

ORIGINAL

Commissioner	Yes	No	Not Participating
Huston	√		
Freeman	√		
Krevda	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF CLEVELAND-CLIFFS STEEL)
CORPORATION [FORMERLY AK STEEL) CAUSE NO. 45715
CORPORATION] FOR RENEWAL OF THE TERM)
TO PARTICIPATE IN PJM LOAD RESPONSE) APPROVED: AUG 17 2022
PROGRAMS)

ORDER OF THE COMMISSION

Presiding Officers:

James F. Huston, Chairman

Greg S. Loyd, Administrative Law Judge

On May 5, 2022, Cleveland-Cliffs Steel Corporation, formerly AK Steel Corporation, (“Petitioner” or “Cleveland-Cliffs”) filed its Petition seeking approval to continue participating in load response programs (“LRPs”) offered by PJM Interconnection LLC (“PJM”). On May 13, 2022, Petitioner filed the direct testimony of Greg Long, Cleveland-Cliff’s Corporate Manager Energy Procurement. On June 20, 2022, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its Notice of Intent Not to File Testimony.

The Indiana Utility Regulatory Commission (“Commission”) held an evidentiary hearing in this Cause on July 11, 2022, at 2:00 p.m. in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC appeared and participated by counsel. Petitioner’s testimony and exhibits were admitted into evidence without objection.

Based upon the applicable law and evidence the Commission now finds:

1. Commission Notice and Jurisdiction. The Commission published notice of the June 15, 2022 evidentiary hearing as required by law. Cleveland Cliffs is an Ohio-based corporation and operates a steel coating and finishing facility near Rockport, Indiana, with the facility straddling the service territories of Southern Indiana Gas & Electric Company d/b/a/ CenterPoint Energy Indiana South (“Vectren”) and Southern Indiana Rural Electric Cooperative (“SIREC”). In Cause No. 40983, the Commission approved a power service contract between Petitioner, Vectren, SIREC, and Hoosier Energy Rural Electric Cooperative, Inc. *S. Ind. Rural Elec. Coop. Inc.*, 1997 WL 34880496 (IURC Dec. 23, 1997). Under Ind. Code §§ 8-1-2-24 and 25, the Commission has jurisdiction over customer-specific contracts. In addition, the Commission has previously addressed Indiana retail customers’ direct participation in LRPs of regional transmission organizations in Cause No. 43566. *Commission’s Investigation into Any and All Matters Related to Commission Approval of Participation by Indiana End-Use Customers in Demand Response Programs Offered by the Midwest ISO and PJM Interconnection*, 2010 Ind. PUC LEXIS 255, 2010 WL 3073664 (IURC July 28, 2010). The Commission therefore has jurisdiction over Petitioner and the subject matter of this Cause.

2. Background and Relief Requested. In Cause No. 43503, the Commission approved Petitioner's May 2008 request to directly participate in PJM's LRP for three years. *AK Steel Corp.*, 2008 WL 4791569 (IURC Sept. 3, 2008). The Commission approved an extension of this participation for five-year terms in Cause No. 44064, *AK Steel Corp.*, 2012 WL 959388 (IURC March 15, 2012), and in Cause No. 44939, *AK Steel Corp.*, 2017 WL 3981373 (IURC September 6, 2017). In all three instances, Petitioner's participation in PJM's LRP was subject to reporting and curtailment conditions recommended by the OUCC. The most recent Commission Order in Cause No. 44939 permitted Petitioner to continue participating in this program through June 30, 2022. Cleveland-Cliffs now seeks approval to continue participating in PJM's load response program for another five years through June 2027 under the same or similar conditions as previously imposed by the Commission.

3. Petitioner's Evidence. Greg Long testified that in March 2020, Cliffs Inc. acquired AK Steel Corporation in a merger and AK Steel became a wholly owned subsidiary of Cliffs Inc. AK Steel Corporation was subsequently renamed Cleveland-Cliffs Steel Corporation. Cleveland-Cliffs Steel Corporation continues to operate the steel coating and finishing facility near Rockport, Indiana ("Rockport Plant") that was owned and operated by AK Steel Corporation. The Rockport Plant is located in the service territory of Vectren, SIREC, and Hoosier.

Mr. Long testified about the effect that the unique site and operational characteristics of Petitioner's Rockport Plant had on the procurement of electric power for the facility. Vectren, SIREC, and Hoosier formed the Joint Operating Group ("JOG") and entered into a power service contract with Petitioner. Pursuant to this contract, Petitioner selects an outside electricity provider and negotiates the cost of electricity at wholesale rates to be sold to the JOG, which sells the power to Petitioner at retail. Mr. Long said PJM's same-day and day-ahead markets are often sellers of the power and that some power is obtained through bilateral contracts. The power is transmitted through Indiana & Michigan ("I&M") transmission lines, managed by PJM, to facilities owned by the JOG, and then on to the Rockport plant.

Mr. Long further testified that because the Rockport Plant's load is interruptible, Petitioner has benefited from the availability of more pricing options for the delivery of electricity over the last five years. He further indicated that these benefits have not imposed any costs on the JOG or any retail customers because the Rockport Plant is only minimally connected to the JOG system and does not obtain its generation from the JOG.

Mr. Long noted that the Commission imposed four requirements or restrictions when it approved or renewed Petitioner's participation in PJM's LRP in Cause Nos. 43503, 44064, and 44939; namely, (1) fil[e] quarterly reports containing certain data relating to curtailments, if any; (2) notify[] the Commission and the OUCC of any changes in PJM's LRP approved by the Federal Energy Regulatory Commission ("FERC"); (3) curtailments under any Commission-approved retail contract would take precedence over any curtailment under PJM's LRP; and (4) AK Steel (now Cleveland-Cliffs) would not get credit for the same curtailment under both a retail contract and a PJM LRP. Mr. Long testified Petitioner complied with these requirements since the Commission's last Order and that Petitioner is willing to comply with these or similar

requirements. He said the members of the JOG have no concerns and approve Petitioner's participation in PJM's LRP for another five years.

4. Discussion and Findings. Pursuant to Ind. Code § 8-1-2-24, a public utility may enter into any reasonable arrangement with a customer that is practicable and advantageous to the parties interested, provided the Commission finds the arrangement is reasonable, just, and not inconsistent with the purpose of Ind. Code ch. 8-1-2. In addition, Ind. Code § 8-1-2-24 provides that such an arrangement "shall be under the supervision and regulation of the Commission."

The evidence indicates Petitioner has benefited through its participation in PJM's load response program by providing Petitioner market pricing options available from which to choose for the delivery of electric service to its Rockport facility. The record also establishes that no other party, whether they be a retail customer, wholesale supplier, local utility, or transmission provider has been or will be adversely affected by Petitioner's continued participation in PJM's load response program.

Based on the above evidence, the Commission finds Petitioner's participation in PJM's load response program to be reasonable and advantageous to Petitioner and the public, and not inconsistent with the purposes of Ind. Code § 8-1-2-24. We further find the reporting requirements and restrictions imposed in Cause Nos. 43503, 44064, and 44939 shall remain in place for this proceeding. The Commission therefore approves Petitioner's request to participate in PJM's LRP for an additional five-year period and finds Petitioner shall complete the same reporting and curtailment requirements that were a condition of our Orders in Cause Nos. 43503, 44064, and 44939.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Petitioner, Cleveland-Cliffs Steel Corporation, is approved to participate in PJM's load response program for an additional period of five years through June 2027, subject to the terms set forth below. The Commission's approval shall expire at the end of the five-year term unless Petitioner obtains Commission approval to further extend the term in accordance with this Order. If Petitioner seeks to continue its participation in PJM's load response programs beyond June 2027, then Petitioner shall file its next request for an extension no later than December 31, 2026.

2. During the five-year term, Petitioner shall file a quarterly report within 30 days of the end of each quarter with the Commission and the OUCC, containing the following data for the just-ended quarter: the time and date of each curtailment incurred by Petitioner, the kWh reduction of the curtailment, the monetary charges assessed, and the amount of energy and capacity payments received. If no curtailments occur within a 12-month period, then Petitioner shall file an annual report, due within 30 days of the close of the 12-month period, with the Commission and the OUCC providing the applicable data required for the quarterly reports and the capacity revenues received for the period. To the extent these filings contain information considered to be confidential, Petitioner may seek confidential treatment for such filings in accordance with 170 IAC 1-1.1-4.

3. During the five-year extension, Petitioner shall notify the Commission and the OUCC of any changes in PJM's LRPs that the Federal Energy Regulatory Commission has approved. Upon notice, the Commission may initiate its own review of such changes, or any interested party may petition the Commission to review the changes.

4. A curtailment under the provisions of any Commission-approved retail contract shall take precedence over any curtailment under PJM's LRP.

5. Petitioner shall not receive a credit for the same curtailment under both a retail contract and PJM's LRP.

6. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, KREVDA, AND ZIEGNER CONCUR:

APPROVED: AUG 17 2022

**I hereby certify that the above is a true
and correct copy of the Order as approved.**

**Dana Kosco
Secretary of the Commission**