

**IN VCEPS Stakeholder Meeting with  
INDIANA DISTRIBUTED ENERGY ADVOCATES (IDEA) – July 19, 2011**

The Indiana Voluntary Clean Energy Portfolio Standard (In VCEPS) program should dovetail with the Integrated Resource Planning (IRP) process.

The legislation assumes the initiative comes from the utilities.

Renewable energy producers want clear and transparent ground rules, and recommend the examination of existing pricing for avoided costs. The IURC can set the incentives and set preferences for Indiana resources. There should be incentives for utilities to look at Indiana businesses that are already providing clean energy resources. One way to do so would be through an open-ended Request for Proposal. The IURC can give guidance to utilities on how to obtain renewable resources.

One IDEA concern is that incentives and preferences under the program might be set up in such a way in the rulemaking as to incent large wind projects (which are the cheapest of the renewables) versus resources with unique attributes. Value should be given to those unique attributes.

The avoided cost formula in the IURC's rules may need to be changed.

IDEA also supports voluntary feed-in tariffs, like those based on level of technology and recently approved by the IURC regarding NIPSCO. A generic proceeding was suggested, in order to provide similar voluntary feed-in tariffs for Vectren, Duke, and Indiana Michigan Power. The voluntary feed-in tariff should sync up with the IN VCEPS program and be allowed to count toward the CEPS goals.

Program application stage could allow for a pre-application process. The envisioned process would be a docketed proceeding that would allow for intervenors.

The IURC could include as a guideline that a feed-in tariff is one way to do the plan necessary to meet the goals. The utility treats the renewable generator as it would itself.

As option in the application, include any purchase power agreement, request for proposal, or feed-in tariff that will be used to count toward goal.

The IURC should grant incentives to utilities that use feed-in tariffs and for using Indiana resources.

The purpose of the IN VCEPS program is to encourage new resources, not reward the old ones. Indiana is lagging in resources and is also behind even with regards to voluntary clean energy goals.

Part of what could be considered in off-setting the costs that could be considered for a distributive generator is the reduction in line losses that would otherwise have been incurred in providing electricity to the customer's residence.

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The IURC should define “reasonable” and “risk.”

The IURC should consider what the cost of the next generation construction project will be versus just looking at the existing fuel costs.

As a practical matter, clean energy credits (CECs) and energy should go together and both should be purchased by the utilities.

IURC: Stakeholders should explain what procedures should be used for the two applications procedures. Please provide specifics regarding your vision for how the applications should be handled.

IDEA is planning on providing written comments by the August 15<sup>th</sup> initial comments deadline for rule development.