

Hoosier Energy REC, Inc.
Comments on the IURC's Proposed Integrated Resource Plan Rulemaking

With respect to the Indiana Utility Regulatory Commission's proposed revision of its rule requiring electric utilities to prepare and submit Integrated Resource Plans, Hoosier Energy provides the following comments:

170 IAC 4-7-2 (f) The commission shall make a submitted IRP available:

(1) on its website; and

(2) to be viewed, inspected, or copied, in accordance with IC 5-14-3, at the office of the commission at 101 West Washington Street, Suite 1500 E, Indianapolis, Indiana 46204.

Assuming that a utility requests, and is granted, a waiver or variance from a provision of this rule under 170 IAC 4-7-3, the redacted version of the IRP should be the version made available on the Commission's website. Hoosier Energy proposes that the section be revised to indicate that the redacted version be designated as the public version.

170 IAC 4-7-2 (o) Any resource action shall be consistent with the most recent IRP submitted under this rule, including its:

(1) inputs (including data and assumptions);

(2) methods (including models; and

(3) judgment factors (including the rationales used to determine inputs, methods, risk metric(s), and selection of the preferred resource portfolio);

unless any discrepancies between the most recent IRP and the resource action are fully explained with supporting evidence, including an updated IRP.

This section indicates that any request for a Certificate of Public Convenience and Necessity must include an updated IRP. Hoosier Energy is concerned that this would limit a utility's ability to react quickly to significant market changes and/or to pursue favorable projects. One such example might be a small renewable resource project that was not contemplated in the prior IRP, but which became available and feasible following the submission of that IRP. Sometimes these projects have a limited window of opportunity and it would be a shame if regulated entities are hamstrung by a prior IRP versus non-regulated, perhaps out-of-state entities ability to pursue without such constraints.

With respect to significant market changes, this might include wholesale market changes that are beyond the control of the utility. If, for example, large scale retirements were to cause capacity prices to rise unexpectedly, this rule may limit a regulated utility's ability to react quickly. Also, as part of the capacity market development the Midwest ISO is dividing the footprint into resource zones. Smaller zones increase the likelihood that capacity values in neighboring zones may deviate as capacity changes (retirements or additions) occur.

Hoosier Energy also requests that the Commission define the meaning of “updated IRP” as it is used in section (3). It is the opinion of Hoosier Energy that only the sections of the IRP that pertain to the resource addition requested in the CPCN be updated prior to the CPCN request.

In addition, this paragraph seems out of place in this section which is primarily concerned with the director’s compliance determination and timeline.

170 IAC 4-7-2 (s) In order to appeal to the full commission, the entity seeking appeal must file a petition with the commission pursuant to the commission’s procedural rules within thirty (30) days of:

- (1) receiving notice of the compliance determination; or**
- (2) the IRP deemed being in compliance.**

Hoosier Energy questions the appropriateness of requiring an appeal to the full Commission in order to challenge the director’s compliance determination. It has been Hoosier Energy’s experience that appeals to the full commission are typically limited to ALJ determinations in formally docketed proceedings. Hoosier Energy proposes an interim step that would not require a formally docketed case and appeal to the full Commission.

170 IAC 4-7-2 (u) Documents submitted or created pursuant to this rule may be used as follows:

- (1) To assist the commission in the preparation of an analysis of the long range needs for expansion of facilities for the generation of electricity and plan for meeting the future requirements of electricity as required by IC 8-1-8.5.**
- (2) In the preparation of a commission staff report in formally docketed proceedings before the commission.**
- (3) Submitted as evidence in a formally docketed proceeding before the commission. The commission shall give such weight as it determines appropriate to such evidence.**

Hoosier Energy believes that the requirements in this paragraph should exclude documents filed under a waiver or variance request as required in 170 IAC 4-7-3.

170 IAC 4-7-2.2 (e) The contemporary issues meeting shall take place at least one (1) year prior to the filing data of a utility’s IRP.

During the discussion in the September 4, 2012 IRP Rulemaking Workshop, it was stated that the intent of the Commission is to require the contemporary issue meetings only for those entities that are filing

the following year, although all utilities are welcome to attend. The language of this section should be revised to reflect that intent.

Estimated Financial Impact of Proposed Changes:

Hoosier Energy estimates that the impact of the proposed changes to the Integrated Resource Plan rule will be as follows:

- Hoosier Energy anticipates using its corporate communications staff to develop the IRP summary document described in 170 IAC 4-7-4 (a).
- Hoosier Energy estimates that it will require substantial input from its Power Delivery staff to meet the additional requirements mandated in 170 IAC 4-7-4 (b) (10). The information in this section was previously provided through the submission of FERC Form 715.

The estimated financial impact of these changes will be \$10,000.