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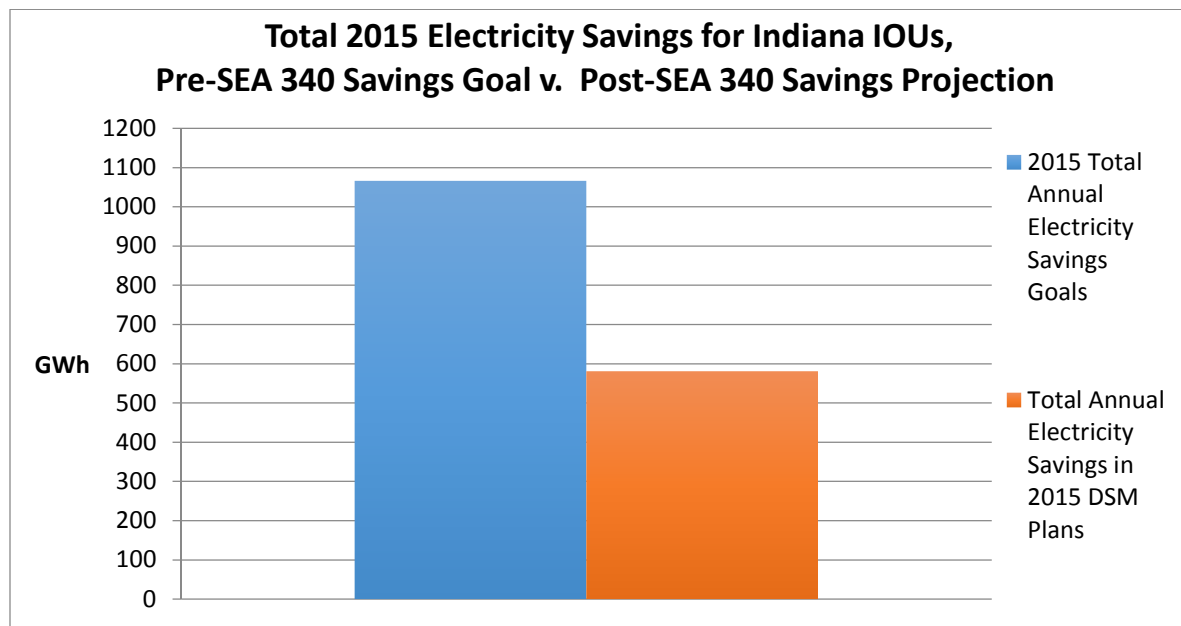
CAC Submits EE Policy Comments and over 2,500 signatures

Establish Public Purpose Fund and Independent, Non-Profit Third-Party Administrator

In response to the IURC's call for written comments regarding energy efficiency and demand side management policy recommendations, CAC submitted written comments to the IURC, along with over 2,500 signatures and/or comments from the public. The comments were requested as the result of the recent and significant step backwards Indiana has taken concerning the future of energy efficiency in the State by enacting SEA340

SEA 340 repealed the existing energy efficiency savings goal established by the Commission, terminated statewide efficiency programs (as of December 31, 2014), and allowed industrial customers that receive more than 1 MW of electricity to opt-out of EE and DSM programs.

The significant impact of SEA 340's repeal of the Commission's savings goals established in 2009 can already be seen. As the Graph below shows, the utilities' recently filed 2015 DSM "voluntary" plans project savings that are nearly 50% lower than they would have been if the goals were still in place.



¹ Graph Sources: 2015 Total Annual Electricity with Savings Goals found in the Indiana DSMCC Core Portfolio Report, June 19, 2013, Cause No. 42693-S1, Redacted Version, Figure 3: Total Annual MWh Goals. 2015 Total Annual Electricity Planned Savings found in the 2015 DSM filings for all five IOUs, DEI (Cause No. 43955 DSM 2), I&M (Cause No. 44486), IPL (Cause No. 44497), NIPSCO (Cause No. 44496), and Vectren (Cause No. 44495).

“It’s clear that allowing the monopoly utilities to ‘voluntarily’ offer energy efficiency programs will not produce anywhere near the results that would have been achieved under the strong DSM goals previously established by the IURC but eliminated by the Indiana General Assembly,” said Kerwin Olson, Executive Director of CAC. “The best path forward for Indiana is to repeal SEA340 and establish strong DSM policy that is designed to capture all available cost-effective energy efficiency for the benefit of all consumers, big and small.”

In addition to mandating that all available cost-effective DSM is pursued, effective DSM policy should include:

- Similar savings goals to those established by the IURC in the final order dated December 9, 2009 in Cause No. 42693;
- A public purpose fund which all ratepayers, big and small, must contribute to; and,
- An independent, non-profit 3rd party administrator to oversee those funds and implement Statewide EE and DSM programs.

The creation of a public purpose fund would eliminate the complications and disagreements that arise from compensating investor-owned utilities for service offerings designed to reduce their sales. Furthermore, the excessive “lost revenues” compensation that utilities have been earning would be eliminated under this method. This maintains ratepayer equity and would help to keep all classes of customers satisfied and protected from utility overearning and prevent the utilities from unnecessarily inflating the cost of EE and DSM.

“Additionally, when crafting DSM legislation, the General Assembly should not tie the hands of the Commission. Rather, they should provide the Commission the flexibility necessary to fulfill its primary function as a surrogate to competition to ensure the public interest is protected, captive ratepayers are being charged rates that are just and reasonable, and that public utilities are providing affordable and reliable utility service to its customers in a least-cost manner,” concluded Mr. Olson.

Copies of the complete CAC comments available on request.
