

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S COMMENTS
ON NIPSCO, IPL AND VECTREN PUBLIC STAKEHOLDER
MEETINGS AND 2016 INTEGRATED RESOURCE PLANS**

A. INTRODUCTION

The Indiana Office of Utility Consumer Counselor's ("OUCC") submits these comments on Northern Indiana Public Service Company ("NIPSCO"), Indianapolis Power and Light Company ("IPL"), and Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren") (collectively, "the utilities") public stakeholder meetings and 2016 integrated resource plans ("IRPs").

B. GENERAL COMMENTS

1. Comments on the Public Stakeholder Process

Both NIPSCO and IPL effectively used dedicated areas on their websites to notify customers and other interested parties of upcoming IRP public stakeholder meetings and to make meeting materials available in advance of each meeting. Advance postings permit interested parties to prepare for each public meeting, allowing more informed discussions of targeted issues. The IRP section of each utility's website provided a convenient, well-organized, and easily-accessed central repository of presentations and other instructional materials as well as meeting summaries and answers to questions submitted to the utility at or between public stakeholder meetings. The public posting of that information allowed people not able to attend each meeting to see what they had missed and to pose further questions to the utilities between public meetings.

The utilities followed the Commission's 2015 recommendation to increase the number and broaden the range of scenarios considered in the IRP analysis. Additionally, utilities also permitted interested stakeholders to make presentations during the public meetings. That provided an opportunity for groups of stakeholders to identify and explain their group's specific interests and positions on different issues. It also permitted utility IRP experts to listen directly to those groups and pose follow-up questions, the answers to which could potentially impact the utility's selection of scenarios to be modeled and values assigned to different model inputs. Utilities performed additional model runs that included specific inputs requested by stakeholder interest groups.

Although the OUCC understands some information must be protected from public disclosure, utilities should strive to continue to increase transparency during the stakeholder process, making as much information as possible publicly available. That encourages a more robust discussion of key data likely to impact IRP results. The Commission could consider whether a determination regarding the utilities' confidentiality claims should be made earlier in the

planning process when interested parties are still able to provide input that could impact the IRP results.

2. Further Clarification Needed Regarding “Consistent With” Standard in New Demand Side Management Statute, Ind. Code 8-1-8.5-10

The statutory language in Ind. Code 8-1-8.5-10(c)(2) that links DSM plans to IRP results has been interpreted differently by different stakeholders, as seen in arguments made in recent DSM plan approval cases. It would be helpful if the Commission provided additional guidance on the meaning of the requirement that DSM plans be “consistent with” the utility’s most recent IRP. If “consistent with” does not mean “equal to” then how much flexibility does the utility have?

3. Consistency By and Among Utilities in IRP and DSM Filings

There are still significantly different approaches among the utilities’ IRP and DSM modeling. When the Commission reviews proposed DSM plans, it is invariably asked to approve financial recovery, typically through tariff riders. The Commission could achieve greater uniformity in how utilities approach both IRP and DSM modeling, in an effort to be as fair as possible to all customers of the utilities seeking such recovery. Significant differences remain in assumptions made and values used by the utilities in calculations submitted to support requests for Commission approval of DSM plans. For example, one utility uses an RTO market price as its avoided cost for DSM cost-benefit calculations, instead of using the calculation methodology in the Commission’s IRP rule, 170 IAC 4-7-4.

Ideally, existing disparities could be identified and discussed in a technical conference to help ensure consistent treatment of utilities’ DSM programs and the customers who pay for them. Just as important is the need to ensure that utilities are not skewing IRP or DSM cost-benefit results by assigning different values to the same model inputs in different types of proceedings.

C. COMMENTS SPECIFIC TO IPL’S 2016 IRP

IPL based the performance metrics of each portfolio it considered on input from stakeholders. The OUCC suggests that in future IRPs IPL expand its analysis of the environmental stewardship performance metrics to include more than air emissions. IPL’s analysis should also consider its operational impact on nearby land and water resources.

The OUCC appreciates the environmental cost detail assumed for each of the regulations considered in IPL’s analysis. However, the OUCC recommends that the company provide detailed equipment and pollution control measures per unit included in IPL’s cost estimates. Additionally, it would be helpful if IPL detailed the risks of each individual generating unit in meeting potential future environmental regulations. For example, Petersburg Units 1 and 4 do not have SCRs and therefore could be susceptible to more stringent ozone or NOx regulations.

D. COMMENTS SPECIFIC TO NIPSCO'S 2016 IRP

The OUCC appreciates the details NIPSCO provided regarding environmental costs associated with each of the regulations considered in its analysis. NIPSCO's description of each generating unit's vulnerabilities to environmental regulation made it easier to assess NIPSCO's IRP analysis. It was also helpful to know the specific technologies and capital costs for the technology retrofits NIPSCO believed were needed for each of its generating units. However, NIPSCO noted that Schahfer Units 17 and 18 could be susceptible to NOx requirements because they lack SCRs, but NIPSCO did not address when or how NOx requirements might also impact Schahfer Unit 15, which also lacks an SCR.

E. COMMENTS SPECIFIC TO VECTREN'S 2016 IRP

Advance notice should be given to all stakeholders, which would provide an opportunity to prepare and make presentations prior to the final scenario selections. A few stakeholders made presentations during the public meetings, however the process for making arrangements to do so was unclear.

IPL and NIPSCO made meeting materials available to stakeholders, which were clearly identified on their IRP webpages and separated by meeting date with links to agendas, presentations, and other materials. That availability improves transparency and facilitates easily locating materials from each meeting. The meeting links and materials should be maintained on the IRP webpage after the final IRP has been posted. Vectren should adopt the IPL and NIPSCO IRP webpage format.

The fact that Vectren provided costs for its environmental compliance assumptions by unit or facility in its IRP helped facilitate the OUCC's analysis.

The charts in Section 7.3 outlining the summary metrics for individual resource option portfolio runs could have been presented more clearly. While visuals can be beneficial, some graphics were complex. It would be helpful to use labels that specify each portfolio's different mix of resources being compared, as opposed to using portfolio names.

F. CLOSING COMMENTS

The OUCC thanks the Commission for the opportunity to participate in these stakeholder meetings and to provide comments on Indiana's investor-owned electric utilities' IRPs.

*Indiana Office of Utility Consumer Counselor's 3-13-17 Initial
Comments on 2016 IRPs of NIPSCO, IPL and Vectren*

Respectfully submitted,

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