to procurement, bidding, and qualifying
18	procedures.
19	(5) Include minority business enterprises, women's business
20	enterprises, and veteran owned small businesses on solicitation
21	mailing lists.
22	(6) Evaluate the competitive differences between qualified
23	minority or women's nonprofit corporations and other than
24	qualified minority or women's nonprofit corporations and veteran
25	owned small businesses that offer similar services and make
26	recommendation to the department on policy changes necessary
27	to ensure fair competition among minority business enterprises,
28	women's business enterprises, and veteran owned small
29	businesses.
30	(7) Define the duties, goals, and objectives of the deputy
31	commissioner of the department as created under this chapter to
32	assure compliance by all state agencies, separate bodies corporate
33	and politic, and state educational institutions with state and
34	federal legislation and policy concerning the awarding of
35	contracts (including, notwithstanding section 1(d) of this chapter
36	or any other law, contracts of state educational institutions) to
37	minority business enterprises, women's business enterprises, and
38	veteran owned small businesses.
39	(8) Establish annual goals:
40	(A) for the use of minority and women's business enterprises;
41	and

(B) derived from a statistical analysis of utilization study of



1	state contracts (including, notwithstanding section 1(d) of this
2	chapter or any other law, contracts of state educational
3	institutions) that are required to be updated every five (5)
4	years.
5	(9) Prepare a review of the commission and the various affected
6	departments of government to be submitted to the governor and
7	the legislative council on March 1 and October 1 of each year,
8	evaluating progress made in the areas defined in this subsection.
9	(10) Ensure that the statistical analysis required under this
10	section:
11	(A) is based on goals for participation of minority business
12	enterprises established in Richmond v. Croson, 488 U.S. 469
13	(1989);
14	(B) includes information on both contracts and subcontracts
15	(including, notwithstanding section 1(d) of this chapter or any
16	other law, contracts and subcontracts of state educational
17	institutions); and
18	(C) uses data on the combined capacity of minority business
19	enterprises, women's business enterprises, and veteran owned
20	small businesses in Indiana and not just regional data.
21	(11) Establish annual goals for the use of minority business
22	enterprises, women's business enterprises, and veteran owned
23	small businesses for any contract that:
24	(A) will be paid for in whole or in part with state grant funds;
25	and
26	(B) involves the use of real property of a unit. (as defined in
27	<del>IC</del> <del>4-4-32.2-9).</del>
28	(12) Ensure compliance with the establishment and evaluation of
29	the annual goal for veteran owned small businesses established in
30	section 3.5 of this chapter.
31	(g) The department shall direct contractors to demonstrate a good
32	faith effort to meet the annual participation goals established under
33	subsection (f)(11). The good faith effort shall be demonstrated by
34	contractors using the repository of certified firms created under section
35	3 of this chapter or a similar repository maintained by a unit. (as
36	<del>defined in IC 4-4-32.2-9).</del>
37	(h) The department shall adopt rules of ethics under IC 4-22-2 for
38	commission members other than commission members appointed
39	under subsection (a)(6) or (a)(7).
40	(i) The department shall furnish administrative support and staff as
41	is necessary for the effective operation of the commission.
42	(j) The commission shall advise the department on developing a



1	statement, to be included in all applications for and agreements
2	governing grants made with state funds, stating the importance of the
3	use of minority business enterprises, women's business enterprises, and
4	veteran owned small businesses in fulfilling the purposes of the grant.
5	(k) For purposes of subsections (f)(11) and (g), "unit" means a
6	county, city, town, township, or school corporation.
7	SECTION 11. IC 4-23-5.5-11 IS REPEALED [EFFECTIVE JULY
8	1, 2024]. Sec. 11. The office may establish and administer a revolving
9	loan program for the purpose of making low interest loans to projects
10	designed to promote the development and efficient use of energy
11	resources or to promote recycling market development. The interest
12	rates for the loans shall be fixed by the office. The office may consult
13	with the board in implementing this section.
14	SECTION 12. IC 4-23-5.5-16 IS REPEALED [EFFECTIVE JULY
15	1, 2024]. Sec. 16. (a) As used in this section, "center" refers to the
16	center for coal technology research established by IC 21-47-4-1.
17	(b) The Indiana coal research grant fund is established for the
18	purpose of providing grants for research and other projects designed to
19	develop and expand markets for Indiana coal. The fund shall be
20	administered by the office.
21	(c) Sources of money for the fund consist of the following:
22	(1) Appropriations from the general assembly.
23	(2) Donations, gifts, and money received from any other source,
24	including transfers from other funds or accounts.
25	(d) Money remaining in the fund at the end of a state fiscal year
26	does not revert to the state general fund.
27	(e) The treasurer of state shall invest the money in the fund not
28	currently needed to meet the obligations of the fund in the same
29	manner as other public funds may be invested. Interest that accrues
30	from these investments shall be deposited in the fund.
31	(f) The center shall establish:
32	(1) amounts for grants under this section; and
33	(2) criteria for awarding grants under this section.
34	(g) A person, business, or manufacturer that wants a grant from the
35	fund must file an application in the manner prescribed by the center.
36	(h) The center shall appoint a panel of at least eight (8) members to
37	review and make recommendations to the center about each application
38	filed under this section. To be a member of the panel, an individual
39	must be a scientist, a professional engineer registered under

HC 25-31-1, or another professional who is familiar with coal

(i) The director of the office shall pursue available private and

combustion, coal properties, coal byproducts, and other coal uses.



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public sources of money for the fund.

SECTION 13. IC 5-28-41-4, AS ADDED BY P.L.165-2021, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) As used in this chapter, "qualified nonprofit organization" means a private, nonprofit entity formed as a partnership between local units, (as defined in IC 4-4-32.2-9), private sector businesses, or community or philanthropic organizations to develop and implement a regional economic acceleration and development strategy that has an organizational structure that conforms with the requirements of a policy developed by the corporation under section 16 of this chapter.

# (b) For purposes of subsection (a), a "local unit" means a county, city, town, township, or school corporation.

SECTION 14. IC 5-28-43-4, AS ADDED BY P.L.201-2023, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) As used in this chapter, "qualified nonprofit organization" means a private, nonprofit entity formed as a partnership between local units, (as defined in IC 4-4-32.2-9), private sector businesses, or community or philanthropic organizations to develop and implement a regional economic acceleration and development strategy that has an organizational structure that conforms with the requirements of a policy developed by the corporation under section 16 of this chapter.

# (b) For purposes of subsection (a), a "local unit" means a county, city, town, township, or school corporation.

SECTION 15. IC 8-1-2-61, AS AMENDED BY P.L.94-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 61. (a) Any public utility may make complaint as to any matter affecting its own rates or service. The petition or complaint must include a statement as to whether the utility, if a not-for-profit water utility or municipal utility, has any outstanding indebtedness to the federal government. The public utility shall publish a notice of the filing of such petition or complaint in a newspaper of general circulation published in any county in which the public utility renders service. An order affecting rates or service may be entered by the commission without a formal public hearing, if:

- (1) the utility is a not-for-profit water utility or a municipal utility; and
- (2) the utility has obtained written consent to obtain an order affecting its rates from the commission without a formal hearing from any agency of the federal government with which the utility has outstanding evidence of indebtedness to the federal



1	government.
2	The commission may, however, on its own motion require a formal
3	public hearing, and shall, upon a motion filed by the utility consumer
4	counselor, by any public or municipal corporation, or by ten (10)
5	individuals, firms, corporations, limited liability companies, or
6	associations, or ten (10) complainants of all or any of these classes,
7	hold a formal public hearing with respect to any such petition or
8	complaint.
9	(b) In any general rate proceeding under subsection (a) which
10	requires a public hearing and in which an increase in revenues is
11	sought which exceeds the sum of two million five hundred thousand
12	dollars (\$2,500,000), the commission shall conduct at least one (1)
13	public hearing in one (1) of the following, as determined by the
14	commission:
15	(1) The largest municipality located within such the utility's
16	service area.
17	(2) The municipality containing the largest number of
18	customers served by the utility.
19	(3) The county containing the largest number of customers
20	served by the utility.
21	(c) In a proceeding brought by an energy utility (as defined in
22	IC 8-1-2.5-2) under this section, the commission may approve:
23	(1) time-varying price structures and tariffs; or
24	(2) other alternative pricing structures and tariffs;
25	for retail energy service (as defined in IC 8-1-2.5-3), such as
26	time-of-use or off-peak pricing, critical peak pricing, variable peak
27	pricing, and real-time pricing.
28	SECTION 16. IC 8-1-8.8-13 IS REPEALED [EFFECTIVE JULY
29	1, 2024]. Sec. 13. An eligible business shall file a monthly report with
30	the lieutenant governor stating the following information:
31	(1) The amount of Illinois Basin coal, if any, purchased during the
32	previous month for use in a new energy production or generating
33	<del>facility.</del>
34	(2) The amount of any fuel or energy produced by:
35	(A) a coal gasification facility; or
36	(B) a nuclear energy production or generating facility;
37	that is purchased by the eligible business during the previous
38	month.
39	(3) Any other information the lieutenant governor may reasonably
40	<del>require.</del>
41	SECTION 17. IC 8-1-13-38 IS AMENDED TO READ AS
42	FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 38. (a) Any corporation



may make complaint as to any matter affecting its own rates or service. The corporation shall publish a notice of the filing of the petition or complaint in a newspaper of general circulation published in any county in which the corporation renders service. An order affecting rates or service may be entered by the commission without a formal public hearing, if the corporation has obtained written consent to obtain an order affecting its rates from the commission without a formal hearing from any agency of the federal government with which the corporation has outstanding evidence of indebtedness to the federal government. The commission may, however, on its own motion require a formal public hearing, and shall, upon a motion filed by the utility consumer counselor, by any public or municipal corporation, by ten (10) individuals, firms, corporations, limited liability companies, or associations, or by ten (10) complainants of any or all of these classes, hold a formal public hearing with respect to any petition or complaint.

- (b) In any general rate proceeding under subsection (a) which requires a public hearing and in which an increase in revenues is sought which exceeds the sum of two million five hundred thousand dollars (\$2,500,000), the commission shall conduct at least one (1) public hearing in **one** (1) of the following, as determined by the commission:
  - (1) The largest municipality located within the corporation's service area.
  - (2) The municipality containing the largest number of customers served by the corporation.
  - (3) The county containing the largest number of customers served by the corporation.

SECTION 18. IC 8-1-13.1-5 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 5. As used in this chapter, "director" refers to the director of the office of alternative energy incentives serving under section 9(b) of this chapter.

SECTION 19. IC 8-1-13.1-6 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 6. As used in this chapter, "fund" refers to the alternative energy incentive fund established by section 10 of this chapter.

SECTION 20. IC 8-1-13.1-7 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 7. As used in this chapter, "office" refers to the office of alternative energy incentives established by section 9 of this chapter.

SECTION 21. IC 8-1-13.1-9 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 9: (a) The office of alternative energy incentives is established within the Indiana office of energy development established by IC 4-3-23-3.

(b) The:



1	(1) director of the Indiana office of energy development; or
2	(2) designee of the Indiana office of energy development, who
3	must be qualified by knowledge of or experience in the electric
4	utility industry;
5	shall serve as the director of the office.
6	(c) The director:
7	(1) serves at the pleasure of and is responsible to the director of
8	the Indiana office of energy development, if the director is a
9	designee of the director of the Indiana office of energy
10	<del>development;</del>
11	(2) may receive compensation in an amount determined by the
12	director of the Indiana office of energy development, subject to
13	the approval of the budget agency, if the director is a designee of
14	the director of the Indiana office of energy development;
15	(3) serves as the chief executive and administrative officer of the
16	office; and
17	(4) may, to the extent appropriate, delegate the director's authority
18	under this chapter, subject to the approval of:
19	(A) the director of the Indiana office of energy development
20	if the director is a designee of the director of the Indiana office
21	of energy development; and
22	(B) the budget agency.
23	(d) The director of the Indiana office of energy development may
24	(1) establish; and
25	(2) appoint members to;
26	an advisory board to advise the office in the administration of this
27	<del>chapter.</del>
28	SECTION 22. IC 8-1-13.1-10 IS REPEALED [EFFECTIVE JULY
29	1, 2024]. Sec. 10. (a) The alternative energy incentive fund is
30	established for the purpose of providing funds to corporations for use
31	in the development of alternative energy projects. The fund shall be
32	administered by the office.
33	(b) The fund consists of:
34	(1) money appropriated to the fund by the general assembly;
35	(2) money received from state or federal grants or programs for
36	alternative energy projects; and
37	(3) donations, gifts, and money received from any other source
38	including transfers from other funds or accounts.
39	(c) Money in the fund is continuously appropriated for the purposes
10	of this section.
11	(d) Money in the fund may be spent only in accordance with this
12	chapter and to carry out the purposes of this chapter.



1	(e) The expenses of administering the fund shall be paid from
2	money in the fund.
3	(f) Notwithstanding IC 5-13, the treasurer of state shall invest the
4	money in the fund not currently needed to meet the obligations of the
5	fund in the same manner as money is invested by the Indiana public
6	retirement system under IC 5-10.3-5. The treasurer of state may
7	contract with investment management professionals, investment
8	advisers, and legal counsel to assist in the investment of the fund and
9	may pay the expenses incurred under those contracts from the fund.
10	Interest that accrues from these investments shall be deposited in the
11	<del>fund.</del>
12	(g) Money in the fund at the end of a state fiscal year does not revert
13	to the state general fund.
14	SECTION 23. IC 21-47-1-2 IS REPEALED [EFFECTIVE JULY 1,
15	2024]. Sec. 2. "Center", for purposes of IC 21-47-4, refers to the center
16	for coal technology research established by IC 21-47-4-1.
17	SECTION 24. IC 21-47-1-3 IS REPEALED [EFFECTIVE JULY 1,
18	2024]. Sec. 3. "Fund", for purposes of IC 21-47-4, refers to the coal
19	technology research fund established by IC 21-47-4-5.
20	SECTION 25. IC 21-47-4 IS REPEALED [EFFECTIVE JULY 1,
21	2024]. (Center for Coal Technology Research).



#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities, Energy and Telecommunications, to which was referred House Bill 1278, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1278 as introduced.)

**SOLIDAY** 

Committee Vote: Yeas 11, Nays 0

#### COMMITTEE REPORT

Madam President: The Senate Committee on Utilities, to which was referred House Bill No. 1278, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 35, after "13(a)" insert "or 13(b)".

Page 2, line 38, delete "differs" and insert "under section 13(a) of this chapter or clear standards under section 13(b) of this chapter, as applicable, differ".

Page 2, line 39, after "13(a)" insert "or 13(b)".

Page 2, line 40, delete "chapter;" and insert "chapter, as applicable;".

Page 2, line 41, after "14(a)" insert "or 14(b)".

Page 3, line 2, delete "differs" and insert "under section 14(a) of this chapter or clear standards under section 14(b) of this chapter, as applicable, differ".

Page 3, line 3, delete "of this chapter;" and insert "or 14(b) of this chapter, as applicable;".

Page 3, line 4, delete "regulation or wind power regulation," and insert "regulation, wind power regulation, or clear standards,".

Page 3, line 5, delete "does" and insert "do".

Page 3, line 34, strike "(b):" and insert "(d):".

Page 4, line 4, strike "operation." and insert "operation or the date of the office's certification of the unit under this section, whichever is later.".

Page 4, between lines 4 and 5, begin a new paragraph and insert:

"(b) If a unit has not adopted a commercial solar regulation, the unit may apply to the office for certification as a commercial solar energy ready community. The application must be in a form and



manner prescribed by the office. Subject to section 12(c) of this chapter, the office may approve an application and certify a unit as a commercial solar energy ready community if the office determines the following:

- (1) That the unit has clear standards for the construction, installation, siting, modification, operation, or decommissioning of one (1) or more commercial solar energy systems (as defined in IC 8-1-42-2) in the unit.
- (2) That the unit's clear standards:
  - (A) are not more restrictive, directly or indirectly, than the default standards for commercial solar energy systems set forth in IC 8-1-42;
  - (B) provide a clear and transparent process for project owners to identify potential commercial solar project sites; (C) do not unreasonably eliminate portions of the unit as sites for commercial solar projects;
  - (D) provide for a fair review and approval process for proposed commercial solar projects, including final approval that cannot be revoked; and
  - (E) include a specific plan for using any funds from an incentive granted by the office under subsection (d):
    - (i) for economic development purposes within or near the commercial solar project's footprint; or
    - (ii) to otherwise benefit residents and businesses within or near the commercial solar project's footprint.
- (3) That the unit has demonstrated a commitment to maintain its clear standards for a period of at least ten (10) years, beginning with the start date of the commercial solar project's full commercial operation or the office's certification of the unit under this section, whichever is later.
- (c) For purposes of subsection (b), the office may consider one (1) or more of the following as evidence of a unit's clear standards with respect to the construction, installation, siting, modification, operation, or decommissioning of one (1) or more commercial solar energy systems (as defined in IC 8-1-42-2) in the unit:
  - (1) A contract or an otherwise binding agreement between the unit and a project owner.
  - (2) An economic development agreement.
  - (3) Any other documentation that the office determines provides sufficient evidence of the unit's clear standards.".

Page 4, line 5, strike "(b)" and insert "(d)".

Page 4, line 8, strike "a project owner constructs".



Page 4, line 9, after "project" insert "is constructed or has been constructed".

Page 4, line 14, strike "operation," and insert "operation or the date of the office's certification of the unit under this section, whichever is later,".

Page 4, line 17, after "regulation" insert "under subsection (a) or the unit's clear standards under subsection (b), as applicable,".

Page 4, line 21, strike "(a)(3)," and insert "(a)(3) or (b)(3), as applicable,".

Page 4, line 24, strike "(a)(3)." and insert "(a)(3) or (b)(3), as applicable.".

Page 4, line 25, strike "(c)" and insert "(e)".

Page 4, line 30, strike "(b);" and insert "(d);".

Page 5, line 17, strike "(b):" and insert "(d):".

Page 5, line 29, strike "operation." and insert "operation or the date of the office's certification of the unit under this section, whichever is later."

Page 5, between lines 29 and 30, begin a new paragraph and insert:

- "(b) If a unit has not adopted a wind power regulation, the unit may apply to the office for certification as a wind energy ready community. The application must be in a form and manner prescribed by the office. Subject to section 12(c) of this chapter, the office may approve an application and certify a unit as a wind energy ready community if the office determines the following:
  - (1) That the unit has clear standards for the construction, installation, siting, modification, operation, or decommissioning of one (1) or more wind power devices (as defined in IC 8-1-41-7) in the unit.
  - (2) That the unit's clear standards:
    - (A) are not more restrictive, directly or indirectly, than the default standards for wind power devices set forth in IC 8-1-41;
    - (B) provide a clear and transparent process for project owners to identify potential wind power project sites;
    - (C) do not unreasonably eliminate portions of the unit as sites for wind power projects;
    - (D) provide for a fair review and approval process for proposed wind power projects, including final approval that cannot be revoked; and
    - (E) include a specific plan for using any funds from an incentive granted by the office under subsection (d):
      - (i) for economic development purposes within or near



- the wind power project's footprint; or
- (ii) to otherwise benefit residents and businesses within or near the wind power project's footprint.
- (3) That the unit has demonstrated a commitment to maintain its clear standards for a period of at least ten (10) years, beginning with the start date of the wind power project's full commercial operation or date of the office's certification of the unit under this section, whichever is later.
- (c) For purposes of subsection (b), the office may consider one (1) or more of the following as evidence of a unit's clear standards with respect to the construction, installation, siting, modification, operation, or decommissioning of one (1) or more wind power devices (as defined in IC 8-1-41-7) in the unit:
  - (1) A contract or an otherwise binding agreement between the unit and a project owner.
  - (2) An economic development agreement.
  - (3) Any other documentation that the office determines provides sufficient evidence of the unit's clear standards.".

Page 5, line 30, strike "(b)" and insert "(d)".

Page 5, line 33, strike "a project owner constructs".

Page 5, line 34, after "project" insert "is constructed or has been constructed".

Page 5, line 39, strike "operation," and insert "operation or the date of the office's certification of the unit under this section, whichever is later,".

Page 5, line 42, after "regulation" insert "under subsection (a) or the unit's clear standards under subsection (b), as applicable,".

Page 6, line 4, strike "(a)(3)," and insert "(a)(3) or (b)(3), as applicable,".

Page 6, line 7, strike "(a)(3)." and insert "(a)(3) or (b)(3), as applicable.".

Page 6, line 8, strike "(c)" and insert "(e)".

Page 6, line 13, strike "(b);" and insert "(d);".

Page 6, between lines 16 and 17, begin a new paragraph and insert: "SECTION 6. IC 4-3-23.1-16, AS ADDED BY P.L.50-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 16. (a) The commercial solar and wind energy ready communities incentive fund may be established by the office for the purpose of:

- (1) providing payments to commercial solar energy ready communities under section 13(b) 13(d) of this chapter; and
- (2) providing payments to wind energy ready communities under



section 14(b) 14(d) of this chapter.

- (b) The fund, if established, shall be administered by the office.
- (c) The fund, if established, shall consist of:
  - (1) grants, gifts, and donations intended for deposit in the fund;
  - (2) federal funds;
  - (3) interest that accrues from money in the fund; and
  - (4) any amounts returned to the fund by units under section  $\frac{13(b)}{}$
  - 13(d) or 14(b) 14(d) of this chapter.
- (d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1278 as printed January 18, 2024.)

KOCH, Chairperson

Committee Vote: Yeas 8, Nays 1.

