



State Office
603 E. Washington St., Suite 502
Indianapolis, IN 46204
Tel. (317) 205-3535
Fax (317) 205-3599

Northeast Office
2250 Lake Ave, Suite 110
Fort Wayne, IN 46805
Tel. (260) 399-1352
Fax (260) 420-8500

Turning On Citizen Power

www.citact.org

CAC Calls for Moratorium on Coal-fired Power Plants!

Coal Losing Appeal

Coal-fired power plants are no longer favored by Wall Street or Main Street. Wall Street prefers to invest in energy efficiency and renewable energy over coal. In 2007 coal plants were cancelled in 14 states due to concerns with cost, public health and global warming.

Utilities Want Windfall Profits at the Expense of Consumers, the Environment, and Public Health

Utilities want **your** money to go where it benefits **them** the most. Energy Efficiency and Renewable Energy investments could save ratepayers hundreds of billions of dollars over the next 20 years. This is money that wouldn't be going to utility companies, and that's why utility companies want to stop aggressive investment in energy efficiency and in technologies like wind turbines.

Indiana utilities are guaranteed a "reasonable rate of return" for their investments. The average rate of return is around 11%, depending on the type of investment, the risk, etc. The point here is that the more money the utilities spend, the more money they earn. So coal is chosen because building new plants is so expensive, earning them a larger profit, regardless of the cheaper and cleaner alternatives (like efficiency and renewables).

Consumers Need Protection

Two bills have been passed by the Indiana General Assembly that should be repealed. They threaten ratepayers and the potential to create a robust energy efficiency and renewable energy market in Indiana. The utilities heavily influenced the provisions in these pieces of legislation. The power plants alluded to in these bills are not needed and Wall Street is very hesitant to finance them. Therefore, utilities expect ratepayers to foot the bill.

Senate Enrolled Act 29 (Indiana Code (IC) 8-1-8.8) allows utilities to force ratepayers to pay for a power plant while it is being constructed, before it is producing any electricity. Construction Work in Progress (CWIP) shifts the financial risk from utility companies onto the backs of ratepayers. It also reduces financial risk to Wall Street investors, thus making an otherwise risky and unnecessary investment extremely profitable for utilities and Wall Street investors.

House Enrolled Act 1722 (IC 8-1-8.9) forces gas ratepayers to finance a coal gasification plant that produces synthetic gas for sale to utilities. This legislation forces ratepayers into a 30-year contract between the owners of the gasification plant and Indiana gas utilities (with the exception of Citizens Gas) even if less expensive gas resources are available. HB 1722 also forces gas ratepayers to pay twice as much for service if the gasification plant stops working. Ratepayers would have to pay for the replacement gas in addition to the gas that would have come from the shut down gasification plant.

- **If Indiana were to spend \$150 million per year for 5 years on energy efficiency programs, the savings to Hoosiers in the 5th year would be \$345 million for that year alone.**
- **A National Renewable Electricity Standard of 15% renewables and 15% energy efficiency by 2030 would save U.S. ratepayers \$600 billion.**
- **Cost of one Coal Gasification Plant with Carbon Controls: \$4.2 billion to \$5 billion**
- **Cost of Wind Farm producing the same amount of electricity: \$1.9 billion**
- **Minimum Rate Increase faced by Duke Energy Customers from the Proposed Coal Gasification Plant in Edwardsport: 25% to 30%**

U.S. Citizens Have Spoken for a Major Change in Energy Policy

- 71% of Midwesterners support a **Five Year Moratorium** on coal plants.
(Source: A National Opinion Survey Prepared by Opinion Research Corporation, October 18, 2007.)
- 88% of U.S. citizens support a **New Industrial Revolution** in which coal plants are phased out and renewables and energy efficiency are phased in.
(Source: A National Opinion Survey Prepared by Opinion Research Corporation, October, 18, 2007)
- 75% of CAC members support a Renewable Electricity Standard.
(Source: 2007 CAC Membership Survey)
- 62% of CAC members support a slight increase in rates to pay for a comprehensive, statewide energy efficiency program.
(Source: 2007 CAC Membership Survey)

A Call to Action for Indiana Ratepayers!

Hoosiers continue to struggle with increases in property taxes, increases in unemployment, increases in health care costs, skyrocketing gasoline prices, decreases in wages, and foreclosures on homes. It is unthinkable for Indiana ratepayers to shoulder the burden of higher utility rates solely for the profit of utilities when cleaner, cheaper alternatives exist.

New Industrial Revolution

- Billions of dollars in savings
- Thousands of additional jobs
- Cleaner air and better health

vs. Business-as-Usual (King Coal)

- Billions of dollars in additional utility bills
- Crippled economy due to high utility rates
- Dirtier air and more lung disease

To Stop the Utility Business Plan, Indiana Ratepayers Must:

1. Call for the repeal of CWIP under the "Clean" Coal Technology statute in Indiana law.
2. Call for the repeal of ratepayer financed synthetic gas under the "Financing" Substitute Natural Gas statute in Indiana law.
3. Call for a Five Year Moratorium on the construction of new coal plants.
4. Call for a New Industrial Revolution that emphasizes public policies which support investments in renewable energy and energy efficiency.

Take Action!!

Call a meeting of like-minded neighbors to discuss these issues. CAC would love to attend if you call and invite us. Or, if you would like a CAC representative to speak to a group, please contact us. (Contact information on front.)

Write a letter to editor of your local newspaper! Call for the 2009 Indiana General Assembly to:

- Repeal CWIP and ratepayer financed synthetic gas put into law by the legislation mentioned;
- Initiate a Five Year Moratorium on new coal plants; and
- Support a statewide Renewable Electricity Standard and a comprehensive, statewide energy efficiency program.

Act today because purposely withholding jobs, cleaner air, and lower utility rates for immediate self-interest hurts us economically and defies all ethical standards.