



The Mitch Daniels Record: Too Cozy with Coal

October 27, 2008

Daniels decision-makers are former utility execs and lawyers...

- *Rate setting commission chaired by a lawyer formerly employed by Duke Energy's predecessor.* David Lott Hardy, chairman of the Indiana Utility Regulatory Commission ("IURC"), is an attorney who worked for some fifteen years for Public Service Company of Indiana (now part of Duke Energy), serving as associate general counsel. Hardy was named to the IURC by Governor Daniels in August 2005.¹
- *State's "Utility Consumer Counselor"—who is supposed to be the voice for ratepayers—a utility company attorney.* According to its mission statement, The Indiana Office of Utility Consumer Counselor exists to "represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible."² Yet its head David Stippler is a longtime "phone company attorney"³ who specialized in representing utilities up until his appointment by Governor Daniels earlier this year.⁴
- *State's Office of Energy & Defense led by a former utility and American Gas Association official.* Prior to his appointment by Governor Daniels, the state's Director of the Office of Energy and Defense Development, John Clark, spent two decades as an executive for a leading electric and natural gas utility and as an officer of the American Gas Association.
- *Indianapolis Business Journal reports: "Gov. Mitch Daniels has been fond of appointing ex-industry insiders to lead agencies charged with monitoring those same industries."* (Indianapolis Business Journal, 3/31/08)

Daniels Administration has repeatedly sided with Duke, other utilities, even before hearing the facts...

- *Governor's remarks treat Edwardsport plant as done deal three months before his regulators formally approved it.* In August 2007, Governor Daniels issued a press release touting alleged progress in his "Hoosier Homegrown Energy" initiative and enthusing about how Edwardsport "will be the first new baseload

¹ <http://www.in.gov/apps/utills/calendar/presscal?PF=aiin&Clst=196&Elist=84382>

² <http://www.in.gov/oucc/2286.htm>

³ Indianapolis Star, 2/27/08

⁴ Indianapolis Business Journal, 3/31/08

plant to be built in Indiana in 20 years.”⁵ Yet the Indiana Utility Regulatory Commission had only just held its public comment hearing on Duke’s application two days earlier, and IURC would not issue its approval until late November 2007.

- *IURC official seems to argue merits of Edwardsport plant even as agency supposedly conducting its review.* In an April 2007 letter, the director of the Indiana Utility Regulatory Commission’s Consumer Affairs Division appeared to argue for the merits of the Edwardsport plant, even as IURC’s review of Duke Energy’s petition for the plant was still in its fact finding stages. The official, Ja-Deen Johnson, declared (though without citing evidence) that “it does not appear [renewable energy]sources can keep pace with the growing demand” for energy in the state, “leaving one of the best options in the Midwest - coal.”
- *In unusual move, top Daniels energy official gives coal gasification plant administration’s seal of approval before regulators.* In April 2007 testimony before IURC, the state’s Energy and Defense director John Clark hailed a proposed coal gasification plant as “exactly the type of project” envisioned under Governor Daniel’s energy policy. Traditionally, executive branch officials have not sought to influence IURC decisions concerning specific utility requests and Clark’s move is without apparent precedent in previous administrations.

Daniels issues “plan” and convenes “summit” to promote coal use...

- *Daniels energy plan declares “Clean Coal Technology Is the Best Option.”* In August 2006, Governor Daniels issued “Hoosier Homegrown,” billed as a strategic energy plan to make Indiana less reliant on energy imported from out of state and overseas.⁶ Daniels’s vision focuses heavily on burning more Indiana-produced coal, and new tax credits for “clean coal” technology were part of the very first item on the list of “What we need to do now.”⁷

Just weeks ago, Administration staged “Carbon Capture & Sequestration Summit.” In September 2008, Governor Daniels staged and keynoted a two day “summit” in Indianapolis to trumpet so-called clean coal technology that allegedly will someday be used to clean up greenhouse gases produced by Duke Energy’s Edwardsport plant.⁸ Yet its cost is sure to be astronomical, the technology purely theoretical on the scale envisioned, and legal and environmental issues extremely difficult, from a fairness and analytical perspective, to address. Appropriately, Daniels’s summit featured a speech by Duke Energy CEO Jim Rogers—not to mention food and an open bar sponsored by the utility and Duke employees registering participants.

⁵ <http://www.in.gov/portal/pressAndEvents/10899.htm>

⁶ <http://www.in.gov/apps/utis/calendar/presscal?PF=aiin&Clist=196&Elist=87076>

⁷ http://www.in.gov/oed/files/Energy_Strategic_Plan_1-2.pdf

⁸ <http://www.in.gov/oed/2573.htm>