INDIANA ENERGY JUSTICE SNAPSHOT

National Association for the Advancement of Colored People,
Environmental and Climate Justice Program
6/29/2017
INDIANA ENERGY JUSTICE SNAPSHOT

SUMMARY

Access to clean energy is not just an environmental issue, but also a civil right. Communities of color bear a disproportionate share of the burdens of the fossil fuel based energy economy. This is why the NAACP Environmental and Climate Justice Program stands for just energy policies that will help protect our communities from harmful energy production processes and provide equitable access to clean and renewable energy and the energy economy.

This Snapshot profiles Indiana’s energy portfolio, compares key state energy policies to NAACP recommendations, documents utility disconnection policies, and outlines opportunities in the clean energy economy for Indianans of color. As a resource rich state with unique geographic and sociopolitical landscapes, energy is often at the fore of state policy debates. With this in mind, it is critically important that NAACP leaders actively engage in these debates to ensure that our community’s needs motivate just energy policies. This snapshot will provide information that will inform NAACP members on avenues for engagement.

STATE ENERGY PROFILES

- Indiana’s industrial sector is the state’s largest energy consumer. Indiana’s industrial activities include the energy-intensive chemical, petroleum, transportation equipment, and steelmaking industries.
- In 2013, Indiana ranked eighth among the states in coal production and third in coal consumption. The state’s industrial sector was second nationwide in coal consumption.
- Indiana’s industrial sector, which includes manufacturers of aluminum, chemicals, glass, metal casting, and steel, consumed more energy in 2013 than the residential sector and the commercial sector combined.
- As of January 2015, Indiana’s Whiting oil refinery had the largest processing capacity of any refinery outside the Gulf Coast region.
- Indiana is a major producer of ethanol. As of January 2016, Indiana’s ethanol plants were capable of producing more than 1.2 billion gallons of ethanol per year.
- A geothermal heating and cooling system installed at Ball State University in Muncie, Indiana, has replaced a coal-fired power plant and enabled the university to halve its carbon footprint.
- Renewable energy supplied 6% of Indiana’s net electricity generation in 2016. Wind has become the primary renewable resource used for electric power generation in the state. In 2008, Indiana’s first utility-scale wind project, the Benton County Wind Farm, began operating in Indiana’s northwest. Currently, the state has nearly 1,900 megawatts of installed wind capacity, including the 500-megawatt Meadow Lake Wind Farm that stretches across three counties and is the 11th-largest wind project in the nation.

Energy Portfolio

Figure 1. Indiana Energy Consumption Profile
Total Electric Generation in 2016: 92,245,485 MWh
Total Electric Consumption in 2016:
Average Retail Price of Electricity in 2016:
9.71¢/kWh
- In 2013, Indiana ranked eighth among the states in coal production and third in coal consumption. The state’s industrial sector was second nationwide in coal consumption.
- Indiana’s industrial sector, which includes manufacturers of aluminum, chemicals, glass, metal casting, and steel, consumed more energy in 2013 than the residential sector and the commercial sector combined.
- As of January 2015, Indiana’s Whiting oil refinery had the largest processing capacity of any refinery outside the Gulf Coast region.
- Indiana is a major producer of ethanol. As of January 2016, Indiana’s ethanol plants were capable of producing more than 1.2 billion gallons of ethanol per year.
- A geothermal heating and cooling system installed at Ball State University in Muncie, Indiana, has replaced a coal-fired power plant and enabled the university to halve its carbon footprint.
### Indiana State Policies

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>NAACP Recommended Policy Standards</th>
<th>Indiana Policy Details</th>
</tr>
</thead>
</table>
| **Net Metering** | Net Metering Standards require utility companies to provide retail credit for new renewable energy produced by a consumer.  
  **Capacity Limit Recommendation:** 2,000 kW (minimally), per system  
  **Mandatory/Voluntary:** Mandatory | Indiana utilities offer net metering for customer-sited renewable generating facilities of less than 1 megawatt capacity. At the end of 2015, more than 8 megawatts of solar PV capacity and 4.5 megawatts of wind capacity were connected under the net metering program. |
| **Renewable Portfolio Standard (RPS)** | A RPS requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources.  
  **Recommended Standard:** Minimally 25% renewable by 2025  
  **Mandatory/Voluntary:** Mandatory  
  **Allowable Sources:** Wind, solar, geothermal, ocean/wave energy | 10% by 2025  
  Voluntary Standard^i | |
| **Energy Efficiency Resource Standard (EERS)** | A EERS establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency programs.  
  **Recommended Standard:** Minimally 2% annual reduction of each previous year’s retail electricity sales.  
  **Mandatory/Voluntary:** Mandatory | Indiana had an EERS from 2010 to 2014, thanks to Governor Daniels, but it was abolished by Governor Pence and the Indiana General Assembly in 2014. An EERS is the fastest, most cost-effective way for states to reduce their energy usage — saving homes and businesses money, spurring a vibrant building retrofit sector, and reducing the need for costly new, carbon-polluting power plants. |
| **Local Hire Provision** | • Extra renewable energy credit multipliers for in-state installation and in-state manufactured content  
  • Renewable energy credits for utility providing incentives to build a plant in-state  
  • Renewable energy credit for utility that makes an investment in a plant located in-state  
  • Quota for government assisted construction project employers to hire a percentage of workers locally  
  • Bidding Preferences for companies that hire a percentage of their employees in-state for state-funded public works projects and service contracts | • There is no local hire provision for Indiana. Establishing a Local Hire Provision that encompasses energy projects would significantly increase the amount of tax dollars that Indiana reinvests back into the local economy thereby providing local jobs so that residents can work near where they live. |
| **Disadvantaged Business Enterprise** | • Provide training opportunities  
  • Notify DBEs of state business opportunities  
  • Set-aside funds for DBEs | Indiana’s Minority Business Enterprise program promotes procurement and training opportunities for entrepreneurs of color. Ideally, the provision would also include funding set aside to for MBEs, as well as training and notification components. Indiana can also expand on the foundation of the existing policy to establish a women-owned business enterprise program that could similarly assist women entrepreneurs in the energy sector. Indiana lacks a local hire provision for publically funded initiatives. Ideally, Indiana will institute hiring policies that maximize tax dollars to spur local economic development.  
  Including a procurement provision with funding set aside, integrating a training component, and instituting a notification system to inform MBEs of opportunities, are all critical components in ensuring that MBEs have the tools needed to access contracting opportunities. Additionally, the expansion of the program to include women-owned business enterprises could further spur economic development for traditionally disenfranchised businesses |
Other Energy Policies

On April 13, 2015 Senate Bill 412 passed out of the Senate and House, and was sent to Former Governor Pence who signed it into law on May 6. The bill ties utilities' demand-side management (DSM) programs to their integrated resource plans, and provides that utilities set their own DSM goals and use independent resources.

Under the Phase II Order in Cause No. 42693-The Indiana Utility Regulatory Commission ordered utilities can seek Commission approval for DSM incentives, which include shared net benefits, an allowed greater than normal return on equity, or an adjusted return on equity as a result of program evaluation as performance incentives. Net savings exclusive of free-ridership must be used to measure demand-side savings in order to request an incentive.

Just Transition from Coal to Energy Efficiency and Clean Energy

The "Just Transition Frame" This transition includes energy, creating a carbon-neutral economy, communications, manufacturing, transportation, health care, waste management, and more. It is also a responsible call for change. Individuals and Workers should not be bearing the burden of the environmental costs economically and by way of their health.

In addition, the Indiana State Conference supports the Just Transition framework for a fair shift to an economy that is ecologically sustainable, equitable and just for all its members. An economy based on extracting from a finite system faster than the capacity of the system to regenerate will eventually come to an end—either through collapse or through our intentional re-organization. Just Transition initiatives shift the economy from dirty energy to energy democracy, from funding highways to expanding public transit, from incinerators and landfills to zero waste, from industrial food systems to food sovereignty, from gentrification to community land rights, and from rampant destructive development to ecosystems restoration. Transition is inevitable. Just is not.

For more detailed information and data on Indiana's energy portfolio visit the U.S. Energy Information Administration’s webpage:

http://www.eia.gov/state/?sid=IN

Figure 2. Renewable vs. Non Renewable Energy consumption in Indiana

Figure 3. Indiana Renewable Energy Consumption Portfolio

<table>
<thead>
<tr>
<th>Renewable Energy Portfolio</th>
<th>Non-Renewable</th>
<th>Renewable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydroelectric Power</td>
<td>2%</td>
<td>29%</td>
</tr>
<tr>
<td>Biomass</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>Other Renewables</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Renewable vs. Non-Renewable Energy

<table>
<thead>
<tr>
<th>Renewable vs. Non-Renewable Energy</th>
<th>Non-Renewable</th>
<th>Renewable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>94%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Environmental justice communities are already paying with their health, and then they lose their jobs. Just transition ensures a humane and civilized approach. As reported in the NAACP’s Coal Blooded Action Toolkit, Carbon dioxide \( (CO_2) \) is a major cause of global climate change. Coal is the world’s most carbon-intensive fuel, which means that coal power plants produce more \( CO_2 \) per unit of energy than any other energy source.iii

Five states of the Midwest – Illinois, Indiana, Michigan, Wisconsin and Ohio (Figure 4)- are home to 32 percent of the failing coal-fired power plants in the U.S. These states also house 8 of the 12 worst offending coal plants.

In addition to generating large corporate operating revenues and profits, the operation of older dirty coal plants is a boon to corporate executives with decision-making responsibilities. The CEOs of these companies are compensated at extremely high rates, creating a strong self-interest to maintain the status quo that puts communities, particularly communities of color at risk. The average compensation package for a CEO at one of these companies in 2010, was $9,782,889 while the average worker in these companies made $33,840. On average the CEOs at these companies were compensated at 289 times the rate of compensation for their average U.S. employee.7 To be specific, Thomas T. Farrall II, CEO of Dominion made 16,924, 385 according to the Coal Blooded report, Table 4 CEO Compensation for EJ Offenders, 2010.

According to the U.S. Energy Information Agency, coal’s share of Indiana’s total electric power generation fell by 20 percent from 2007 to 2015. Most recently, Northern Indiana Public Service Company NIPSCO [NIPSCO is the largest natural gas distribution company, and the second largest electric distribution company, in the state. NiSource distribution companies serve

3.8 million natural gas and electric customers primarily in nine states.] in northern Indiana announced plans in November 2016 to retire coal units at its Bailly Generating Station as soon as 2018 and two coal units at the R.M. Schahfer Generating Station units by the end of 2023.

More on Coal
Coal power plants, and their negative effects on public health, are highly regionally concentrated. In other words, only a handful of states are responsible for the majority of U.S. coal energy production.

Figure 2. Midwestern States with 32% of U.S. Coal Power Plants

Offender, the R. Gallagher Power Plant in Albany, Indiana, earned $13.8 billion in operating revenues from their electric and gas operations in 2010.
Access to energy is not a luxury, it’s a necessity. With exposure to both extreme heat and extreme cold, folks should not be forced to choose between paying for medications or their energy bill. Public officials have implemented some policies that protect consumers from the life-threatening practice of utility disconnection (As outlined to the left). However, energy justice advocates must continue to hold utility companies and regulators accountable to human rights and basic but life-saving protections.

TOP FAQ's

Need Help? Have problems? Who do I call?
What Agency?
http://iot.custhelp.com/app/ask

Who do I contact to file a complaint against a utility?
http://www.in.gov/iurc/consumer/complaint_form.html

How do I contact the Indiana Utility Regulatory Commission?
http://www.in.gov/iurc/2346.htm

Action steps: Meet with the Public Utilities Commission or your local utility company to advocate for the adoption of the following:
- Temperature based protections
- Restriction on reconnection and disconnection fees
- Expanded protection for vulnerable populations

Utility Disconnection Policies

<table>
<thead>
<tr>
<th>Notice</th>
<th>Written or personal notice must be provided fourteen days before the scheduled disconnection. Employee must attempt personal contact immediately before scheduled disconnection. Employee performing the disconnection is not required to accept payment to prevent the disconnection.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Based Protection</td>
<td>Yes. December 1–March 15, no disconnection for low-income customers</td>
</tr>
<tr>
<td>Temperature Based Protection</td>
<td>None.</td>
</tr>
<tr>
<td>Payment Plan</td>
<td>Disconnects only allowed between 8:00am-3:00pm. No disconnect on any day when utility is not open, or after noon on a day preceding any day when the utility is not open.</td>
</tr>
<tr>
<td>Reconnection Fee</td>
<td>Yes.</td>
</tr>
<tr>
<td>Disconnection Limitations</td>
<td>Yes.</td>
</tr>
<tr>
<td>Other Protections</td>
<td>Postponement of disconnection for ten days with medical certification. Certification may be renewed for an additional ten days.</td>
</tr>
</tbody>
</table>

Utility shut-offs have a disproportionate impact on low-income and African American communities. Check out the NAACP report, “Lights Out in the Cold” for more information.

More disconnection policy details are available at the Indiana Office of Utility Consumer Counselor webpage: http://www.in.gov/oucc/2382.htm
Hot Topics, Issues and Developments

Senate Bill (SB 309)- A bill passed into law on 5/2017 by the Governor. The bill will discontinue established net metering policies—effectively wiping out a key financial incentive for homeowners and businesses to install rooftop solar systems and windmills. The measure, known as Senate Bill 309, is sure to renew a fight between solar advocates, who want to keep the current system in place, and utilities, who say it’s unfair and should be changed.4

Indianapolis Power & Light Company (IPL) has filed its 2016 Integrated Resource Plan (IRP) with the Indiana Utility Regulatory Commission (IURC). Please visit: www.iplpower.com/irp for the public version of IPL’s IRP. A non-technical summary of the IRP content is also available on IPL’s IRP webpage. Interested parties deadline to submit comments to the IURC is February 1, 2017 (90 days after the filing date, Pursuant to 170 IAC 4-7-2). IURC Director’s Draft Report publication is expected March 1, 2017 (120 days after filing date). IPL anticipates conducting a meeting in early 2017 to review the IRP and address stakeholder feedback.

Vectren Corp. became the most recent Indiana utility — and the first since the election — to announce plans to retire coal plants. Vectren is a small utility, but its 140,000 customers live in some of the state’s top coal-producing counties.

Indianapolis International Airport Solar Farm was completed in 2014 by developer Telamon Corporation and Johnson Melloh Solutions. This photovoltaic project has the capacity to generate 17.5 MW of electricity—enough to power over 1,800 Indiana homes.

At 9 MW, Indianapolis Motor Speedway Solar Farm is among the largest solar installations in Indiana. Completed in 2014 by SunWize Technologies and Blue Renewable Energy, this photovoltaic project has enough electric capacity to power more than 1,000 homes.5

Indianapolis Power & Light Co.’s Harding Street Station power plant is converting to natural gas. The massive coal piles at the plant, which once seemed to reach to the sky, are shrinking to a small mound. On Feb. 26, the plant burned its last load of coal, ending a tradition that dates back to 1931, when the plant began operation.

DEVELOPING THE BLACK-GREEN PIPELINE (1-2 PAGES)

African Americans are inadequately represented in the clean energy sector. It is the goal of the NAACP Black-Green Pipeline Initiative that African Americans will have increased representation across all sectors of the clean energy economy. The Black-Green Pipeline Initiative promotes the equitable inclusion of communities of color into the green economy in order to address unemployment in our communities and to increase the voices and influence of our communities in the green economy.

To subscribe to the Black-Green Pipeline Initiative Weekly Digest send a blank email to: naacp-bgp-subscribe@yahooogroups.com
Figure 5. Energy Sector Employment by Major Technology

The Green Labor Market and Communities of Color

Indiana has a low concentration of energy employment, with 57,760 traditional energy workers statewide. 13,180 of these workers are in the fuels sector, 27,358 in transmission, wholesale distribution, and storage, and 17,222 workers are employed in electric power generation.

1.8 percent of the traditional energy jobs across the U.S. are located in Indiana. The traditional energy sector in Indiana is 2 percent of total state employment (compared to 2.4 percent of national employment). Indiana has an additional 52,578 jobs in energy efficiency (2.4 percent of all energy efficiency jobs nationwide) and 155,953 in motor vehicles (6.4 percent of all motor vehicle jobs nationwide).

Unemployment

In 2015 the gap between the U.S. unemployment rate and the rate for African Americans was 4.3 percentage points. In Indiana, however, the unemployment rate in 2015 for African Americans was actually 1.9 percentage points below the state average.

2015 National Unemployment Rate: 5.3%
2015 Indiana Unemployment Rate: Decline to 3.2%
2015 National African American Unemployment Rate: 9.6%
2015 Indiana African American Unemployment Rate: 7.0%

Opportunities in Energy

The 2017 U.S. Energy and Employment Report (USEER) finds that the traditional and energy efficiency sectors today employ approximately 6.4 million Americans. These sectors increased in 2016 by just under 5 percent, adding over 300,000 net new jobs, roughly 14 percent of all those created in the country. The 2017 USEER analyzes four sectors of the U.S. economy:

- Electric Power Generation and Fuels
- Transmission, Distribution and Storage
- Energy Efficiency
- Motor Vehicles

The first two of those sectors make up the traditional energy sector. The Report provides a quantitative lens with which to evaluate the employment impact of new energy technologies, shifting fuels deployment, and evolving transmission and distribution systems:

- Electric power generation and fuels technologies directly employ more than 1.9 million workers.
- In 2016, 55 percent, or 1.1 million, of these employees worked in traditional coal, oil, and gas, while almost 800,000 workers were employed in low carbon emission
- Generation technologies, including renewable, nuclear, and advanced/low emission natural gas.
- Just under 374,000 individuals work, in whole or in part, for solar firms, with more than 260,000 of those employees spending the majority of their time on solar. There are an additional 102,000 workers employed at wind firms across the nation. The solar workforce increased by 25% in 2016, while wind employment increased by 32%.

1 The U.S. Energy Employment Report (2017) U.S. Energy Information Administration, November 2016 Monthly Energy Review. This figure does not include manufacture, sale, or repair of fuel efficient vehicles (only component parts), a significant inclusion given that a recent study found that 58% of cars manufactured in the U.S. meet current CAFE standards and 52% achieved at least 23 miles per gallon (Consumer Federation of America, Automakers Are on the Road to Meeting Fuel Efficiency Standards). https://www.energy.gov/sites/prod/files/2017/01/f34/us_energy_jobs_2017_final.pdf
Indiana NAACP leaders released the Indiana Just Energy Policies Report, which among other things evaluates the state of Indiana’s key clean energy policies and advocates for the focal policies outlined in this snapshot. Indiana NAACP branches have been environmental justice leaders in their respective communities, engaging with local coalition of likeminded advocates and championing the NAACP energy justice platform.

The NAACP Indiana State Conference help stopped coal burning in Hammond & Indianapolis. They were instrumental in the HB 1320 defeat to help tell the narrative around our Net metering symposium they held to influence Black Legislative Caucus to vote for net metering. The members help to collect data by way or surveying where they provided date in the IURC on what people think make paying easier for them in regards to the high disconnections in Indiana. The Indiana State Conference inserted equity into IRP for NIPSCO, IPL. Members of the Indiana State Conference and branches are serving on the Green Power Committees.

Indiana residents have the opportunity to strengthen its partnerships with other governmental agencies, such as other Federal agencies and State, Tribal, or local governments, in order to have effective and sustainable Social Change in regards to Environmental Justice, specifically Energy Justice within the state of Indiana. Listed below are avenues for continued engagement:

Host a Bridging the Gap: Connecting Black Communities to the Green Economy Roundtable

• The NAACP ECJ Program is committed to advancing a meaningful dialogue and concerted action on engagement of communities of color in the green economy.
• To start taking action, organize a multi-stakeholder roundtable with socially responsible energy business leaders, historically black colleges and universities, environmental groups, civil rights organizations, labor unions, and others to discuss developing and implementing a strategy to ensure that policies/laws/regulation, research initiatives, community level practices, corporate social responsibility measures, etc. are in place to ensure greater engagement of communities of color in the green economy.

Implement a demonstration project such as a community solar garden or rooftop solar project

• Interested in taking a direct role in implementing clean energy practices in your community? Install rooftop solar or community solar.
• There are several rebates and incentives available to Indiana residents interested in pursuing renewable energy projects. Visit energy.gov for a list of renewable energy incentive program available on the state and federal levels.
• You can also check out funding opportunities offered through the Department of Energy SunShot Initiative, which aims to support solar energy adoption by making solar energy accessible to all Americans.

Launch a Just Energy Policies Campaign

• Identify one or more of the focal policies outlined in this snapshot and documented more extensively in the Just Energy Policies to champion.
• Build a coalition with likeminded energy justice advocates and other local and state allies to build power and momentum.
• Host a town-hall to educate the community about the policy and get input from members on their needs, priorities, and perspectives.
• Launch an intentional campaign to advocating that Indiana adopts the recommended policy standard.
• Set up lobby trainings and coordinate a lobby-day with elected officials.

Make public the NAACP energy justice platform and engage the public through media

• Develop and place an op-ed by NAACP Unit President or ECJ Chair in a local newspaper
• Participate in a radio interview, TV interview, podcast
• Be quoted in a local newspaper
• Post an article or blog to an online platform
CLOSING

Indiana residents have the opportunity to strengthen its partnerships with other governmental agencies and other organizations, to have effective and sustainable social change in regards to Environmental Justice, specifically Energy Justice within the state of Indiana.

Indiana residents of color are disproportionately exposed to toxins in their environment, as well as neglected and discriminated. Building capacity in disproportionately burdened communities, and promoting collaborative problem-solving for issues involving environmental justice is critical for the future of communities of color in the state. Indiana has the potential to be a clean energy leader in the U.S., but first the state must address the fact they rank first in the Midwest for greenhouse gas emissions per capita.

Embracing a transition to clean, renewable energy sources will not only provide significant environmental and health benefits for the people of Indiana, but will also diversify and strengthen the state’s economy. While the state has significant renewable energy potential, state policies have not incentivized the growth of renewable energy. NAACP just energy leaders should advocate on behalf of a strong Renewable Portfolio Standard, Energy Efficiency Resource Standard, Net Metering standards, Local Hire Provisions, and Minority Business Enterprise Programs. Our communities have the potential to be key leaders facilitating a just transition to clean, renewable, locally owned and controlled energy.

June 28, 2017

Created by the NAACP
Environmental and Climate Justice Program
National Association for the Advancement of Colored People
4805 Mt. Hope Drive, Baltimore, MD
21215
(410) 580-5777
ecjp@naacpnet.org
www.naacp.org

Contributing Authors:
Marnese Jackson, NAACP
Marcus Franklin, Editor
Denise Blackburn Abdul-Rahman, Indiana Environmental & Climate Justice Chairperson

1https://www.eia.gov/state/analysis.php?sid=IN
1 http://www.in.gov/oed/2649.htm
1 U.S. EIA, :Emissions of Greenhouse Gases Report
1 AFL-CIL CEO Pay Database, Accessed November 2011
http://www aflcio.org/corporatewatch/paywatc h/eou/indus
1 http://www.ibj.com/articles/62133-bill alarms-solar-power-advocates
1 https://www.eia.gov/state/analysis.php?sid=IN
2 http://www.in.gov/oed/2649.htm
5 AFL-CIL CEO Pay Database, Accessed November 2011
   http://www.aflcio.org/corporatewatch/paywatch/ou/indus
6 http://www.ibj.com/articles/62133-bill-alarms-solar-power-advocates