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## OFFICE OF ENERGY & DEFENSE DEVELOPMENT 2006 ACCOMPLISHMENTS

2006 was an auspicious inaugural year for the Indiana Office of Energy & Defense Development (OED). Energy initiatives designed to speed the states economic comeback, and grow Hoosier jobs through a reduced dependence on foreign energy sources made great strides.

Earlier this year, Indiana's first Strategic Energy Plan in 20 years was released. This plan, Hoosier Homegrown Energy, outlines ways Indiana can be more energy self-sufficient through the use of indigenous energy sources. It outlines specific steps Indiana can take to be a national leader in alternative energy programs, such as Clean Coal Technology and Biomass, and in the process grow jobs for Hoosiers.

OED joined with the Indiana State Department of Agriculture, to launch the BioTown USA project that has gained substantial interest from the national media and policy makers. This model project hopes to meet the complete energy needs of Reynolds, Indiana through "homegrown" renewable sources. The first project of its kind in the nation, BioTown shows the positive impact of a multi-faceted approach to alternative energy.

The office was pleased to assist the proposed Duke/Vectren Integrated Gasification Combined Cycle (IGGC) power plant project in Edwardsport receive \$133.5 Million in federal tax credits, one of only two projects of its kind in the country to receive the award. The plant will be Indiana's first new baseload power plant in 20 years, and will employ 2,000 construction workers. The facility is expected to start commercial operation in 2011, with a permanent workforce of more than 100.

In October, Governor Mitch Daniels unveiled the Indiana SYN Gas project, the first in the nation to produce pipeline quality natural gas from coal. It will be built in southwestern Indiana by Indiana Gasification, LLC and save consumers \$3.7 Billion over the price of conventional natural gas. During its 30-year life, the project will provide Indiana's largest gas distributors 15-20% of their residential and commercial gas requirements.

OED has distributed over \$1.1 Million dollars in grants this year, in support of projects that highlight the positive economic impact of homegrown energy sources. These grant programs include:

- ◆ \$75,000 funded 3 projects to move fleet vehicles from conventional fuel to alternatives such as Natural Gas, Liquid Petroleum Gas, and Electric Power.
- ◆ Grants to Public schools, libraries and other public facilities in four counties, totaling \$50,000 helped offset the cost of energy efficiency upgrades.
- ◆ Alternative Energy Programs in 12 counties benefited from \$637,000 in grants.
- ◆ The Biofuels grant program, in conjunction with Indiana State Department of Agriculture provided grants in two segments totaling nearly \$340,000 supporting retailer's efforts to build and open E85/B20 bioislands and E85 pumps.

In turn, OED was awarded a \$1.3 Million grant from the U.S. Department of Energy to facilitate the opening of E85 and B20 pumps along the Interstate 65 corridor between Gary, Indiana and Mobile, Alabama. Indiana is taking a leadership role in helping those states without current biofuel facilities, eventually leading to the opening of E85 and B20 pumps from the Great lakes to the Gulf Coast.

There are other alternative and renewable energy initiatives finding support through OED programs, including biomass, where waste is used to generate power and wind power. Much of the work being done at OED has been accomplished and continues with the support of the Indiana Office of Community and Rural Affairs.