

Danielle M. McGrath, President
Mindy Westrick Brown, Vice President

- ▶ AES Indiana
- ▶ Boonville Natural Gas Corp.
- ▶ CenterPoint Energy
- ▶ Citizens Energy Group
- ▶ Community Natural Gas Co., Inc.
- ▶ Duke Energy Indiana
- ▶ Fountaintown Gas Co., Inc.
- ▶ Indiana Michigan Power
- ▶ Indiana Natural Gas Corp.
- ▶ Midwest Natural Gas Corp.
- ▶ Northern Indiana Public Service Co.
- ▶ Ohio Valley Gas Corp.
- ▶ South Eastern Indiana Natural Gas Co., Inc.
- ▶ Sycamore Gas Co.

July 2, 2021

Beth Heline
URCCComments@URC.in.gov

Dear Ms. Heline:

The Indiana Energy Association thanks you for the opportunity to provide comments on the Commission's Improving Procedural Efficiencies Initiative. I am submitting comments in response to the Commission's 2021 Draft IPE Issues List on behalf of AES Indiana, CenterPoint Energy, Citizens Energy Group, Duke Energy Indiana, Indiana Michigan Power Company, and Northern Indiana Public Service Company.

I. Minimum Standard Filing Requirements

a. Applicability

Given that Ind. Code § 8-1-2-42.7 is not optional, the IEA Companies believe that MSFR rules should apply to all rate cases, with the possible exception of small rate cases (i.e., those rate cases governed by 170 IAC 14-1-1).

b. Test years

The IEA Companies agree that the MSFR rules should be amended to have separate sections for each type of test year – historic, forward-looking, hybrid. The MSFRs should continue existing approved practice where utilities may present their selected test year based on various approaches. In developing new MSFR rules, the Commission should bear in mind the underlying purpose of standard rate case filing requirements, and recognize that standard filing requirements are neither designed nor intended to replace other aspects of a contested rate case proceeding which are designed and intended to allow the parties to question, study, and contest the substance of the relief requested in

a rate case application, such as discovery, evidentiary hearings, and briefing. The MSFRs should establish the format and instructions for filing a complete rate case; However, the MSFRs which result from this effort should not substitute for other aspects of the contested case proceeding. Revised MSFRs should not require or result in significant changes in the information required in order for a utility to have a rate case application considered by the Commission.

With this background in mind, the IEA Companies recommend that the Commission establish a working group of rate case experts to determine how to apply the existing MSFRs to forward-looking and hybrid test year rate cases. Recall that when the MSFRs were initially developed, such a working group – with members from utilities, customer groups, etc. – was established and that working group developed robust and workable MSFRs. While committees can sometimes be cumbersome, if the Commission establishes a working group of technical experts and directs such a working group to stay focused on the specific task at hand – the application of the existing MSFRs to hybrid and forward-looking test year rate cases – we believe the product will similarly be robust and workable.

c. Workpapers

The IEA Companies believe the working group proposed above should similarly address workpaper requirements.

II. Demand-Side Management (DSM) / Energy Efficiency (EE) Proceedings

**Note: The response by the IEA Companies is subject to and based on the assumption that the proposed revisions to the types of filings identified below apply only to electricity suppliers and do not impose a requirement to begin making those types of filings for other utilities.*

- a. Establish a consistent filing deadline – proposed is no later than July 15th of the year prior to when the proposed DSM/EE programs are to be in effect.**

The IEA Companies are not opposed to a consistent filing date for tracker filings, but would request that the date be August 15 rather than July 15, to allow utilities to receive and incorporate EM&V information, if applicable, in their filings. Alternatively, the IEA Companies would propose staggered filing dates, such as:

- Duke Energy Indiana, Indiana Michigan Power Co., and Northern Indiana Public Service Co. file by July 15*
- CenterPoint Energy and AES Indiana file by August 15*

Staggering the filing dates might help with the workloads of the OUCC, other intervenors, and the Commission.

- b. Workpapers should be provided in Excel as IURC staff and other parties need to be able to see and verify the formulas and calculations. Read-only and PDFs may be filed, as long as an Excel version is also provided.**

The IEA Companies are not opposed to providing workpapers in Excel.

- c. Establish a consistent filing time for evaluation, measurement, and verification (EM&V) reports -- proposed is April 30.**

The IEA Companies recommend a filing date of May 30 for EM&V reports. Many of the IEA Companies share their draft EM&V reports with their stakeholders prior to finalizing and filing them with the Commission. This stakeholder input is important, and a filing date of April 30 will not give those companies enough time to fully work through the stakeholder process. Some other reasons why May 30 is more appropriate include the fact that, for some utilities, a significant portion of both gas and electric savings are achieved during the fourth quarter of each year (for example, in 2020, 42% of the savings in the NIPSCO electric program were achieved during the fourth quarter) and a robust annual evaluation of the programs cannot be performed without thorough consideration of the projects completed at the end of the program year. An EM&V focus on projects completed earlier in the program year will lead to an incomplete evaluation or potential delay of a complete evaluation until the next program year evaluation of the savings achieved in the later period of the program year. This concern is especially true for the commercial and industrial custom programs, which make up a large portion of several companies' gas and electric program savings, because

they are less homogeneous and therefore early projects are even less likely to be representative of all projects during a year.

Additionally, a consistent filing date for EM&V reports should not impose a requirement for annual EM&V for utilities that do not have such a requirement. For example, Duke Energy Indiana does not perform annual EM&V, but is not opposed to filing what final reports it has available as of May 30 each year, as opposed to July 1 as it currently does.

Finally, in order to provide for unforeseen circumstances which may arise, a utility should be able to modify its EM&V filing date with Commission approval,

d. New compliance filing dates.

Assuming this refers to the quarterly scorecard filings, as was discussed during the June 2, 2021 statewide stakeholder meeting, the IEA Companies are not opposed to new filing dates, but would propose filing at the end of the month to allow for the closing of accounting books and providing the respective oversight boards an opportunity to review the scorecards. The IEA Companies propose that the quarterly scorecards be filed on January 31, April 30, July 31 and October 31 of each year. It is our understanding the Commission was amenable to this during the June 2 meeting.

e. Utility should provide the following items as part of its filing:

- i. Provide ex ante gross estimates of kW and kWh impact estimates at DSM program level
- ii. Provide ex post net estimates of kW and kWh impact estimates at DSM program level
- iii. Provide avoided cost data by year, including:
 1. Avoided energy cost
 2. Assumed carbon tax costs included and supporting assumptions concerning amounts and timing
 3. Avoided generating capacity costs and basis
 4. Avoided transmission and distribution cost and basis
- iv. Provide measure data, including:
 1. kW savings estimate and coincident peak factors

2. kWh savings estimate
3. Net-to-gross factor
4. Baseline assumptions and source reference
5. Expected useful life and source reference
6. Cost of measure compared to baseline
7. Customer incentive provided

v. Provide the discount rates used in modeling

The IEA Companies believe that some of this information should only be required to be filed in plan approval cases, while other of this information should be required to be filed in rate adjustment tracker filings. Some of the items appear to be necessary to determine the reasonableness of a utility's proposed multi-year plan (e.g., avoided costs and associated assumptions, discount rates), while other of the items appear to be necessary to appropriately review annual rate adjustment filings. The IEA Companies believe it might be best to have the statewide group addressing the TRM and other issues also address the specific filing requirements for the two types of cases.

Requiring all of the above information for annual rate adjustment tracker filings would almost certainly require the utilities to submit additional testimony supporting the information. In addition, much of the requested information will be quite voluminous. All of this would unnecessarily complicate and lengthen the annual tracker proceedings.

Additionally, the IEA Companies recommend that the Commission recognize in any filing requirements that some of the required information – avoided costs, for example – is confidential and should be filed under seal and subject to a protective order.

f. Develop definitions for cost effectiveness tests

It is our understanding that, during the June 2 meeting, the Commission indicated it wanted to table this discussion to a later date until the request could be further defined. However, if that is not the case, it should be noted that the IEA Companies are not clear what the Commission is proposing here, and we would request further information on this. Generally, as to definitions for cost-effectiveness tests, the IEA Companies propose that the Commission use

the definitions included in the 170 IAC 4-8-1 (Guidelines for Demand-Side Cost Recovery by Electric Utilities). Specifically:

(bb) "Participant cost test" means a cost effectiveness test that measures the quantifiable benefits and costs to the customer due to participation in an energy efficiency program or demand response program.

(ff) "Program administrator cost test" or "utility cost test" means a cost effectiveness test that measures the costs incurred by the program administrator, including incentive costs, and excluding net costs incurred by the participant, compared to the benefits incurred by the program administrator.

(hh) "Ratepayer impact measure test" means a cost effectiveness test that measures the change in customer bills or rates due to changes in utility revenues and operating costs caused by an energy efficiency program or demand response program; and

(mm) "Total resource cost test" means a cost effectiveness test that measures whether an energy efficiency program or demand response program is cost effective based on the total cost and benefit of the program, including both the participants' and the utility's costs.

To the extent the Commission desires to update these definitions, the IEA Companies suggest that the Commission adopt the definitions found in the widely-used and accepted California protocols. Additionally, any definitions developed for cost-effectiveness tests should be included in the Evaluation Framework.

Again, thank you for the opportunity to provide input, and feel free to contact me if you have any questions about our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mindy Westrick Brown', with a long horizontal flourish extending to the right.

Mindy Westrick Brown
Vice President