

# NEWS RELEASE

## INDIANA UTILITY REGULATORY COMMISSION (IURC)

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FOR IMMEDIATE RELEASE

April 24, 2019

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**IURC Issues Order in Vectren South's Proposed Generation Plant Case**

*Order Includes Decision on Proposed Generation Plant, Federal Environmental Compliance Projects to the F.B. Culley Unit 3 Generating Station*

INDIANAPOLIS – The Indiana Utility Regulatory Commission (Commission) issued an order today in Cause Number 45052 unanimously denying a certificate of public convenience and necessity (CPCN) by Southern Indiana Gas and Electric Company (Vectren South) to build an approximately 850 MW combined cycle gas turbine (CCGT).

The Commission found that Vectren South's evidence does not convince it that the utility's proposal would allow it flexibility and optionality. The Order states, "The proposed large scale single resource investment for a utility of Vectren South's size does not present an outcome which reasonably minimizes the potential risk that customers could sometime in the future be saddled with an uneconomic investment or serve to foster utility and customer flexibility in an environment of rapid technological innovation."

The Commission recognized that the requested preapproval would obligate regulated customers for a 30-year period in a time of rapid change. Prospective reliance on future market conditions brings risk. The Commission stated in its Order, "A metric biased in favor of portfolios with surplus generation is speculation we decline to embrace."

Further, the Commission's Order states, "We are hard pressed to see how reliance on one facility for so much of the Vectren South system requirements is consistent with maintaining flexibility to respond to changing market conditions and technological change."

Looking forward, Vectren South is scheduled to submit a new integrated resource plan (IRP) in 2019, and the Commission instructs Vectren South in that submission to present a more thorough analysis that fully evaluates all possible options for continuing to provide reliable, efficient, and economical electric service.

The Order states, "Vectren South should use its scheduled 2019 IRP process to address problems in its modeling, incorporate more options for partnering with other entities and competitive inquiries into smaller-scale options that can be acted upon swiftly to meet the end-of-2023 date upon which additional capacity may be needed."

In today's Order, the Commission also approved a request by Vectren South for federally mandated environmental compliance projects and related relief for the coal-fired F.B. Culley Unit 3 generating station. The Commission found that Vectren South considered alternative plans for compliance with the Effluent Limitations Guidelines (ELGs) and the Coal Combustion Residuals (CCR Rule), and said that the evidence shows that the Culley 3 Compliance Projects would extend the useful life of the unit and are reasonable and necessary.

To review the Commission's Order in Cause Number 45052, 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](http://www.in.gov/iurc).