

**Response of CAC, Earthjustice, and Vote Solar
to the Director's Draft Report for
Duke Energy Indiana's 2021 Integrated Resource Plan**

Submitted to the IURC on January 13, 2023

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Citizens Action Coalition of Indiana (“CAC”), Earthjustice, and Vote Solar appreciate the Director’s Draft Report on Duke Energy Indiana’s (“Duke” or “DEI”) 2021 Integrated Resource Plan (“IRP”) published December 5, 2022, as well as the opportunity to respond before the Director’s Final Report is issued. We concur with the Director that Duke made a significant improvement to its IRP process by moving to the EnCompass planning model. We also support the Director’s comments about the public advisory process, which were consistent with the concerns raised in our earlier comments on the IRP about the tone and substance of the stakeholder meetings. One of the recommendations the Director makes to Duke is provided in response to the CAC, Earthjustice, and Vote Solar comments:

To be clear, the Director wants to emphasize that the IRP is DEI’s document, but DEI should be open to consideration of alternative thoughts and perspectives with the idea of making the resulting IRP better than it might otherwise be.¹

In addition, the Director notes that:

DEI set a tone that discouraged open discussion. DEI representatives often appeared defensive when responding to questions and argumentative. The tone set here carries over to the IRP itself where there seems to be an unwillingness to be forthcoming about key parts of the analysis. The Director recommends that DEI learn from the actions of other Indiana utilities.²

We appreciate the Director’s comments to Duke and the recommendation to learn from the processes used by the other utilities in Indiana. We believe that Indiana utility IRPs are strongest when they result from a collaborative environment throughout the stakeholder workshop process that allows stakeholders to have access to modeling inputs and be able to provide feedback to the utilities on those inputs as the process is unfolding – feedback that the Indiana utilities seriously consider and often incorporate. For example, we appreciate the process that AES Indiana has utilized for its last two IRPs. AES Indiana has made a concerted effort to provide timely transmission of its modeling files and related information and to provide the necessary window of time to comment on and provide feedback to most of this information. AES Indiana also clearly values stakeholder feedback. It promptly answers questions, follows up in a timely manner on questions from stakeholders, provides supporting data, and explains how it considered and incorporated feedback. This process enhances transparency and trust with stakeholders, as it affords them more time to review inputs and provide feedback, with enough time to have recommendations implemented before the IRP is finalized and submitted.

We reiterate this concern because Duke is currently reaching the end of a process to “update its resource analysis” including holding a series of “information sharing sessions” with stakeholders, but it “will not be submitting a new IRP or undergoing an IRP stakeholder process

¹ Director’s Draft Report on Duke Energy Indiana’s 2021 IRP, page 25.

² Director’s Draft Report on Duke Energy Indiana’s 2021 IRP, page 12.

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this year.”³ To date, Duke has shared very limited information with stakeholders. This despite the fact that CAC requested in September:

*[S]ome process points as we navigate this update with you. It would be most constructive for CAC to receive data assumptions and modeling framework data before you run the model so that we can offer suggestions and commentary for you to consider and take into account once you do run the model. This opportunity for stakeholder feedback and changes before the model is run will be the most helpful way to narrow the issues between our organizations and set us on a smoother path before CPCNs are filed and other resource decisions are made. We would request at least 5 business days to provide feedback. For trickier issues, we would request that we also have a meeting so we can talk through any changes and have a meeting of the minds before the modeling runs take place. We greatly appreciate your consideration of this request.*⁴

Duke refused to provide any preliminary modeling despite the fact that this is the process that AES Indiana and other utilities use and despite that it partially provided such data during the IRP stakeholder process. It said in response:

*We appreciate your interest in the process and agree that providing some data elements prior to filing the CPCNs (rather than waiting until the formal CPCN discovery phase) could facilitate an efficient process. While we don't necessarily agree with your parameters (which sounds more like joint planning), we will provide data inputs when we have finalized our thoughts around the inputs, and will also provide model run data once it has been reviewed and vetted. We are also happy to continue to meet to discuss issues. We obviously cannot agree to accept all recommendations, but are open to hearing them and will consider them thoughtfully.*⁵

Once again, Duke makes clear that it does not believe that stakeholders have meaningful input to provide since there is no point in stakeholders providing input once Duke has “finalized [its] thoughts.” Even if there were an opportunity to provide feedback that might influence Duke's thinking, to date Duke has provided only one spreadsheet with summary-level modeling inputs. Without access to the modeling files, there is no context for how Duke is using summary-level inputs, e.g., are fuel prices static in every hour of the year? How are capital costs translated into levelized carrying charges and how are tax incentives applied? Accordingly, there is very little meaningful feedback stakeholders can provide to Duke.

With an updated Preferred Portfolio expected to be presented to stakeholders in January, the window for any collaboration in this process is practically closed. While we appreciate the steps that Duke has undertaken to acknowledge that many of the inputs used for the 2021 IRP have

³ Email from DEI to stakeholders dated December 28, 2022.

⁴ Email from Jennifer Washburn, CAC to Duke Energy Indiana dated September 30, 2022.

⁵ Email from Beth Heneghan, DEI to Jennifer Washburn, CAC dated October 3, 2022.

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been significantly impacted by fuel prices, the new MISO seasonal capacity construct, and the passage of the Inflation Reduction Act, we are concerned that Duke is continuing to commit the same missteps that the Director has flagged about its public advisory process. Duke has held a couple of meetings to provide stakeholders with updates on the IRP update process. With the inclusion of Charles River Associates staff the tone of these meetings has improved somewhat from the 2021 IRP process, but there still has been limited sharing of information with stakeholders.

One of the other improvements that the Director acknowledged about Duke's 2021 IRP is the evaluation of the Edwardsport IGCC. As the Director stated:

DEI notes that the optimized runs generally resulted in the Edwardsport IGCC switching to only natural gas operations early in the planning period. Based on qualitative considerations, DEI's preferred portfolio includes the operation of the Edwardsport IGCC on coal through 2035. To DEI's credit they discuss these qualitative considerations and the importance attached to these considerations. Reasonable people can disagree about the weight appropriately given to qualitative factors but being explicit facilitates understanding of what was done.⁶

We appreciate the Director's viewpoint on Duke's qualitative considerations of the Edwardsport IGCC. We would note that in the information sharing session presentations to date, Duke's four optimized portfolios⁷ (Reference, CO₂, High Fuels, and Low Fuels) show Edwardsport converting to gas in 2024 despite DEI's arguments to the contrary in its IRP. It is not clear if Duke will be changing its preferred strategy for the Edwardsport IGCC with this refresh of its IRP. Similar to the IRP, it appears that Duke will continue to evaluate Hybrid Portfolios in the IRP update process and those results will be presented to stakeholders in January.

⁶ Director's Draft Report on Duke Energy Indiana's 2021 IRP, page 12.

⁷ Slides 46 - 49 from Duke Energy Indiana 2022 CPCN Information Sharing Session 2, December 1, 2022. Retrieved from <https://desitecore10prod-cd.azureedge.net/-/media/pdfs/for-your-home/dei-irp-2021/dei-info-session-miso-changes.pdf?rev=5b5929559cdd41a989d6c834c1fcccfd>