



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

Coal vs. Renewables and Efficiency: Indiana's Choice is Clear

The Situation in Indiana is Dire

All over Indiana, electric and natural gas ratepayers are facing massive rate increases. AEP (I&M) is asking for a 20% rate increase. Citizens Gas is asking for a 4% rate increase. NIPSCO is soon to be asking for a rate increase. Duke Energy wants to build a new coal-gasification power plant that will entail at least a 25% rate increase for Duke ratepayers. Leucadia, an out-of-state speculative venture corporation, wants to build another coal-gasification power plant to produce synthetic natural gas. The cost will be around \$5 billion, and they want Vectren and NIPSCO Gas customers to foot the bill. All Indiana ratepayers are facing at least one rate increase. Those with both Duke Energy and Vectren, or with AEP and NIPSCO, or who get both electricity and natural gas from NIPSCO, are all getting hit with a double-whammy: rate increases from both their electric and natural gas providers.

Where will it end? Hoosiers, who are facing lost jobs and low wages, can barely afford to make ends meet now. So what happens when all of our energy bills increase? Beyond the rate increases that are being proposed right now, we know that legislation will soon be passed at the federal level forcing utilities to pay for their carbon dioxide emissions. We also know that the utilities will then want to pass those costs on to ratepayers, meaning that ratepayers all over Indiana will be hit with even more rate increases. This is especially true because Indiana's 96% reliance on coal to produce electricity makes us the #1 emitter of carbon dioxide per capita in the country.

There is a better way.

Renewables and energy efficiency. We know that energy efficiency and renewable resources (like producing electricity using wind and solar power) are cheaper than coal. We know that they are better for our health, and better for our environment. And we know that they create more jobs per megawatt than fossil fuels. At a time when Hoosiers are struggling with already high energy costs and unemployment, we should be looking at ways that we can stimulate the economy, create jobs, and help people to lower their utility bills. Renewables and energy efficiency will achieve all of these goals.

- 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%

- 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)

Wind Farm:

Benton County, Indiana*

The Fowler Ridge Wind Farm in Benton County, Indiana will be the largest wind farm in the country when it is completed.

- It will generate 740 megawatts of electricity
- The Request for Proposal to build the farm was put out in September, 2007. By the end of 2008, it will be generating 400 megawatts, and by April, 2009, it will be at it's full 740 megawatt capacity.
- The entire project will be completed in less than 24 months
- It will cost approximately \$1.1 billion to construct.

During construction, it will:

- Generate about \$12 million per year in property tax revenue to the local economy;
- Create about 1,147 construction jobs; and
- Generate an additional \$13 million per year in other revenue to local economy.

After construction, it will:

- Create about 185 permanent jobs
- Generate about \$2 million per year in payments to land-owners; and
- Generate an additional \$15 million per year to the local economy.

*Facts taken from DOE presentations & research, and from presentation by BP Fowler Ridge project manager.

Coal-fired Power Plant:

Edwardsport, Indiana*

Duke Energy wants to build a new coal-gasification power plant in Edwardsport, Indiana.

- It will generate about 630 megawatts of electricity
- The request to the Indiana Utility Regulatory Commission to build the plant was filed in August of 2006.
- The entire project has been in the works for 26 months, and they haven't even begun construction.
- It will cost a minimum of \$2.3 billion to construct, and Duke's own cost estimates continue to rise.
- Duke expects ratepayers to foot the bill by increasing rates at least 25%, which will rise as construction costs continue to rise.

During construction, it will:

- Generate about \$4.5 million per year in property tax revenue to the local economy; and
- Create about 850 construction jobs.
- Duke is not making any promises about additional revenue generated to the local economy.

After construction, it will:

- Create about 75 permanent jobs.
- Duke currently employs 37 people at the Edwardsport plant. They are not making any promises about keeping those people employed.

*Facts taken from Duke website, and from Duke testimony before the Indiana Utility Regulatory Commission.

Take Action - What You Do Will Make a Huge Difference!!

Our own Lieutenant Governor, Becky Skillman, has stated that "we all know that there are more jobs in renewables and wind than there are in fossil fuels." She has also stated that "[w]ind energy is an inexpensive, clean, renewable and simple solution to our current energy dilemma." And yet despite these facts, our Governor, our General Assembly, the investor owned utilities in Indiana, and the coal lobby continue to push us down the path of building coal-fired power plants at the expense of our environment, our health, our economy, and our future.

This is an election year - Write Letters to your State Senators and Representatives and their challengers!

Hoosiers are fed up with facing increases in property taxes, increases in unemployment, increases in health care costs, skyrocketing gasoline prices, decreases in wages, and foreclosures on homes. In this economic crisis, 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.

Tell your elected officials that you want them to:

- Supporting public policies that will protect our health, our environment, and boost our economy;
- Support a 5-year moratorium on coal;
- Support a statewide Renewable Electricity Standard; and
- Support a comprehensive, statewide energy efficiency program.

Write a letter to editor of your local newspaper!

Make this debate public! Continuing down the path of building more coal-fired power plants doesn't make sense because it continues to jeopardize our health, our economy, and our environment. There are cheaper, cleaner, and healthier ways to produce and save electricity. If policy makers truly believe in addressing our economic crisis as they say, they will stop pursuing coal-fired power plants and start pursuing energy efficiency and renewable electricity options such as wind and solar.

Your State Legislators:

Senator _____

Representative _____

<http://www.in.gov/apps/sos/legislator/search>

Indiana House of Representatives

200 W. Washington St.
Indianapolis, IN 46204
(317) 232-9600
(800) 382-9842

Indiana State Senate

200 W. Washington St.
Indianapolis, IN 46204
(317) 232-9400
(800) 382-9467

Letters to the Editor:

For a list of local Indiana papers, visit <http://newslink.org/innews.html>