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State's energy efficiency program under attack

Jodi Perras

Energy efficiency is under attack at the Statehouse. While public attention has focused elsewhere, big utilities are quickly and quietly working to kill our state's successful energy efficiency program and a 2 percent energy savings goal set in 2009 by the Daniels administration.

Energy efficiency creates jobs in manufacturing and service sectors, invests money directly into Indiana companies and reduces the amount of fuels we import from out of state. In just its first year, our state's energy efficiency program created as many as 400 direct jobs and served 200,000 Hoosier households and businesses.

Yet Senate Bill 340, sponsored by Sen. James Merritt, would roll back these achievements by allowing large industrial and commercial users to withdraw from paying for or participating in Indiana's efficiency program. If passed, this bill will shift the entire cost of running the program onto ordinary ratepayers like families, small businesses and churches and threaten the energy savings and job creation so many have enjoyed.

In 2009, Sen. Merritt and then-Sen. Beverly Gard wrote in the Indianapolis Star, "Energy efficiency isn't a silver bullet. But a coordinated, statewide energy efficiency effort is a significant and realistic step in the right direction and we applaud the Daniels administration for taking it. To be successful, however, everyone must take part."

What was true in 2009 is still true today. Everyone should participate in energy efficiency, because both large and small customers benefit from our state's successful energy saving programs. Audits show Indiana is saving \$2 to \$3 for every dollar spent on efficiency programs.

In Fort Wayne, Coastal Partners, which owns the 650,000-foot Coastal Commerce Center warehouse on Meyer Road, earned a \$108,000 rebate for lighting improvements made with assistance from Havel Bros. The lighting is saving its tenants about \$45,000 a year in electricity costs.

The city of South Bend saved \$95,000 on a lighting project at three city-owned parking garages, reducing energy bills and enabling city taxpayers to recoup their investment within 18 months.

Purdue University received an \$81,000 rebate check for its new energy efficient chiller, which has reduced operating costs on Purdue's West Lafayette campus.

Energy efficiency is being attacked by big utilities because it works. Purdue University's utility forecasters say efficiency measures are reducing demand for electricity across the state, which saves money for ordinary Hoosier ratepayers like you and me but poses a threat to big utility profits.

Under energy efficiency programs, utilities "buy" efficiency from their customers, rather than building costly power plants or purchasing more expensive electricity on the open market.

We fear Senate Bill 340 is just a first step in killing the entire energy efficiency program. Big utilities went before the Indiana Utility Regulatory Commission on Feb. 14, asking to put off selecting a vendor to run the statewide efficiency programs for the next three years. Why? Because the programs are working, and a new vendor contract will only make the programs better. Sen. Merritt told the House Utilities and Energy Committee he may be back next year asking legislators to get rid of efficiency programs altogether.

According to the Midwest Energy Efficiency Alliance, Indiana's economy needs energy conservation programs more than most. In 2012, Indiana was the 10th highest state for electricity consumption per dollar of state gross domestic product. "Economic growth in Indiana depends upon managing this energy demand," MEEA says.

If Gov. Pence truly wants an "all-of-the-above" energy strategy, we need all our best players in the game. Tell your legislator to prioritize energy savings over utility profits and vote no on SB 340.

Jodi Perras is the Indiana Beyond Coal Campaign representative to the Sierra Club. She wrote this for The Journal Gazette.

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