IURC Issues Order Approving CenterPoint Energy Indiana's Generation Request

INDIANAPOLIS – The Indiana Utility Regulatory Commission (Commission) issued an Order today in Cause No. 45564 unanimously approving a certificate of public convenience and necessity (CPCN) requested by CenterPoint Energy Indiana South (CEI South) to build two natural gas combustion turbines (CTs) totaling approximately 460 MW. Customer rates will not be adjusted to recover the cost of this project (an estimated $334 million) before the utility’s next base rate case or before the project is put into service.

The Commission previously denied CEI South’s original request for an 850 MW combined cycle gas plant, which would have cost an estimated $781 million, and directed the utility to engage in integrated resource planning with a thorough RFP process to evaluate different portfolios under a range of future potential market conditions. This process resulted in the utility’s 2019 Preferred Portfolio which, in addition to the two single cycle natural gas combustion turbines, calls for a significant amount of renewable generation to be added from 2022 through 2024, including approximately 300 MW of wind and up to 1,000 MW of universal solar and battery storage.

The Order states, “The flexible and controllable nature of the gas CTs will support the intermittent nature of the renewable generation in the Preferred Portfolio to ensure system reliability. We believe that this step of implementing the Preferred Portfolio, moving forward on the two CTs, is the best economic decision for CEI South’s customers.”

Additionally, the Commission recognized that this new generation resource will serve the grid regionally in addition to the utility’s service territory. The Order states, “In addition, MISO, the operator of the electric grid in which CEI South is a participant, has indicated a system-wide need for controllable resources such as the CTs to ensure system reliability as more intermittent resources are added to the system.”

In the Order, the Commission acknowledged that a decision has not yet been made by the Federal Energy Regulatory Commission (FERC) on the Texas Gas Transmission, LLC pipeline that would connect to the CTs; however, the Commission has included safeguards in its Order to minimize risk to customers and the utility to the greatest extent possible.

Further, the Commission directed CEI South to begin a collaborative process with stakeholders to track performance metrics. The Order states, “We believe performance metrics can be of significant
value to CEI South, its customers, and the Commission. We anticipate that this process will enable an analysis of CEI South’s performance over time and comparison with similarly situated utilities.”

To review the Commission’s Order in Cause No. 45564, as well as all related documents in this case, please visit the Online Services Portal here and search by the Cause Number.

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The Indiana Utility Regulatory Commission (Commission) is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the Commission is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide safe and reliable service at just and reasonable rates. The Commission also serves as a resource to the legislature, executive branch, state agencies, and the public by providing information regarding Indiana’s utilities and the regulatory process. In addition, Commission members and staff are actively involved with regional, national, and federal organizations regarding utilities issues affecting Indiana. For more information, please visit www.in.gov/iurc.