

March 31, 2016

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**RM#15-06: Integrated Resource Plan Rulemaking**

Dear Beth:

Enclosed are Wind on the Wires comments for staff's consideration regarding the Second Strawman draft proposed rule dated March 2, 2016, Title 170 IAC 4-7, *Guidelines for Electric Utility Integrated Resource Plans*. Wind on the Wires comments are organized by the rule's section numbers. The comments and our proposed edits address four categories of issues: improvements to the notice and participation of interested parties; changes to the supply-side resource evaluations so that wind and other non-dispatchable resources are evaluated in a manner comparable to dispatchable resources; if a utility has a CHOICE plan approved, for their enrollment in the Indiana Voluntary Clean Energy Portfolio Program, that plan should be evaluated in the IRP; and an accurate definition of avoided costs.

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### **I. COMMENTS**

#### **A. Identifying and Notifying “Interested Parties” of an IRP Submission**

Comment and edit related to 170 IAC 4-7-2(e)(2)(B).

The Integrated Resource Plan (“IRP”) rule requires the utility to list the individuals or entities considered to be an “interested party.” That list should be made available on the IURC website. In addition, entities or people who made comments on the previous IRP submitted by the utility should be on the list of “interested parties.” Wind on the

Wires submitted comments regarding Duke and Indiana & Michigan's IRPs submitted in 2013. We reviewed the filings for a list of "interested parties" and found none and to our knowledge we never received notice of the IRPs those utilities submitted in 2015.

In preparing these comments, Wind on the Wires visited the I&M and Duke Indiana IRP websites. Both websites were very user-friendly and easy to follow, however, neither website provided directions or a portal to register as an "interested party." There was the ability to register with the company but the registrant was required to be a customer or have an account with the company.

#### **B. Submission of an Interested Parties Comments to the Commission**

Comment and edit related to 170 IAC 4-7-2.1.

Wind on the Wires proposes non-substantive edits to sub-section 2.1(a)(3), 2.1(c) and 2.1(d)(3) for the staff's consideration.

#### **C. Scope of the Director's Final Report Should Comment on Regulatory Obligations Omitted by the IRP**

Comment and edit related to 170 IAC 4-7-2.1(g).

Section 2.1(g) expressly limits the director's reports to a review of whether the IRP complies with the rule. The IRP rule should be expanded to allow the director to state whether the IRP failed to evaluate, analyze or account for a regulatory obligation codified in statute or rule.

**D. “Avoided Costs” Should Include Environmental Cost Savings**

Comment and edit related to 170 IAC 4-7-4(28)(D).

The Second Strawman revises the enumerated components of “avoided costs” listed in section 4(28). Wind on the Wires recommends the list also include environmental cost savings. This would be particularly applicable for actions taken related to EPA regulations. The EPA’s justification of a rule or regulation typically estimates the environmental cost savings and the same or similar methodology can be used by the utility in its avoided cost calculation.

**E. Lists of “Avoided Costs” and “Load Shapes” Should not be Limited**

Comment and edit related to 170 IAC 4-7-4(28) and 170 IAC 4-7-5(a).

In reference to lists of “avoided cost” and “historical load shapes” the Second Strawman has removed the phrase “but is not limited to.” Wind on the Wires recommends that phrase be re-inserted, otherwise the impression is given that the list is closed and exclusive of any additions, and that should not be the intent of these lists.

**F. Existing Net Generating Capacity**

Comment and edit related to 170 IAC 4-7-6(a).

“Dependable” should be removed from the phrase “net dependable generating capacity” in sub-section 6(a)(1). “Dependable” is undefined and this is the only time in the rule that “dependable” is used. Instead, the rule should use “net generating capacity” because it is a commonly understood term in the electric industry.

### **G. The Scope of “Supply-side Resources” Evaluated by the Utility**

Comment and edit related to 170 IAC 4-7-6(b)(3).

Sub-section 6(b)(3) was revised to either streamline or clarify the “supply-side resources” the utility should consider or evaluate in its IRP analysis. It is unclear from this list how these types of resources relate to the utility -- are they owned, leased, purchased or contracted for by the utility? Wind on the Wires recommends language that clarifies supply-side resources relative to whether the utility is building a new plant, purchasing a new plant, or contracting for energy from a non-utility plant or from the wholesale energy market.

### **H. Use of an Accurate Energy Profile for Non-Dispatchable Resources**

Comment and edit related to 170 IAC 4-7-6(b)(3)(iv).

To properly analyze the impacts and benefits of all resources, the utility must account for the resource’s energy profile. Renewable resources are known to have capacities that vary seasonally, monthly and daily. The rule should direct the utility to define the energy profile it used in evaluating non-dispatchable resources like wind and solar.

### **I. Utilities Should Evaluate Dispatchable and Non-Dispatchable Supply-side Resources in a Consistent and Comparable Manner**

Comment and edit related to 170 IAC 4-7-6(b)(3) and 170 IAC 4-7-8(c).

The “preferred resource portfolio” is to be a mix of resources that provide the most economical combination of supply-side and demand-side resources. (Sec. 8(c)(6)). As a check on the reasonableness of those costs, the utility should have to

compare the cost of dispatchable resources to the cost of non-dispatchable resources (i.e., resources such as wind and solar) in a consistent and comparable fashion. The most effective way to compare these resources is based on their levelized cost of energy. Wind on the Wires has proposed language to that effect that can be used either in a new sub-section 6(b)(3)(C) or in a new section 8(c)(7), whichever is the most appropriate place for codifying such a comparison.

#### **J. IRP Plans Need to Analyze the Utility’s CHOICE Plan**

Comment and edit related to 170 IAC 4-7-6(b)(3)(D).

The IRP process should account for the CHOICE plan utilities submit as part of their Voluntary Clean Energy Portfolio Standard (“VCEPS”). Utilities interested in receiving the incentives offered in the VCEPS Program are to submit a CHOICE Plan identifying how that utility intends to obtain at least ten percent of the total electricity it supplies to its customers from clean energy resources. The VCEPS rule states that the clean energy resources are to be evaluated through the IRP modeling, but the current rule does not provide for such modeling. Wind on the Wires has provided edits to section 4-7-6 of the Second Strawman rule that reflect this proposed amendment.

#### **K. Public Notification of “Substantial Unexpected Changes”**

Comment and edit related to 170 IAC 4-7-10.

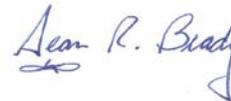
Section 10 requires the utility to “provide an update regarding substantial unexpected changes that occur between IRP submissions.” It is unclear to whom the utility is to provide the notice. Wind on the Wires proposes language clarifying that the utility is to notify the director.

There is also the question as to whether the interested parties are to be notified of these changes and how they should be notified. A follow-up to the issue of their being a substantial unexpected change is whether a formal IRP review is required of this change and how that is to be initiated. Wind on the Wires encourages the IURC to consider these questions and whether this section requires language clarifying the process around these open questions.

## **II. CONCLUSION**

Wind on the Wires has prepared replacement language that accompanies the comments above. Those edits are provided in a redline version of the Second Strawman rule. Wind on the Wires requests that you adopt the changes in the redline version of the rule.

Respectfully submitted,



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