



April 14, 2023

ENGROSSED

HOUSE BILL No. 1420

DIGEST OF HB 1420 (Updated April 13, 2023 12:05 pm - DI 101)

Citations Affected: IC 8-1.

Synopsis: Electric transmission facilities. Amends the chapter in the Indiana Code concerning electric transmission facilities as follows: (1) Specifies that the term "electric transmission facility" does not include a line installed solely for the purpose of connecting an electric generation facility to facilities owned by a public utility. (2) Repeals the definition of "local reliability electric transmission facility" and makes conforming changes. (3) Amends the provisions concerning an incumbent electric transmission owner's right of first refusal to construct, own, operate, and maintain certain electric transmission facilities, or upgrades to certain electric transmission facilities, as follows: (A) Specifies that the right of first refusal applies with respect to: (i) the construction; or (ii) upgrades; of electric transmission facilities if the construction or upgrades have been approved through a regional transmission organization (RTO) planning process. (B) Provides that if an electric transmission facility has been approved for construction through an RTO planning process: (i) each incumbent
(Continued next page)

Effective: July 1, 2023.

Soliday, Jeter, Frye R
(SENATE SPONSORS — KOCH, LEISING, DONATO)

January 17, 2023, read first time and referred to Committee on Utilities, Energy and Telecommunications.

February 9, 2023, amended, reported — Do Pass.

February 13, 2023, read second time, ordered engrossed.

February 14, 2023, engrossed.

February 20, 2023, read third time, passed. Yeas 59, nays 39.

SENATE ACTION

February 28, 2023, read first time and referred to Committee on Utilities.

April 13, 2023, amended, reported favorably — Do Pass.

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Digest Continued

electric transmission owner that has a right to construct, own, operate, and maintain the electric transmission facility shall give written notice to the Indiana Utility Regulatory Commission (IURC), not later than 90 days after the construction is approved, regarding the incumbent electric transmission owner's intent to construct, own, operate, and maintain the approved electric transmission facility; and (ii) if an incumbent electric transmission owner gives notice of intent not to construct the approved electric transmission facility, another entity may seek to construct the approved electric transmission facility in accordance with the RTO planning process and the bill's provisions. (C) Provides that if an incumbent electric transmission owner gives to the IURC during a calendar year notice of its intent to construct, own, operate, and maintain an approved electric transmission facility, the incumbent electric transmission owner shall, not later than May 1 of the subsequent calendar year, provide the IURC with certain specified information. (D) Provides that an incumbent electric transmission owner that exercises its right to construct an approved electric transmission facility must, to the extent commercially practicable, use competitively bid engineering, procurement, or construction contracts that meet the specifications required by the incumbent electric transmission owner with respect to the facility.



April 14, 2023

First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1420

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-38-1, AS ADDED BY P.L.174-2013,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 1. (a) As used in this chapter, "electric
4 transmission facility" means a high voltage transmission line with a
5 rating of at least one hundred (100) kilovolts and related transmission
6 facilities and controls.

7 (b) **The term does not include a line installed solely for the**
8 **purpose of connecting an electric generation facility to facilities**
9 **owned by a public utility.**

10 SECTION 2. IC 8-1-38-3 IS REPEALED [EFFECTIVE JULY 1,
11 2023]. Sec. 3: (a) As used in this chapter, "local reliability electric
12 transmission facility" means an electric transmission facility located in
13 whole or in part in Indiana that is required by a regional transmission
14 organization to satisfy the reliability standards of the North American
15 Electric Reliability Corporation, a regional reliability organization, or
16 a successor corporation or organization. If the electricity transmission
17 facility is located in the territory of the PJM Interconnection regional

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1 transmission organization territory; or its successor organization; its
 2 rating must be:

3 (1) at least one hundred (100) kilovolts; and

4 (2) not more than three hundred (300) kilovolts.

5 (b) The term does not include an electric transmission facility to the
 6 extent the facility is required by a regional transmission organization
 7 primarily to address nonreliability drivers.

8 SECTION 3. IC 8-1-38-9, AS ADDED BY P.L.174-2013,
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2023]: Sec. 9. (a) An incumbent electric transmission owner
 11 has the right to construct, own, operate, and maintain the following:

12 (1) ~~A local reliability~~ **An electric transmission facility that has**
 13 **been approved for construction through a regional**
 14 **transmission organization planning process and that** connects
 15 to an electric transmission facility owned by the incumbent
 16 electric transmission owner.

17 (2) Upgrades to an existing electric transmission facility owned
 18 by the incumbent electric transmission owner **if the upgrades**
 19 **have been approved for construction through a regional**
 20 **transmission organization planning process.**

21 (b) The right to construct, own, operate, and maintain ~~a local~~
 22 ~~reliability~~ **an electric transmission** facility that connects to electric
 23 transmission facilities owned by two (2) or more incumbent electric
 24 transmission owners belongs individually and proportionately to each
 25 incumbent electric transmission owner, unless the incumbent electric
 26 transmission owners otherwise agree in writing.

27 (c) **If an electric transmission facility has been approved for**
 28 **construction through a regional transmission organization**
 29 **planning process, as described in subsection (a)(1), each incumbent**
 30 **electric transmission owner that has a right under subsection (b)**
 31 **to construct, own, operate, and maintain the electric transmission**
 32 **facility to be constructed shall give written notice to the**
 33 **commission, not later than ninety (90) days after the date of**
 34 **approval of the construction, regarding the incumbent electric**
 35 **transmission owner's intent to construct, own, operate, and**
 36 **maintain the approved electric transmission facility. If an**
 37 **incumbent electric transmission owner gives notice of the**
 38 **incumbent electric transmission owner's intent not to construct the**
 39 **approved electric transmission facility, another entity may seek to**
 40 **construct the approved electric transmission facility in accordance**
 41 **with the regional transmission organization planning process and**
 42 **this chapter.**



1 (d) If an incumbent electric transmission owner gives to the
2 commission during a calendar year a notice of intent under
3 subsection (c) to construct, own, operate, and maintain an electric
4 transmission facility approved for construction through a regional
5 transmission organization planning process, the incumbent electric
6 transmission owner shall, not later than May 1 of the subsequent
7 calendar year, provide the commission with the following
8 information, in the form and manner prescribed by the
9 commission:

10 (1) A list of the electric transmission facilities with respect to
11 which the incumbent electric transmission owner provided the
12 commission a notice of intent under subsection (c) in the
13 preceding calendar year. The list provided under this
14 subdivision must include:

15 (A) a brief description of the construction;

16 (B) the reason for the construction; and

17 (C) an estimate of the total cost of the construction.

18 (2) A written or electronic copy of the Annual Formula Rate
19 Update Informational Filing most recently filed by the
20 incumbent electric transmission owner with the Federal
21 Energy Regulatory Commission.

22 (e) An incumbent electric transmission owner that exercises its
23 right under subsection (a)(1) to construct an electric transmission
24 facility approved for construction through a regional transmission
25 organization planning process must, to the extent commercially
26 practicable, use competitively bid engineering, procurement, or
27 construction contracts, as applicable, that meet all the technical,
28 commercial, and other specifications, such as safety performance,
29 required by the incumbent electric transmission owner with
30 respect to the electric transmission facility.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities, Energy and Telecommunications, to which was referred House Bill 1420, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 12, after "that" insert **"has been approved for construction through a regional transmission organization planning process and that"**.

Page 2, line 16, delete "." and insert **"if the upgrades have been approved for construction through a regional transmission organization planning process."**

Page 2, after line 36, begin a new line blocked left and insert:
"The incumbent electric transmission owner shall select the bid or combination of bids that fare most favorably in the evaluation of the factors set forth in subdivisions (1) through (3). The commission has jurisdiction to resolve any dispute that arises under the bidding process required by this subsection and that is raised by an affected bidder.

(d) If an electric transmission line has been approved for construction through a regional transmission organization planning process, as described in subsection (a)(1), each incumbent electric transmission owner that has a right under subsection (b) to construct, own, operate, and maintain the electric transmission line to be constructed shall give written notice to the commission, not later than ninety (90) days after the date of approval of the construction, regarding the incumbent electric transmission owner's intent to construct, own, operate, and maintain the approved electric transmission line. If an incumbent electric transmission owner gives notice of the incumbent electric transmission owner's intent not to construct the approved electric transmission line, another entity may construct the approved electric transmission line."

and when so amended that said bill do pass.

(Reference is to HB 1420 as introduced.)

SOLIDAY

Committee Vote: yeas 9, nays 4.

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COMMITTEE REPORT

Madam President: The Senate Committee on Utilities, to which was referred House Bill No. 1420, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 27 through 42.

Page 3, delete lines 1 through 4.

Page 3, line 5, delete "(d) If an electric transmission line" and insert **"(c) If an electric transmission facility"**.

Page 3, line 10, delete "line" and insert **"facility"**.

Page 3, line 14, delete "line." and insert **"facility."**

Page 3, line 17, delete "line, another entity may construct" and insert **"facility, another entity may seek to construct"**.

Page 3, line 18, delete "line." and insert **"facility in accordance with the regional transmission organization planning process and this chapter."**

(d) If an incumbent electric transmission owner gives to the commission during a calendar year a notice of intent under subsection (c) to construct, own, operate, and maintain an electric transmission facility approved for construction through a regional transmission organization planning process, the incumbent electric transmission owner shall, not later than May 1 of the subsequent calendar year, provide the commission with the following information, in the form and manner prescribed by the commission:

(1) A list of the electric transmission facilities with respect to which the incumbent electric transmission owner provided the commission a notice of intent under subsection (c) in the preceding calendar year. The list provided under this subdivision must include:

(A) a brief description of the construction;

(B) the reason for the construction; and

(C) an estimate of the total cost of the construction.

(2) A written or electronic copy of the Annual Formula Rate Update Informational Filing most recently filed by the incumbent electric transmission owner with the Federal Energy Regulatory Commission.

(e) An incumbent electric transmission owner that exercises its right under subsection (a)(1) to construct an electric transmission facility approved for construction through a regional transmission organization planning process must, to the extent commercially practicable, use competitively bid engineering, procurement, or



construction contracts, as applicable, that meet all the technical, commercial, and other specifications, such as safety performance, required by the incumbent electric transmission owner with respect to the electric transmission facility."

and when so amended that said bill do pass.

(Reference is to HB 1420 as printed February 9, 2023.)

KOCH, Chairperson

Committee Vote: Yeas 6, Nays 5.

