Vectren’s new plan takes steps toward clean energy, but still relies too heavily on polluting coal, fracked gas

EVANSVILLE, Ind. — Vectren, a CenterPoint company, today announced its latest 20-year energy plan. With greater investments in renewable energy, it’s a better plan than their last, which proposed an 850 MW fracked gas plant, but will ultimately force customers to pay more for high-cost, polluting coal and new fracked gas.

Among other details, Vectren’s plan:

- Continues coal-burning at the expensive, aging Culley coal plant in Warrick County;
- Promises to build two fracked gas “peaker” plants (460 MW);
- Upholds coal plant retirements announced in 2016, including ending the joint operating agreement with Alcoa on Warrick Unit 4 in 2023;
- Plans 50 MW of solar next year and proposes more renewable energy in subsequent years, after another planning process is held in 2022.

Studies by Morgan Stanley and Sierra Club have found - and Vectren’s own data confirms - that Vectren customers could save millions if Vectren retired its entire coal fleet and replaced it with renewable energy.

Vectren admitted in a filing to Indiana regulators that their 2016 energy plan — which also continued coal-burning at Culley 3 — “is not the least cost option...more expensive than the heavy gas portfolio and portfolios that replace Culley with renewables.”

Continued operation and investment in the Culley plant is throwing good money after bad and keeps customers on the hook for maintaining an indisputably high-cost, aging...
coal plant at a time when families and businesses in Southwest Indiana don’t have a dollar to waste.

And Vectren should have looked more carefully at battery storage as a way to avoid adding new dangerous fracked gas. Vectren’s own analysis showed a completely clean portfolio was essentially the same cost as the one it selected.

Wendy Bredhold, senior campaign representative for the Sierra Club’s Beyond Coal Campaign in Indiana who’s also an Evansville resident, said, “Community members and city leaders have called on Vectren to announce a plan that would provide us with a clean energy future. With a confluence of health, economic and climate crises impacting Southwest Indiana communities, this plan simply does not meet the demands of the day.”

Mary Lyn Stoll, an associate professor at the University of Southern Indiana, added, “It’s so good to see that Vectren is finally getting serious about investing in renewable energy, but it’s disappointing that they don’t commit to a date to retire every inefficient, antiquated coal plant and won’t commit to 100% renewable energy. The world simply does not have time to wait; to avoid the costs of catastrophic climate change we need to end reliance on fossil fuels now, before it’s too late.”

Jean Webb, chair of the Sierra Club Hoosier Chapter Energy Committee, said, “It’s a step in the right direction because it gets us up and moving with more renewables; however, throwing more money at the uneconomic Culley 3, which won’t run much because it’s so expensive, is a waste.”

And Evansville’s local leaders agree that Vectren needs to transition away from expensive, polluting fossil fuels. In early March, before the COVID-19 crisis, Sierra Club delivered a letter to Vectren signed by a majority of the Evansville City Council. The letter stated that Vectren needs to commit to 100% replacement of the AB Brown and FB Culley coal plants with affordable renewable energy: “Now is the time for Vectren to develop a renewable energy transition plan with no fuel costs that puts affordable energy, a healthy community and a healthy planet first. At a time when Evansville residents are facing increasing costs across the board, Vectren should make every effort to reduce its costs for customers.”

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