

Taking Aim At Corporate Influence

It's interesting that corporate influence is beginning to become part of the debate in the presidential election from representatives of both parties. John Edwards and Ron Paul are raising the specter of corporate control of government as a means of garnering support. Whether liberal or conservative, the populist bent of their appeals is a welcome sign.



The corporate effort across the board is to shift financial risk from corporations to ratepayers or taxpayers or both. Take Duke Energy for example. The only reason Duke can build a new coal plant is "Construction Work in Progress", enacted through legislative fiat. Ratepayers will be the bank for building the plant, whether it ever operates or not. At the root of this inequitable dynamic is corporate influence.

Excessively high deductibles on health insurance (i.e. the reason behind health savings accounts) protect the profit margins of insurance companies.

Corn-based ethanol, while politically popular, is an economic non-starter, yet the influence of the Corn Growers Association has Congress subsidizing corn-based ethanol to the hilt with taxpayer dollars, while more economically sound alternatives languish.

Despite vast energy efficiency and renewable energy potential that represents a much more sound investment than coal or nuclear plants, Congress bailed out those industries with tens of billions of dollars of loan guarantees in a recent bill. Taxpayers bear the risk of any defaults, while Congress needed to pass more aggressive vehicle fuel efficiency standards and failed to pass a Renewable Electricity Standard.

The recent property tax crisis in Indiana is in part the result of special interest lobbying. The inventory tax was eliminated resulting in a shift in taxes from business to homeowners, while the legislature doled out additional tax breaks to corporations.

Voters did flex their muscles in the property tax debate, though. For better or worse, most incumbents in the Indianapolis local elections were voted out of office. The important lesson in the property tax debate is that the public is the ultimate power behind the throne and, when push comes to shove, can easily exercise that power.

We will be publishing voting records regarding consumer issues for the Indiana Legislators on our website at <http://www.citact.org/newsite/modules.php?op=modload&name=News&file=index&catid=&topic=3>.

Renewable Energy Front and Center in 2008 State Legislature

CAC has been working with a number of groups and legislators to pass Renewable Electricity Standard legislation in Indiana.

Representative Dave Crooks of Washington, chair of the House utilities committee, has taken the lead on behalf of the public. His advocacy for an Indiana RES has been consistent and effective. He deserves a lot of credit for making renewable energy a serious public issue at the Statehouse.

However, legislators really do need to hear from their constituents about their support for this measure. Dave Crooks' legislation (HB 1102) is opposed by the electric utility industry in Indiana. It is also opposed by Governor Daniels, who does not like the idea of mandates, but who would support an RES if coal were included in the definition of renewable energy. Legislators like Jack Lutz from Anderson, ranking minority member on Rep. Crooks' committee, also oppose it. He says he is worried about the rate impacts of an RES.



Obviously, there is something amiss with this logic. Both Daniels and Lutz support coal plants, but the rate impact of the proposed Duke coal gasification plant is more than twice what even the utility lobbyists say an RES would be. Coal as a renewable resource needs no discussion. The very notion is insulting and nonsensical. The mandate issue is equally disturbing. The Governor does not mind mandates on ratepayers to pay for the construction of unneeded coal plants. But mandates on regulated utilities? Well, that's a different matter altogether.

Yes, hypocrisy is alive and well at the Statehouse. If you support job growth, savings on utility bills and cleaner air, you support RES legislation. If you support the utility business plan, you don't. It's that simple.

The good news is that much like the property tax debate, the public can take control of energy policy in Indiana. We can begin with the passage of Renewable Electricity Standard legislation and go from there.

To find out what you can do to help, please visit <http://www.citact.org/newsite/modules.php?op=modload&name=News&file=article&sid=279&mode=thread&order=0&thold=0>.

Utility Business Plan for 2008 Legislature

Utilities want to get at your money with no strings attached. The Indiana Energy Association (the lobbying arm of Indiana's major utility companies) began this effort in the early 2000s by supporting legislation that would give them virtual automatic rate increases as they systematically deregulate their profits and revenues.



Blocked a number of times in the broader effort by CAC and its legislative supporters, utilities are taking a more piecemeal approach. Over the objections of CAC and others, State Senator Tom Weatherwax of Logansport authored a bill (Senate Bill 29) in 2002 to give electric utilities Construction Work in Progress for construction and maintenance of coal gasification projects. This legislation opened the door for Duke's attempt to build an unneeded power plant in a financial climate where credit is hard to come by.

This year electric utilities will attempt to get CWIP (also known as tracking) for transmission and distribution lines. If they succeed, they will be able to recover piecemeal expenditures on a quarterly basis for all of their major costs, thus essentially avoiding the filing rate cases which would bring to light cost savings that should be passed on to ratepayers.

Last year, Representative Dale Grubb from Covington attached this language to RES legislation to appease utility companies. (CAC and others later killed that effort.) This year he's attempting the same. Also, Rep. Russ Stilwell (Boonville) and Senator Brandt Hershman (Monticello), chair of the Senate utilities committee, have filed bills (HB 1117 and SBs 223 and 224 respectively) on behalf of utility companies.

The good thing is that the chair of the Indiana Utility Regulatory Commission testified to a legislative summer study commission this fall that such legislation was not needed. Although chairman Hardy is a former utility employee - which means we have to continue to be diligent before the Commission - he also seems to believe that utility companies should not be able to track or "CWIP" all of their costs.

The public is facing enough financial difficulties without additional utility malfeasance. Property taxes, heating bills, health care costs and the mortgage crisis all represent the result of poor public policy driven by corporate interests and a significant threat to the viability of the middle class, not to mention low-income families. Please inform legislators that the utility supported legislation for additional tracking costs is unnecessary according to the IURC.

Web links for more information about...

CWIP: <http://www.citact.org/newsite/modules.php?op=modload&name=News&file=article&sid=272>

Trackers: http://www.citact.org/pdfs/fact_sheets/Trackers_1-08.pdf

HB 1117 and SBs 223 and 224: <http://www.citact.org/newsite/modules.php?op=modload&name=News&file=article&sid=280&mode=thread&order=0&thold=0>

Developments at CAC

CAC moved its Indianapolis offices in September to the downtown area. See below for our new address.

We reopened an office in Fort Wayne, Indiana in 2007. The address is also at the bottom of this page.

We also have a website for our Education Fund. Please go to www.cacefindiana.org and take a look.

In areas where we have greater numbers of members, CAC will be holding membership meetings to engage in more dialogue with our members. Please watch for e-mail announcements of those meetings.

Getting Involved

The public can have a profound impact on public policy issues by jumpstarting and maintaining a public dialogue on these critical issues. Here are some ideas:

Letters to the Editor

It is important that the public be involved in state decision making on energy policy in order to make the process as open and equitable as possible. Please write a letter to the editor of your local newspaper about your perspective on RES legislation, global warming, energy efficiency, clean air, the public health implications of coal-based power or renewable energy. To find the contact information for your local newspaper, please visit <http://www.usnpl.com/innews.php/>.



Arrange Meetings with Your Legislators

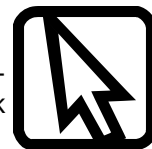
E-mail or call us if you would like to arrange a meeting with your legislator in your hometown to discuss utility or energy issues.

CAC Speakers

E-mail or call us if you would like a CAC representative to speak to a local organization or group.

For Those Without Computer Access at Home

The local library has computers with internet access. Just go to the reference desk and you'll be surfing the Web in no time.



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