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Renewable Energy Rate Contracts Would Create Jobs, Lower Emissions

Indiana could create thousands of new jobs in renewable energy under a proposal considered by the Commerce, Energy, Technology and Utilities Committee of the Indiana House of Representatives in February. The Sierra Club Hoosier Chapter applauds Rep. Matt Pierce of Bloomington, author of House Bill 1622, for advancing the proposal for renewable energy contracts and Rep. Win Moses of Fort Wayne, the committee chair, for allowing the bill to be discussed in his committee.

Rep. Pierce's bill would enable utility companies to enter into long-term contracts with people who produce electricity from renewable sources such as solar, wind, hydropower, bio-gas and geothermal. Such contracts with fixed returns provide the assurance developers need to invest in renewable energy sources. In Europe, where these contracts are called feed-in tariffs, they have led to booming renewable energy sectors. Germany, which began requiring such contracts in 1999, has created 200,000 new jobs and added renewable energy capacity equivalent to two nuclear power plants while becoming a world leader in solar technology.

By providing a reliable source of funding for renewable energy development, Indiana can attract companies that will provide thousands of new jobs. But other states like Michigan and Florida are also considering such proposals, so we must act quickly. "Indiana is in a fight for its economic life," Rep. Pierce told committee members.

According to Steve Francis, Co-Chairperson of the Sierra Club Hoosier Chapter, "fixed rates will provide a strong, secure incentive to renewable energy producers, create jobs in installation and manufacturing, and attract investment to Indiana in the growth sector of renewable energy." "If Indiana fails to move forward on renewable energy standards and positive incentives such as feed-in tariffs, we will lose jobs and investment to other states which are already moving ahead of Indiana in this critical area", Francis added.

Currently Indiana produces about 96 percent of its electricity by burning coal. Coal-based electricity rates are expected to rise dramatically in coming years, perhaps by as much as 30-40 percent, as the federal government imposes restrictions on carbon emissions. By promoting renewable energy sources through long-term contracts, Indiana will reduce its reliance on coal and help customers manage their electricity costs.

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