

**Indiana Voluntary Clean Energy Portfolio Standards Program  
Workshop, July 8, 2011**

**ISSUES – QUESTIONS – CONCERNS**

- **Voluntary – Ind. Code § 8-1-37-10(a).**
  - Promote program to supplant energy resources with clean energy
  
- **Electricity Supplier – Ind. Code § 8-1-37-6.**
  - Who does this apply to? Investor-owned only; not municipals, REMCs or Co-ops.
  - Parent or holding company – not covered
  
- **Program Application – Ind. Code § 8-1-37-11(a).**
  - At what point in time does utility contract for resource, particularly in relation to IURC determination?
  - What kind of proceeding or process? Docketed proceeding. Completeness review plus determination.
  - Uniform, comprehensive, and detailed requirements as possible; include workpapers; similar to Minimum Standard Filing Requirements rule?
  - Timeframe under statute to made determination – 120 days
  - Intervention opportunity and assessment
  - If not complete, tolls timeframe
  - Pre-application process; filing of plan?
  - Checklist
  - Not later than date specified? Perhaps related to goal date?
  - Docketed because need IURC approval.
  - How much rates increase without approval?
  - How much rates increase with approval?
  - Any difference? Just and reasonable?
  - Reasonable expectation of success?
  - Avoided cost formula? Review and revise?
  - Harmonize with IRP process
  - Interrelation with CPCN process? Planned future projects?
  - Application fee?

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- **Incentive Application / Periodic Rate Adjustment Mechanism**
  - **Ind. Code § 8-1-37-13(d).**
    - Incentive for electricity to recycle renewable resource
    - Distinct from program application?
    - When does 120 days start?
    - Requires notice and hearing
    - Approval of Section 11 application = requirements of approval in Section 13
    - What is the starting place for incentive rate of return? How recent base rate determined?
    - Level of certainty vs. different treatment of unique utility
    - Amount of incentive?
    - Program cost recovery;
    - If including existing resources, are costs already being recovered?
  
- **Incentives/Compliance – Ind. Code § 8-1-37-13.**
  - Current IURC orders – consistent with, in addition to
  - At what point in the process is the incentive awarded, and when can a utility begin earning the incentive – before or after goal achieved?
  - If before, what assurances should be built into the program?
  - Goal is an average over X years – so when does incentive start?
  - Allow incentive before reach goal? Any retroactive ratemaking issue?
  - Probation if don't reach goal?
  - Kicked out of program if don't meet goal?
  - Subject to refund if fail to meet goal?
  - Will utility receive CEPS incentive in addition to DSM already committed to in separate proceeding? In addition to incentives approved in other proceedings?
  - Base year 2010 – what counts?
  - Determine standard ahead of time (e.g. as part of rule) or determine on a case by case basis?
  - Reward for past behavior? Or only for new behavior – and from what date?

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- Methodology for calculating incentives? Conditions or bound set upfront rather than case by case?
- Measurement and verification; cost for IURC and OUCC to track and verify information?
- Costs for utility to hire audit
- Certification of resource vs. accounting
- Self-certification allowed?
  
- **Reporting Process – Ind. Code § 8-1-37-14.**
  - Compliance
  - Utility to IURC
  - IURC to legislature as part of Reg Flex report
  - Confidential information – IURC summary in aggregate
  - Sharing of reports from utilities? Website?
  - (a)(4) – as part of tracker? How does this tie in to compliance filing for incentive and periodic rate adjustment mechanism? Reporting at same time? How does it feed into the incentive ongoing?
  - (a)(6) – garbage can – any other information
  - If doing fractional credits, consolidate or report each fraction?
  - Net metering – estimation or valuation
  
- **Rates and Charges – Ind. Code §§ 8-1-37-10(b)(2), 8-1-37-11(c)(3), and 8-1-37-12(d).**
  - Determination re: increase in rates & charges above what could reasonably be expected without program
  - What information is relevant to this evaluation?
  - What will be the standard by which determination is made?
  - What do we want the utilities to submit to make this showing?
  - How to interpret any differences in language between the 3 cites?
  - How prescriptive should this be? Value for carbon? Other considerations that can drive value in rates?
  - Resource plan support

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- Value of diversifying portfolio
- Baseload value or peak value?
- Load carrying capacity – summer, winter
- “Just and reasonable”
  
- **Goals – Ind. Code § 8-1-37-12.**
  - Existing resources count for goal? But perhaps not for incentive?
  - Average over X number of years.
  - Energy requirements of retail during base year (2010) – base against which goals are determined.
  - Base year = actual or weather normalized sales – DSM proceeding used weather normalized data.
  - Don’t want to create disincentives
  
- **Clean Energy Resources – Ind. Code § 8-1-37-4.**
  - Electricity used to recycle/recharge renewable resources
  - What resources count? Both regarding the goal and the granting of incentives?
  - Only new resources?
  - Pending before the IURC?
  - Count existing resource to goal? But not have incentive if already existing?
  - Resource = who is the initiator of the resource? Public entity, university; Different weight for credit depending on source.
  - Resources in addition to list? – by rulemaking (can be part of this rulemaking or separate).
  - Net metering – how counted?
  - #15 – standards for determining – particularly with regarding carbon.
  - Clarification regarding #13 & #14 with regards to #20
  - #16 B mentions specific date of Jan 1, 2010.

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- **Clean Energy Credits – Ind. Code § 8-1-37-3.**
  - Double-counting credits from neighboring states for utilities in more than one state.
  - Tracking services – specify system or multiple systems or lay out criteria for appropriate system; integrate the type of resources that are in the definition of clean energy resources.
  - Components of credits – can they be stripped and sold separately?
  - Assignment of different weights to credits – 1 MW = 1 credit
  - No differentiation between #1-16 vs. #17+
  - Trading of credits that exceed 30% of one utility to meet 30% of another.
  - Can there be fractions of credit?
  - Certification of resource
  - Self-certification of resource
  - Who gets to certify? Which utility if more than one?

**Base Year – year ending Dec 31, 2010; vs. date in Section 3, #16**