ORIGINAL

Commissioner	Yes	No	Not Participating
Zay	√		
Deig	√		
Swinger			√
Veleta	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED PETITION OF INDIANA MICHIGAN POWER COMPANY FOR APPROVAL OF AN EXPEDITED GENERATION RESOURCE PLAN, ASSOCIATED ACCOUNTING AND RATEMAKING RELIEF (INCLUDING AUTHORITY TO DEFER COSTS FOR SUBSEQUENT RECOVERY AND TIMELY RECOVERY OF COSTS), A GENERATION RESOURCE SUBMITTAL COMPLIANCE FILING PROCESS, AND PROTECTION OF CONFIDENTIAL INFORMATION FROM PUBLIC DISCLOSURE	)	**CAUSE NO. 46301** **APPROVED: JAN 28 2026**

ORDER OF THE COMMISSION

Presiding Officers:
David E. Veleta, Commissioner
Loraine L. Seyfried, Chief Administrative Law Judge

On September 26, 2025, Indiana Michigan Power Company ("I&M" or "Petitioner") filed its Verified Petition with the Indiana Utility Regulatory Commission ("Commission") requesting approval of an expedited generation resource plan ("EGR Plan") and associated relief. Also on September 26, 2025, I&M filed its prepared testimony and exhibits constituting its case-in-chief, as well as supporting workpapers.[1]

Petitions to intervene were filed by Citizens Action Coalition of Indiana, Inc. ("CAC") on September 26, 2025; the I&M Industrial Group ("IG") on October 1, 2025;[2] Steel Dynamics, Inc. ("SDI") on October 14, 2025; City of Marion, Indiana, Marion Municipal Utilities, and City of Fort Wayne, Indiana (collectively, "Municipal Intervenors") on October 16, 2025; Amazon Data Services, Inc. ("Amazon") on October 17, 2025; and City of South Bend, Indiana on November 3, 2025 (collectively, "Intervenors"). The petitions to intervene were granted by docket entries dated October 6, 10, 23, 24, and 27, 2025 and November 12, 2025, respectively.

On October 3, 2025, the Indiana Office of Utility Consumer Counselor ("OUCC") and CAC filed a request for the Commission to issue a notice of deficiency. Later the same day, I&M filed its response to this request. By docket entry dated October 6, 2025, the Presiding Officers determined that I&M's filing complied with the statutory requirements and did not notify I&M of any deficiency in its petition. Accordingly, I&M's petition was considered complete.

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[1] I&M submitted revisions to its prefiled testimony on October 6, 2025.

[2] As amended on October 27, 2025, the IG consists of: Cleveland-Cliffs Inc., General Motors LLC, Google LLC, Marathon Petroleum Company LP, Metal Technologies Auburn LLC, Messer LLC and University of Notre Dame.

The OUCC and Intervenors prefiled their respective testimony and exhibits on November 7, 2025, and I&M prefiled its rebuttal testimony and exhibits on November 17, 2025.[3]

On December 1, 2025, the parties filed a Joint Notice Regarding Agreement in Principle and Agreed Motion to Modify Procedural Schedule. A virtual attorneys conference was convened on December 3, 2025, at which the Presiding Officers informed the parties that any settlement modifying the proposed EGR Plan would constitute the filing a new EGR plan (i.e., petition) for purposes of Ind. Code § 8-1-7.9-19(d) and revised the procedural schedule to allow for the submission of a settlement.

On December 12, 2025, I&M submitted a settlement agreement ("Settlement Agreement" or "Settlement") on behalf of itself, the OUCC, IG, and Amazon (jointly, "Settling Parties"), which modified the proposed EGR Plan and purported to resolve all issues in this proceeding. I&M, the OUCC, and IG also submitted testimony in support of the Settlement Agreement. The remaining parties, namely the CAC, SDI, and the Municipal Intervenors, indicated that they did not oppose the Settlement, with the Joint Municipals filing a Notice of Non-Opposition to Settlement.

A settlement hearing was held at 9:30 a.m. on January 5, 2026, in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. The Settling Parties and other Intervenors appeared and participated in the hearing by counsel, and the prefiled testimony and exhibits of the parties were admitted into the record without objection.

The Commission, based upon the applicable law and evidence of record, now finds as follows:

1. Notice and Jurisdiction. Notice of the hearing in this Cause was given and published by the Commission as required by law. I&M is a "public utility" within the meaning of that term as used in Ind. Code § 8-1-2-1. I&M is also an "energy utility" as defined in Ind. Code § 8-1-7.9-7. Pursuant to Ind. Code §§ 8-1-7.9-18 and -19, the Commission is authorized to approve, deny, or modify an energy utility's proposed EGR plan. Therefore, the Commission has jurisdiction over I&M and the subject matter of this proceeding.

2. Petitioner's Characteristics. I&M is a wholly-owned subsidiary of American Electric Power Company, Inc. ("AEP") with its principal offices at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M is engaged in, among other things, rendering electric service in Indiana. I&M owns and operates generation, transmission, and distribution plant and equipment within Indiana and Michigan that are in service and used and useful in the furnishing of such electric service to the public.

I&M supplies electric service to approximately 482,000 retail customers in northern and east-central Indiana. I&M's Indiana service area covers approximately 3,200 square miles. In Indiana, I&M provides retail electric service to customers in the following counties: Adams, Allen, Blackford, DeKalb, Delaware, Elkhart, Grant, Hamilton, Henry, Howard, Huntington, Jay,

[3] Corrections to testimony were filed by the IG on November 11, 2025, and by CAC on November 21, 2025.

LaPorte, Madison, Marshall, Miami, Noble, Randolph, St. Joseph, Steuben, Tipton, Wabash, Wells, and Whitley. I&M also serves customers at wholesale.

3. <u>Relief Requested</u>. By its Verified Petition and as amended by the Settlement Agreement, I&M requests Commission approval of its EGR Plan, associated accounting and ratemaking treatment, a generation resource submittal ("GRS") compliance filing process, and the protection of confidential information from public disclosure.

4. <u>Statutory Framework</u>. On May 6, 2025, Indiana Governor Braun signed House Enrolled Act 1007 into law. This law, which is codified at Ind. Code ch. 8-1-7.9, provides for Commission review of an EGR plan and associated cost recovery. Ind. Code § 8-1-7.9-18 sets forth the requirements for a petition for approval of an EGR plan. Ind. Code § 8-1-7.9-19(b) provides that notwithstanding Ind. Code ch. 8-1-8.5 or any other statute, the Commission may approve an energy utility's EGR plan to construct, purchase, lease, or otherwise acquire generation resources under this statute for purposes of meeting the needs of the energy utility's customers. The Commission shall make its decision based on whether the relief requested is just, reasonable, and in the public interest. The Commission may: (1) approve the energy utility's petition in its entirety; (2) deny the energy utility's petition in its entirety; or (3) modify the petition, subject to the energy utility's acceptance of the modification. Ind. Code § 8-1-7.9-19(c). The Commission shall issue a final order on the petition not later than 90 days after receiving the energy utility's complete petition. If the Commission does not issue a final order on the petition within 90 days, the petition is considered approved. Ind. Code § 8-1-7.9-19(d).

Ind. Code § 8-1-7.9-25 provides for cost recovery of "acquisition costs", which is defined in Ind. Code § 8-1-7.9-2 to include the total costs of an acquisition made under an EGR plan, including: (1) planning; (2) construction; and (3) operating costs related to the acquisition. See also, Ind. Code § 8-1-7.9-5 and -12. Ind. Code § 8-1-7.9-17(c) provides that nothing in the statute precludes an energy utility from seeking relief under or in conjunction with other statutes, including Ind. Code ch. 8-1-8.8. Additionally, Ind. Code § 8-1-7.9-26(d) provides that an energy utility may seek financial incentives under Ind. Code § 8-1-8.8-11(a) for an acquisition, as defined in Ind. Code § 8-1-7.9-1, that qualifies as a clean energy project. Ind. Code § 8-1-8.8-11 authorizes the Commission to approve timely recovery of costs during construction and operation of clean energy projects, among other financial incentives.

5. <u>Petitioner's Direct Evidence</u>. David A. Lucas, I&M Vice President – Generation Transformation, Strategy, and Growth, presented the EGR Plan, described how Petitioner's proposal meets the statutory requirements, provided an overview of expected load growth from 2025 through 2031 (including large load customer contracts and commitments), discussed the necessity for an EGR Plan to meet Petitioner's load obligations and to support the state's economic development strategy, and discussed the EGR Plan's alignment with Petitioner's most recent integrated resource plan ("IRP" or "2024 IRP") and the Five Pillars of Indiana energy policy as set forth in Ind. Code § 8-1-2-0.6. Mr. Lucas also discussed the benefits of the EGR Plan.

Timothy B. Gaul, Director – Regulated Infrastructure Development, American Electric Power Service Corporation ("AEPSC"), addressed Petitioner's methods for acquiring new generation resources. He explained how the EGR Plan and associated GRS compliance filing process will support the acquisition of generation resources. He also presented Petitioner's proposed criteria for approval of an acquisition in a GRS compliance filing.

Kayla A. Zellers, AEPSC Director of Resource Planning Strategy, presented Petitioner's load forecast and most recent IRP. She testified regarding the need for generation capacity and explained how the EGR Plan is consistent with or differs from Petitioner's 2024 IRP. She also discussed how the Five Pillars of Indiana energy policy (i.e., reliability, affordability, resiliency, stability, and environmental sustainability) were considered in Petitioner's IRP process.

Edward J. Locigno, I&M Regulatory Manager, addressed the requested accounting authority to support Petitioner's proposed EGR Plan. He also discussed the manner in which the capital costs and operating and maintenance ("O&M") expenses related to EGR Plan resources will be included in Petitioner's revenue requirements. He also supported Petitioner's proposed EGR Rider and the recovery of planning and development costs. He explained how Petitioner's proposed accounting and ratemaking are consistent with the affordability pillar and the provision of affordable service and economical rates. He also testified about protections for existing and future customers that support the implementation of the EGR Plan by virtue of a number of provisions included in Petitioner's recently modified Tariff I.P., under which large load customers will take service. Finally, Mr. Locigno described Petitioner's proposed GRS compliance filing process.

6. **OUCC's Evidence.** Cynthia M. Armstrong, Assistant Director in the OUCC's Electric Division, explained the OUCC's overall position that I&M's proposed EGR Plan does not meet the necessary requirements under Ind. Code § 8-1-7.9-19 for the Commission to grant approval because I&M failed to adequately show that the relief requested is just, reasonable, and in the public interest, and leads to economical rates. She further testified that due to the EGR Plan's lack of detailed information and cost estimates, it does not align with the Five Pillars, particularly the affordability pillar. However, Ms. Armstrong recommended the following modifications if the Commission decides to approve I&M's EGR Plan:

- The first EGR Rider filing should occur after a new cost-of-service study ("COSS") is approved in I&M's next general rate case.
- The EGR Plan's approved generation acquisition capacity should be reduced to remove the 456 megawatt ('MW") unforced capacity ("UCAP") capacity contingency.
- I&M's proposed GRS filing requirements and restraints on the OUCC and intervenors should be rejected.
- With respect to the GRS filings:
    - The OUCC should be provided 30 days to respond to 60-day filings (instead of 25 days as proposed by I&M).
    - Discovery responses and objections should be due five calendar days after receipt for the entire case process.
    - I&M should be required to publicly provide the total best estimate of a project and the estimated residential rate impact associated with the project.

- For Projects involving Engineering, Procurement, and Construction Contracts, Petitioner should be required to: (i) provide the Association for the Advancement of Cost Engineering engineering class estimate level (e.g., Level 1, 2, 3, etc.) for each project; (ii) quantify contingency amounts and risk categories; and (iii) clearly explain any assumed risk premiums such as equipment procurement lead time.
- Petitioner should provide hourly and seasonal net load duration curves with and without new industrial load (data center load) to confirm the claimed 5% load growth threshold is met. For each case, Petitioner should show whether I&M's UCAP remains below, meets, or exceeds its PJM Interconnection LLC ("PJM") load obligation.
- I&M should provide: (i) for every customer at or more than 150 MW included in the load forecast, whether the projected load is based on an executed electric service agreement ("ESA") or a general development forecast, (ii) for every new customer, the actual load profile, and (iii) each customer's annual MW demand and coincident peak contribution.
- Petitioner should provide Request for Proposal ("RFP") bids along with scoring criteria used to evaluate the bids.

Michael D. Eckert, Chief Technical Advisor within the OUCC's Electric Division, testified that the OUCC does not oppose I&M's requested cost recovery under Ind. Code ch. 8-1-7.9 and other accounting treatment and ratemaking authority for the proposed EGR Plan. However, he recommended the Commission:

- provide the OUCC and intervening parties with at least 49 days to review and file testimony on each fuel adjustment clause ("FAC") filing throughout the duration of the EGR Plan's timeframe;
- establish an end date of the plan as of the date all the capacity has been added as a measured cut off period for scope of plan and its associated cost recovery through the rider;
- allow I&M to only defer the total costs approved by the Commission along with appropriate carrying costs, while limiting the deferral to no more than five years after a final order in this Cause;
- increase the OUCC's review time from 25 days to 30 days for each GRS filing;
- allow I&M to only recover gas transmission costs on an energy basis;
- make I&M's proposed depreciation expense subject to changes in future rate cases; and
- require I&M to provide information in its GRS filings Parts III, IV, V, and VI on a project-by-project basis.

The OUCC also submitted the numerous consumer comments it had received regarding this case.

7. Intervenors' Evidence.

A. IG. Michael P. Gorman, Managing Principal with Brubaker & Associates, Inc., testified that Petitioner's EGR Plan suffers from three primary deficiencies that must be addressed to protect customers and ensure reasonable scrutiny as to the prudence and necessity of specific investments. He stated that Petitioner's proposed EGR Plan fails to adequately protect customers, address affordability or consider alternatives to utility driven resource procurement. Mr. Gorman also recommended that Petitioner's EGR Plan be limited to five years, in recognition of the five-year load forecast. Thus, he recommended the EGR Plan end on December 31, 2030, or five years from the latest possible date of the Commission's order in this proceeding.

Mr. Gorman proposed modifications to Petitioner's proposed accounting and ratemaking. With respect to the EGR Rider, Mr. Gorman recommended that the Commission: (1) modify the proposed EGR Rider so that it does not recover dispatchable resource costs other than firm gas delivery cost, (2) ensure a demand allocation and recovery of certain costs to match their status as fixed production costs, and (3) utilize levelized cost recovery to mitigate rate impacts of acquisitions and address the need to maximize the efficient use of Petitioner's system.

Mr. Gorman testified that to the extent any recovery is approved through the proposed EGR Rider, the process proposed by Petitioner to utilize temporary depreciation rates to develop a revenue requirement is reasonable provided they are updated in a timely base rate case. He said a return on construction work in progress ("CWIP") should only be allowed if Petitioner can demonstrate an established financial need. He proposed Petitioner should adjust its weighted average cost of capital ("WACC") due to any change in its accumulated deferred income taxes ("ADIT") balance relative to the capital structure approved in Petitioner's last base rate case.

With respect to the use of the FAC, Mr. Gorman recommended Petitioner allocate and collect the fixed costs of renewable power purchase agreement ("PPAs") and firm natural gas delivery costs based on demand to recognize that these reflect fixed production costs. If this cannot be done in the FAC, he recommended an alternative recovery mechanism be used.

With respect to GRS filings, Mr. Gorman testified that before approval of the EGR Plan, the Commission should correct problems with I&M's proposed GRS filings, specifically by incorporating approval criteria to protect customers, maintain affordability, ensure prudent investment, and preserve proper regulatory oversight by the Commission. Mr. Gorman expressed significant concern that the proposed standards suggested by I&M, particularly as they relate to the Five Pillars and key contract terms, amount to a presumption that any project selected through the EGR plan will satisfy the Five Pillars, and recommended requiring I&M provide more affirmative showings that any proposed acquisitions meet the criteria.

To address these concerns, Mr. Gorman recommended the following eight criteria that must be satisfied in each GRS filing:

- Petitioner must show that the generation resource was selected through a diligent planning process using least cost procurement practices with due consideration of alternatives and optimal timing.

- Petitioner must employ reasonable efforts to mitigate the need for incremental capacity additions, including use of behind-the-fence options, private resources, existing system capacity, and grid enhancing technologies ("GETs").
- Petitioner must follow industry best practices for competitive procurement, including utilization of RFPs with oversight by an independent monitor.
- For any proposed acquisitions at a price more than 10% higher than contemplated in the most recent IRP, the reasonableness must be established by objective market evidence.
- The key terms in the acquisition contract must provide reasonable protection for the interests of existing and future customers.
- The proposed resource acquisition must reasonably conform to the Five Pillar attributes of reliability, affordability, resiliency, stability, and environmental sustainability.
- The resulting rate impact must adhere to the just and reasonable rate standard.
- Any asset acquisition must still be shown to be reasonable, necessary, and prudent.

To address the GRS filing process deficiencies, Mr. Gorman recommended that renewable resource submittals must be conducted on a 60-day procedural schedule and dispatchable resource submittals must be conducted on a 120-day procedural schedule with a formal process including prefiled evidence, expedited discovery, an evidentiary hearing, and post-hearing submissions. As for the prefiling meeting, he recommended Petitioner should notify all parties to the proceeding in addition to the OUCC, provide information bearing on each of the subparts of Ind. Code § 8-1-7.9-20(c) at the meeting, and provide informal discovery on an expedited basis during the 30-day period prior to filing. He stated that Petitioner should also be required to submit affirmative evidence addressing each of the required inclusions under Ind. Code § 8-1-7.9-20(c) and should not be permitted to simply rely on assertions of consistency with the record in the EGR Plan proceeding.

To improve the GRS filings, Mr. Gorman also recommended that the Commission:

- require Petitioner to confirm that it has given due consideration to GETs and other demand reduction opportunities that could mitigate the extent of capacity additions needed;
- moderate I&M's proposed expedited investment decisions to reflect market condition and technology advancements and to keep rate affordability as a priority in planning and investment decisions;
- significantly improve the inclusion of specific data to strengthen regulatory oversight and ensure prudence;
- emphasize the reliance on bridge capacity resources, such as short-term PPAs to provide more flexibility to I&M to invest in the best and most economic long-term resources;
- adopt specific, objective, standards by which to measure the GRS filing's consistency with the EGR Plan;
- subject any GRS filing to evaluation against known and understood regulatory standards;
- reduce the acceptable price threshold from 20% to 10% of the average and median price for comparable, commercially viable resources;

- mandate that for non-RFP acquisitions (bilateral or self-development), Petitioner must present and justify the median price of the comparable market data pool, not just the average;
- require Petitioner to file, under seal, a summary of the methodology and normalization factors used to adjust third-party market data for better support of comparability; and
- require that all EGR resources have firm delivery and firm fuel supply commitments for new dispatchable resources or a set amount of firm capacity for bilateral agreements.

B. **Joint Municipals.** Anthony M. Georgis, Managing Partner of the Energy Practice of NewGen Strategies and Solutions, LLC, testified that the Joint Municipals generally support economic development projects in their respective communities. He agreed that utilities should be free to use their own experience and reasonable judgment to meet the generation capacity needs of their customer load but expressed concerns with I&M's proposed accounting and ratemaking relief, which he said does not adequately protect existing customers from the costs associated with serving new megaload customers. He recommended that the Commission:

- direct I&M to track the costs associated with the new generation and integration separately and not commingle the costs with serving the existing retail customers;
- directly allocate the new generation and interconnection costs to the large load customers in the Tariff I.P. customer class;
- require large load customers to be responsible for any current and long-term stranded costs. If the large load customer cannot meet this financial obligation, then the stranded cost should fall on I&M, not on existing retail customers; and
- direct I&M to have a comprehensive approach to serving the large load customers that shields the existing customers from associated risks, subsidization of the large load customers, and stranded costs.

C. **CAC.** CAC Program Director Benjamin Inskeep addressed the inconsistency of I&M's proposed EGR Plan with Indiana's laws and policies, I&M's proposed EGR Plan ratemaking, including the EGR Rider, and additional consumer protections that he said are reasonable and necessary in the context of the EGR Plan.

Mr. Inskeep recommended the Commission deny approval of I&M's proposed EGR Plan, stating that I&M failed to specify the type and amount of resources included in the EGR Plan as required by Ind. Code § 8-1-7.9-19(c)(8). He also testified that the EGR Plan does not reasonably protect customers and is not consistent with the provision of affordable service and economical rates because the EGR Plan does not adequately protect non-large load customers by allocating at least 80% of resource costs to large load customers, creates unreasonable risk to non-large load customer of rate increase from EGR Plan resources, and the flawed EGR Rider design exacerbates risk and unfairly allocates costs to existing non-large load customers.

Mr. Inskeep also explained why the EGR Plan is not consistent with the Five Pillars, particularly the affordability pillar. He testified that, to the extent the Commission approves I&M's EGR Plan, he recommends that it:

- direct I&M to modify the EGR Plan to remove new natural gas combined cycle units, which were not in I&M's IRP Preferred Portfolio and have not been supported as reasonable or cost-effective;
- modify I&M's cost recovery proposal to require that at least 80% of EGR Plan costs are allocated to the large load customers causing the need for the EGR Plan, or, at a minimum, cost allocation factors used to assign EGR Plan costs across customer classes should use the full contract capacity of large load customers, rather than their forecasted peak load in the following year;
- modify I&M's costs recovery proposal to require the portion of resource costs that exceed I&M's average generation resource costs be direct-assigned to large load customers;
- deny I&M's proposal to use unspecified "market intelligence" when evaluation the pricing consistency of resources in GRS filings;
- modify I&M's proposal to require to the best estimate component of the acquisition, PPA, or capacity purchase agreement ("CPA") is no higher than the median RFP pricing for that specific resource type as determined in I&M's most recent RFP, rather than up to 20% higher than the average RFP pricing;
- deny I&M's request to use forward-looking CWIP;
- modify the EGR Plan to require compliance costs, including any capital and O&M expenditures associated with future environmental regulations of EGR Plan resources, be direct assigned to large load customers;
- direct I&M to apply collateral requirements for large load customers prior to the customer being energized;
- direct I&M to modify its extension of service policy to require all large load customer to pay for 100% of the costs associated with enabling service;
- direct I&M to reduce the proportion of natural gas in the EGR Plan so that it is comprised of a greater proportion of new clean resources like utility-scale wind, solar, battery storage, energy efficiency, demand response, and distributed generation; and
- open a subdocket to evaluate and consider the adoption of additional consumer protections.

CAC witness Anna Sommer, Principal at Energy Futures Group, evaluated the consistency of I&M's EGR Plan with its 2024 IRP and analyzed the potential cost and reliability implications of the EGR Plan. She testified that I&M's IRP Preferred Portfolio will likely have little alignment in terms of cost, capacity type, or timing with capacity that I&M would acquire under its EGR Plan, if approved, due to the very competitive market for both existing and new generator assets during the timeframe of the EGR Plan, the risk of resource adequacy shortfalls in PJM, and the scale of load being added both by I&M and throughout PJM. She said there is a high likelihood of material rate increases for consumers if I&M's EGR Plan is approved without additional consumer protections. She testified that I&M has not demonstrated that its EGR Plan would adequately protect consumers from grid reliability risks caused by large loads due to their size, prevalence, variability of load, and sensitivity to grid disturbances.

Ms. Sommer recommended the Commission reject I&M's proposed EGR Plan but recommended the following if the Commission should approve the EGR Plan:

- design consumer protections with the objective of reducing customer rates;
- open a subdocket to implement consumer protections; and
- require annual or periodic cost-impact reports quantifying incremental capital investment and O&M attributable to large-load service.

Mr. Ted Thomas, Founder of Energize Strategies and former Chairman of the Arkansas Public Service Commission, discussed I&M's proposed GRS compliance filing process, related issues of due process, and notice of change of circumstances to stakeholders. Mr. Thomas recommended that the Commission require prompt notice after approval of the EGR Plan of any material change of circumstances (meaning no more than 10 days after I&M becomes aware of a material change) that impacts how, when, and where large loads will be served. Mr. Thomas also recommended a response time of at least 40 days, rather than I&M's proposed 25 days, to respond to any notice of material change. Additionally, Mr. Thomas recommended that the Commission not approve the part of the compliance process that automatically approves the GRS filing if an order is not issued within a defined period of time because this deprives parties of the right to be heard at a meaningful time in a meaningful manner.

8. I&M's Rebuttal Evidence. Mr. Lucas addressed arguments by the parties that I&M's EGR Plan lacks transparency and sufficient evidence for Commission approval. He testified that the EGR Plan process divides the certificate of public convenience and necessity ("CPCN") process into two steps. The first step is guided by the load forecast, the IRP, and establishment of a process to be used to identify resources and criteria for their approval. The second step reviews each specific resource and associated cost. He emphasized that approval of the EGR Plan does not limit the Commission's ability to assess each GRS filing on its own merits, including the resource-specific cost information and rate impacts.

Mr. Lucas addressed the other parties' arguments that I&M's proposed EGR Plan does not meet the statutory requirements or support the Five Pillars. He explained that I&M's primary goal with the proposed EGR Plan is to provide a process that allows I&M to better compete for the best generation resources available to improve affordability for all customers. He also addressed issues regarding the potential costs of the EGR Plan and concerns that it is inconsistent with I&M's 2024 IRP.

Mr. Lucas also addressed issues and recommendations associated with the structure of the EGR Plan and the GRS filing process. He noted that I&M's proposed EGR Plan includes limitations on both the amount of capacity that can be acquired and the timeframe for applicability. He clarified that the end of the EGR Plan should be May 31, 2031 to align with PJM's capacity planning years.

Mr. Gaul responded to issues raised regarding I&M's proposed approach to acquiring generation resources and the information I&M should include in its GRS filings, including key contract terms and pricing. He testified that Petitioner will present the pricing of any generation resource submitted in a GRS filing relative to a value that is 20% above the mean and median market pricing as well as the price and non-price scoring of the RFPs. Mr. Gaul also explained natural gas supply and transportation procurement processes and stated that I&M would identify in each GRS filing for natural gas resources the proposed natural gas supply and transportation strategy. He also confirmed that I&M will continue to utilize a generation acquisition strategy that balances short- and mid-term resources with long-term resources.

Responding to the other parties' concerns with the EGR Plan's consistency with the 2024 IRP, Ms. Zellers explained how the IRP inputs, assumptions, analysis, and results are a reasonable planning basis. She explained the affordability metrics quantified in the 2024 IRP and how the metrics support the affordability of the EGR Plan. She responded to the parties' positions around the type and amount of capacity and energy resources in the EGR Plan, which she asserted is consistent with both the Preferred Portfolio and all cases modeled in the IRP, and why the EGR Plan should not be reduced due to the IRP modeling including a 5% capacity contingency. She also discussed the additional load forecast information that will be provided in the GRS filings.

Mr. Locigno addressed the positions of other parties that dispatchable resources should not be tracked through the EGR Rider and that deferral authority for the EGR Plan should expire at the end of 2031. He also addressed certain ratemaking issues related to the EGR Rider, including depreciation and asset retirement obligation expenses, changes to the WACC attributable to ADIT, the use of levelized cost recovery, and the treatment of excess energy and capacity. Mr. Locigno responded to the opposition to using CWIP ratemaking and the opposing positions of certain parties regarding the recovery of natural gas fuel costs on the basis of energy versus demand. He also responded to CAC's assertions about power supply costs and recommendations regarding the GRS filing process.

Mr. Locigno explained why I&M's proposed tracking of dispatchable resources through the EGR Rider is reasonable and meets the Commission standards for such cost recovery because they are significant, variable, and largely outside Petitioner's control. He testified that the other parties' recommendations regarding levelized cost recovery and CWIP ratemaking would likely result in higher overall costs for I&M's customers and should be rejected. Regarding the recovery of certain costs based on demand versus energy, Mr. Locigno explained why Petitioner's proposal is reasonable and consistent with prior Commission orders. He also provided clarifications and proposed modifications to the GRS filing process and template.

Andrew J. Williamson, I&M Vice President of Regulatory and Finance, testified about the Commission's Order in Cause No. 46097 and explained how the terms and conditions for large load customers reasonably address many of the parties' concerns related to customer protections, affordability, and cost allocation. He testified that I&M supports future consideration of these matters but asserted that such consideration be done in the appropriate venue at a later time when more information is available, and experience has been gained, related to the adequacy of the current large load customer terms and conditions of service. He provided additional details regarding the rate impact analysis that I&M will provide in future GRS filings and explained how I&M's resource planning and acquisition decisions take into account customer participation in cogeneration, behind the meter installations, and demand response.

Jomar Perez-Ramos, Director of Transmission Planning for AEPSC, responded to the CAC's and IG's criticisms related to the adequacy of I&M's and PJM's studies performed regarding potential new large load interconnections to the transmission system and the utilization of GETs to mitigate the need for capacity. Mr. Perez-Ramos explained that PJM, of which I&M is a member, has responsibility for expansion of the transmission system on a regional basis, while I&M does the same at the local level. He testified that consideration of large load impacts on transmission is an iterative, collaborative process between I&M and PJM to identify the direct interconnection facilities needed and any necessary upgrades to ensure the smooth integration of the load. Regarding the use of GETs, Mr. Perez-Ramos testified that I&M considers technologies, such as dynamic line ratings and advanced conductors, to optimize the transmission planning process. However, he noted that GETs, as generally defined, do not have a significant impact on future capacity additions as proposed by Petitioner in the EGR Plan.

9. **Settlement Agreement.** The Settlement Agreement provides for the Settling Parties' agreement regarding I&M's EGR Plan, which includes modifications to the originally proposed plan, accounting and ratemaking relief, and procedures for resource submittals and confidentiality protections. The other parties to this proceeding do not oppose the Settlement Agreement.

The Settlement Agreement includes the Settling Parties' agreement that I&M's originally proposed EGR Plan should be modified by reducing dispatchable capacity included in the Plan to up to 3,000 MW (if the requested relief in Cause No. 46276 is approved), withdrawing proposals for new natural gas combined cycle units under the Plan, limiting new natural gas combustion turbines to up to 1,650 MW in the Plan, and targeting at least 660 MW via power purchase or capacity agreements of 10 years or less. I&M also commits to securing adequate natural gas supply and transportation for the generation resources. More specifically, for any contracts for natural gas generation resources procured through the EGR Plan, or any PPAs/CPAs for natural gas generation, I&M commits to securing sufficient firm natural gas supply, and natural gas delivery, transportation, and/or storage capacity sufficient to operate the resource at full accredited capacity. To the extent agreement(s) for natural gas supply, delivery, transportation, and/or storage are not executed at the time of the GRS filing, I&M will clearly identify its proposed natural gas supply and transportation strategy for those resources.

Additionally, the Settling Parties agree that the clean energy resource category under the EGR Plan is increased from up to 800 MW to up to 1,500 MW installed capacity ("ICAP"), with a 2026 RFP targeting 500 MW each of solar, wind, and battery storage. If targets are unmet in the 2026 RFP, efforts will be made to backfill in 2026 or through the 2027 RFP with economical clean energy resources meeting eligibility and competitiveness criteria.

I&M also agrees to file a base rate case with a test year ending no later than December 31, 2031, to incorporate assets acquired under the EGR Plan. The Settling Parties further agree that I&M's authority to acquire generation resources under the EGR Plan should expire December 31, 2030, and approved deferral accounting authorizations should end upon new base rate implementation, subject to appropriate treatment for assets not yet in service.

The Settlement Agreement provides that each 120-day GRS filing, including all dispatchable resources and any I&M-owned renewable and storage resources that would otherwise require a Commission order within 120 days under Ind. Code ch. 8-1-7.9, will be addressed in a docketed proceeding, commencing with the filing of a petition, prefiled testimony, and other evidence, with a schedule to provide for discovery by, and testimony from, other parties, and an evidentiary hearing. The Settling Parties agree that this process will be concluded within the applicable statutory time limits, unless otherwise agreed to prior to filing. In addition, I&M will notify the parties participating in this proceeding at least 30 days in advance of GRS filings and will schedule a meeting with them at least 20 days (unless otherwise mutually agreed) prior to the GRS filing to review the details of the GRS filing, subject to appropriate confidentiality protections.

I&M agrees to issue annual all-source RFPs starting in 2026 until resource limits are met or are no longer needed. I&M also agrees to hold pre-issuance stakeholder meetings and to the use of independent monitors to support RFP development, evaluation, and selection processes.

I&M will also provide detailed documentation supporting resource selections in GRS filings, including eligibility evaluations, bid analyses, independent monitor reports, and market comparisons to demonstrate competitive pricing within 15% above the average and median prices from recent RFPs or IRPs. I&M will demonstrate that the capacity of each resource requested for approval, as measured by the then prevailing methodology used by PJM to accredit capacity, does not exceed, or cause I&M to exceed, its forecasted fixed resource requirement planning reserve margin; or otherwise justify the acquisition of any capacity in excess of that requirement. I&M will also demonstrate that the resource requested for approval is needed to satisfy load requirements in each GRS filing. The demonstration will be based on I&M's most up to date forecasted load obligation and resource portfolio.

In addition, non-confidential evidence will be provided to show consistency with the Five Pillars, non-confidential rate impacts on residential, commercial and industrial customer classes, and non-confidential best estimates of the total cost of the resource under review (unless the Commission determines the best estimates are exempt from public disclosure). I&M will also identify any EGR Plan costs that will be recovered on an ongoing basis and the recovery mechanism to be utilized. I&M will also provide an analysis of the rate impact of the proposed resource(s). The rate impact calculation will include the annual revenue requirement associated with the proposed resource(s) as well as the incremental revenues associated with the load addition (need for the resources). Such incremental revenues will include the additional billing units, either actual or forecasted depending on the situation, and I&M's generation-related rates for service as of the date of the Settlement Agreement.

The Settlement Agreement further provides that in any base rate case incorporating generation resources approved through the EGR Plan, I&M commits to provide an analysis of the realized return (which includes the cost to serve the class and the revenues produced by the class) for the Tariff I.P. class, including any large load customers. When producing the analysis, Petitioner will provide the large load customers' revenue, demand, and energy on an aggregate basis separate from that of the Tariff I.P. class as a whole (subject to all appropriate actions to protect confidential information from public disclosure).

The Settling Parties agree that I&M will use levelized cost recovery for PPAs and CPAs and will withdraw its CWIP ratemaking requests. In addition, I&M will use deferral accounting in lieu of rider recovery for the net of: (1) revenues from large load customers to the extent I&M's actual net operating income exceeds its authorized net operating income, and (2) incremental EGR

Plan costs and expenses that are not recovered through riders. Fuel costs and renewable resource costs under PPAs will flow through the FAC. I&M will be authorized to increase its authorized net operating income in the FAC semi-annual earnings test for all applicable EGR Plan resources based on I&M's adjusted WACC, and such authority will continue as long as the deferral authority remains in effect. I&M further agrees that its WACC will be updated in EGR Rider filings based on the end of the forecasted rate period for the following: (1) ADIT balances; (2) other tax-related balances and cost rates included in I&M's approved WACC; (3) long-term debt balance and cost rates; and (4) equity, which will be limited to the Commission-approved equity ratio of investor supplied capital and return on equity approved in I&M's most recent general base rate case. In addition, rate case allocation methodologies will address regulatory assets or liabilities from the EGR Plan.

The Settlement Agreement also provides that I&M will present a study and propose modifications to new large load customer extension of service policy in its next base rate case and, after consultation with the parties to this proceeding, will make a filing proposing revisions to the Tariff I.P. Collateral Requirements section of the Terms and Conditions for customers at or over 70 MW individually, or 150 MW in the aggregate, to establish a deadline by which the collateral requirement must be met and implement approved revisions by July 1, 2026. I&M further agreed to collaborate with the CAC and other interested parties beginning in 2026 to develop a Virtual Power Plant program focused on residential customers, targeting a filing for Commission approval in 2026 but no later than the end of 2027, with a goal of launching the program in 2027.

10. Settlement Supporting Evidence. I&M, the OUCC, and IG presented witnesses in support of the Settlement Agreement. I&M witness Locigno explained the terms of the Settlement Agreement, the negotiation process, and why the Settlement Agreement is reasonable and in the public interest. He noted the Settlement Agreement resolves all pending issues among the Settling Parties through arm's-length negotiations and stated that it reflects a balanced compromise that aligns with the Five Pillars.

With regard to the EGR Plan resource parameters, Mr. Locigno explained the Settling Parties agree I&M's proposed EGR Plan should be modified to reduce the amount for dispatchable resource capacity in the EGR Plan, withdraw proposals for new natural gas combined cycle units under the EGR Plan, increase authority for clean energy resources, and issue RFPs targeting solar, wind, and battery storage, and supporting environmental sustainability goals. He noted that although the Settlement alters the type and amount of resources that can be approved through the EGR Plan, it does not change I&M's required demonstration of need for resources or I&M's ability to pursue approval of resources outside of the EGR Plan.

Mr. Locigno stated that the Settling Parties agree that EGR Plan authority will expire December 31, 2030, with a base rate case to follow that uses a test year concluding no later than December 31, 2031, ensuring EGR Plan costs are incorporated into rates. In addition, he explained that deferral accounting will be used to align revenues and costs, supporting affordability and rate stability. Additionally, in the event circumstances outside I&M's control prevent a resource that was previously approved through the EGR Plan process from being deemed used and useful and in service or otherwise not included in I&M's rates, proper accounting and/or rate making treatment for the asset will be determined in the rate case. He further noted that the Settlement

Agreement calls for levelized cost recovery for PPAs to mitigate immediate rate impacts, the withdrawal of CWIP ratemaking, and provisions to update its WACC annually in EGR Rider filings.

With respect to the GRS filing process, Mr. Locigno explained the Settlement Agreement's detailed procedural requirements for such filings, including evidentiary hearings, intervention rights, prefiling meetings with the OUCC, and confidentiality protections. In addition, he testified that I&M agrees to provide comprehensive documentation supporting project selection and costs in GRS filings, including bid analyses, independent monitor reports, and market comparisons within a 15% price threshold to ensure reasonableness. He also noted the Settlement Agreement's requirement that approval of GRS filings will be contingent upon a finding by the Commission that the rate impact of a resource addition is "just and reasonable" and a finding by the Commission that the acquisition of any asset(s) constitutes a "necessary and prudent" investment.

Mr. Locigno testified that I&M agrees to collaborate with stakeholders to develop a Virtual Power Plant program focused on residential customers, aiming for a filing for Commission approval in 2026 or by the end of 2027, with a goal of launching a program in 2027.

Mr. Locigno testified the Settlement Agreement supports Indiana's Five Pillars—reliability, affordability, resiliency, stability, and environmental sustainability. He testified that the Settlement Agreement supports system reliability, resiliency, and stability by providing I&M the authorizations, accounting, and ratemaking needed to acquire resources under the EGR Plan. He stated the agreed accounting and ratemaking supports rate stability and affordability by using levelized cost recovery for PPAs and CPAs to mitigate immediate rate impacts while also mitigating the deferral of EGR Plan costs, which reduces the compounding of costs in future rates. He also noted the Settlement Agreement reflects I&M's commitment to provide non-confidential, specific evidence in the GRS filings to demonstrate the satisfaction of the Five Pillars.

OUCC witness Armstrong also testified in support of the Settlement Agreement and explained why the OUCC considers the Settlement Agreement to be in the public interest and therefore should be approved. Ms. Armstrong summarized the Settlement Agreement, specifically noting the provisions that addressed the OUCC's initial concerns. She noted I&M agreed to withdraw its request for CWIP ratemaking for the EGR Plan and will instead use deferral accounting in lieu of EGR Rider recovery, that I&M's authority to acquire generation resources under the EGR Plan will expire on December 31, 2030, and that I&M will file a base rate case with a test year ending no later than December 31, 2031, to ensure all EGR Plan assets are included in base rates. She also noted that, with respect to GRS filings, I&M agreed to provide an analysis of the rate impact of proposed resources, to disclose (on a non-confidential basis) the rate impact on residential, commercial, and industrial customer classes, and provide a non-confidential best estimate of the total cost of the resource (unless exempted by the Commission).

With respect to I&M's agreement to withdraw its request for CWIP ratemaking treatment, Ms. Armstrong testified that by foregoing CWIP ratemaking treatment, EGR Plan costs will not be recovered until the implementation of new base rates are approved in the forthcoming rate case. She explained this will allow for completion of a new COSS, use of updated allocation factors that incorporate large load customers, fairer allocation of costs to existing and future customers, and resolution of the OUCC's concern that the EGR Plan would not lead to just, reasonable, and affordable rates.

Ms. Armstrong testified regarding the importance of an expiration date for I&M's EGR acquisition authority and the requirement for I&M to file a base rate case. She noted these provisions are positive from the OUCC's perspective, in terms of transparency and clarity regarding the timeframe of EGR cost accrual and GRS deferrals, by establishing limitations on deferred cost growth, a defined window for resource acquisition, a guarantee that deferred costs will be addressed in a timely manner via a rate case, and the implementation of a COSS that reflects any major changes in I&M's customer base.

Similarly, Ms. Armstrong noted that I&M's commitment to publicly provide rate impacts and best cost estimates in GRS filings will enhance the transparency of the EGR Plan, ensure customers are better informed about bill impacts from EGR resource acquisitions, and promote public accessibility to cost information, where permissible.

IG witness Gorman characterized the Settlement Agreement as a comprehensive resolution of the issues raised in this proceeding. He stated that the terms of the Settlement Agreement provide a reasonable path for I&M to acquire necessary production resources to meet projected system load growth, while incorporating meaningful regulatory oversight and appropriate ratepayer protections. Mr. Gorman testified that the Settlement Agreement addresses three major areas that were previously contested: (1) the scope and content of the EGR Plan; (2) the criteria governing GRS filings; and (3) the ratemaking and cost recovery mechanisms for planned generation assets.

With respect to the EGR Plan, Mr. Gorman noted he had raised concerns about the absence of a defined termination point for resource acquisition, the effectiveness of the RFP process, the lack of consideration for non-capacity alternatives, and the insufficient planning for short-term capacity needs. He stated the Settlement directly resolves these issues by establishing December 31, 2030 as the deadline for acquiring Commission approval of resources under the EGR Plan and requiring that I&M file a rate case with a test year ending no later than December 31, 2031. He stated these provisions will ensure that assets are timely incorporated into rate base and that rates reflect both asset costs and system revenues. In addition, he noted the Settlement Agreement mandates annual all-source RFPs with stakeholder participation and the use of an independent monitor. He also noted the GRS criteria require affirmative consideration of customer generation resources, demand response, and opportunities to partner with customers on asset development. Regarding short-term capacity, he pointed out that the Settlement Agreement commits I&M to secure no less than 660 MW through PPAs or CPAs with terms of 10 years or less.

Concerning the GRS filing process, Mr. Gorman noted he had previously identified deficiencies in procedural structure, undefined standards for Commission approval, lack of evidentiary requirements, and inadequate showings on key factors. He testified that the Settlement addresses these by ensuring that each 120-day GRS filing will be subject to a docketed proceeding with prefiled testimony, discovery, and an evidentiary hearing. Further, he stated that I&M must present specific information in prefiling stakeholder meetings, and discovery will be expedited in both GRS and related FAC proceedings.

Mr. Gorman testified the Settlement Agreement establishes approval standards requiring findings that the rate impact of the resource is just and reasonable, the acquisition is necessary and prudent, and the key contract terms are reasonable. He explained that additional evidentiary showings required under the Settlement Agreement include documentation of resource selection, RFP evaluation results, rate impact data, cost estimates, a proposed cost recovery mechanism, and demonstration of resource need and avoidance of excessive capacity. He stated that other enhancements include updates to load projections, the application of a 15% pricing band around current market values, and a commitment to obtain firm gas capacity to support reliability.

Regarding ratemaking and cost recovery, Mr. Gorman testified he had opposed Petitioner's proposal to track EGR resource costs through the EGR Rider, and instead recommended the use of levelized cost recovery and safeguards for the treatment of excess capacity. He testified that the Settlement Agreement reflects those positions and explained that I&M agrees to withdraw its EGR Rider proposal and instead adopt deferral accounting, consistent with the approach approved in Cause No. 46217. Additionally, he explained that levelized cost recovery will be utilized for PPAs and CPAs and revenues from off-system sales and upstream capacity usage will be credited to customers through I&M's riders.

Mr. Gorman concluded that the Settlement Agreement reasonably addresses the concerns raised in his testimony, with balanced provisions that provide regulatory oversight and protect existing and future ratepayers. He stated the Settlement Agreement reflects consensus among parties with distinct interests, and is uncontested, as non-signatory parties have indicated they do not oppose its approval. Accordingly, Mr. Gorman recommended that the Commission approve the Settlement Agreement.

11. Commission Discussion and Findings. Indiana law governing the EGR process establishes a two-step process for approving resource decisions by an energy utility. First, an energy utility applies for approval of an EGR plan in accordance with Ind. Code §§ 8-1-7.9-18 and -19. Second, if an EGR plan is approved, the energy utility applies for approval of specific generation resources in accordance with the approved EGR plan pursuant to Ind. Code §§ 8-1-7.9-20 and -21. This two-step process is then followed by ratemaking treatment.

This proceeding concerns step one of the EGR process. As discussed further below, we are approving I&M's EGR Plan as modified on rebuttal and by the Settlement Agreement. While this proceeding will establish a ceiling on the capacity that may be acquired under the EGR Plan and certain other requirements for future generation resource acquisitions, we are not approving the acquisition of specific resources or setting rates. Herein, we have considered the issues raised in this proceeding relevant to the scope of step one of the EGR process. The level of capital investment and overall costs of the EGR Plan will be identified as specific resources are brought forward in a GRS filing, which is step two of the overall EGR process. The Commission, OUCC, and any intervenor will have the opportunity to review the cost and other resource-specific information on a resource-by-resource basis as they are identified and filed under step two of the EGR process. Approval of I&M's EGR Plan does not limit the Commission's ability to assess each GRS filing in accordance with the statute.

Additionally, as we are presented with a Settlement Agreement, we note that settlements presented to the Commission are not ordinary contracts between private parties. U.S. Gypsum, Inc. v. Ind. Gas Co., Inc., 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." Id. (quoting Citizens Action Coal. of Ind., Inc. v. PSI Energy, Inc., 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." Citizens Action Coal., 664 N.E.2d at 406.

In addition, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. U.S. Gypsum, 735 N.E.2d at 795 (citing Citizens Action Coal. of Ind., Inc. v. Pub. Serv. Co., 582 N.E.2d 330 (Ind. 1991). The Commission's procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Before the Commission can approve the Settlement Agreement, the Commission must determine whether the evidence in this Cause sufficiently supports a conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2 and that it serves the public interest.

We find the parties have presented substantial evidence from which we can assess the reasonableness of the terms of the Settlement Agreement. Based on the evidence presented, as discussed further below, we find that I&M's proposed EGR Plan as modified on rebuttal and by the Settlement Agreement is just, reasonable, and in the public interest.

A. <u>EGR Plan</u>. An EGR plan is defined in Ind. Code § 8-1-7.9-8 as a plan developed by an energy utility for acquiring generation resources to meet load growth that exceeds the lessor of: (1) 5% of the energy utility's average peak demand over the most recent three calendar years; or (2) 150 MWs. I&M's Verified Petition demonstrated its load growth exceeds this statutory threshold. This demonstration was further supported by I&M witnesses Lucas and Zellers. Mr. Lucas testified that I&M's expected load growth over the next six years will require more than double the amount of generation resources that I&M currently uses to serve its Indiana retail customers. Based on I&M's 2024 IRP, I&M will need to acquire approximately 6,900 MW ICAP between 2025 and 2030. Based on the evidence, the Commission finds the EGR Plan meets the load growth threshold requirements of Ind. Code § 8-1-7.9-8.

B. <u>Statutory Requirements</u>. The requirements for an energy utility's petition for approval of an EGR plan are set forth in Ind. Code § 8-1-7.9-18(c) ("Section 18(c)").

i. <u>EGR Plan Description (Section 18(c)(1))</u>. As described in the Verified Petition, Settlement Agreement, and supporting testimony, I&M's proposed EGR Plan involves the use of the resource acquisition methods described by I&M witness Gaul to acquire up to 3,000 MW ICAP of Dispatchable Resources (if the requested relief in Cause No. 46276 is approved) and up to 1,500 MW ICAP of Clean Energy Resources.[4] The Dispatchable Resources are to consist of up to 1,650 MW of new natural gas combustion turbines and a target of at least

[4] As used in the EGR Plan, "Dispatchable Resources" include new and existing natural gas combustion turbine resources and existing natural gas combined-cycle resources, and "Clean Energy Resources" include new and existing solar, new and existing wind, new battery storage with wind or solar, and stand-alone battery storage.

660 MW via PPAs or CPAs of ten years or less, along with adequate natural gas supply and transportation. I&M has agreed to withdraw proposals for new or newly constructed natural gas combined cycle units from the EGR Plan. The Clean Energy Resources under the EGR Plan are increased from up to 800 MW to up to 1,500 MW ICAP, with a 2026 RFP targeting 500 MW each of solar, wind, and battery storage. If these targets are no met through the 2026 RFP, efforts must be made to backfill in 2026 or in the 2027 RFP with economical Clean Energy Resources meeting eligibility and competitiveness criteria.

We also note that the Settlement Agreement addresses the OUCC's and IG's concerns about a termination date for the EGR Plan. Under the Settlement, I&M's authority to acquire approval of a generation resource under the EGR Plan will expire December 31, 2030.

Accordingly, we find that the Settlement Agreement and evidence of record adequately describes I&M's EGR Plan for acquiring resources to meet anticipated load growth.

ii. <u>Need for Generation Capacity (Section 18(c)(2))</u>. An energy utility that petitions for approval of an EGR plan must demonstrate a need for generation capacity that exceeds the lesser of: (1) 5% of the energy utility's average peak demand over the most recent three calendar years; or (B) 150 MWs. As noted above, I&M witness Lucas elaborated on I&M's unprecedented load growth, stating that I&M's expected load growth over the next six years will require more than double the amount of generation resources that I&M currently uses to serve its Indiana retail customers. I&M witness Zellers presented I&M's average peak demand over the most recent three calendar years (2022-2024). She showed that 5% of the three-year average is 182 MWs. She also showed that the capacity need in 2030 is 4,034 MW, which significantly exceeds both 150 MWs and 182 MWs. The Commission finds I&M has satisfied this statutory requirement.

iii. <u>Load Growth Forecast (Section 18(c)(3))</u>. I&M witness Zellers presented the load forecast from I&M's most recent IRP. This load forecast incorporates the expected load requirements for I&M's customers by year until 2044 and thus includes a minimum of five years from the date of the Verified Petition in this Cause as required by Section 18(c)(3). Ms. Zellers testified that I&M's Indiana peak demand forecast reflects a significant increase in I&M's peak demand starting in 2025 through the remainder of the planning period. She presented the annual peak demand from 2025 to 2030 and said this forecast represents a 99.5% increase in annual peak demand when comparing 2025 to 2030. She added that this annual peak demand includes neither the reserve margin requirements from PJM nor the capacity contingency included in the 2024 IRP. The Commission finds I&M has satisfied this statutory requirement.

iv. <u>Customer Contracts and Commitments (Section 18(c)(4))</u>. Mr. Lucas testified I&M currently has executed ESAs for approximately 3,400 MW of large load commitments in I&M's Indiana service area. He stated that, in addition to the large load customers with executed ESAs, I&M is working with additional customers to develop transmission infrastructure to support their energy needs, conduct studies on potential new projects, and coordinate plans through the PJM process. Based on the status of discussions with potential prospects at the time of filing its case-in-chief, I&M expects additional large load commitments with load ramps starting in the 2028-2030 timeframe. Mr. Lucas testified that based on the executed ESAs and I&M's ongoing conversations with other potential prospects, the load forecast that was used in the IRP analysis is a reasonable planning basis for future generation acquisitions. The Commission finds I&M has satisfied this statutory requirement and that I&M's EGR Plan, as modified on rebuttal and by the Settlement Agreement, is reasonably designed based on this load growth.

v. <u>Consistency with IRP (Section 18(c)(5))</u>. I&M witness Zellers' testified that I&M's proposed EGR Plan is consistent with the 2024 IRP when reviewing the load forecast modeled, the resource costs modeled, and the amount of capacity selected in the IRP Preferred Portfolio but noted it may differ in the type of resources that may be submitted through the EGR process. I&M witness Lucas also addressed arguments by the CAC about the proposed EGR Plan's consistency with the IRP.

Based on the evidence presented, we find that I&M has justified the extent to which the EGR Plan differs from the IRP. Resource alternatives were considered in the IRP planning and associated stakeholder process. Given the recent nature of I&M's 2024 IRP, the Commission finds that it serves as a reasonable basis for I&M's EGR Plan in this proceeding. Finally, the Commission finds the potential differences between the EGR Plan and the IRP are reasonably necessary to allow I&M to acquire the best resources available in the two categories (i.e., Dispatchable and Clean Energy Resources) proposed by I&M and modified in the Settlement. The Commission also notes the idea that a proposed resource acquisition may vary from the IRP Preferred Portfolio is not unique to the EGR process, and we find the existence of differences does not invalidate the usefulness of the IRP as a planning tool. We further note the GRS filing process will allow the Commission to review the resource selection justification, competitiveness against market alternatives, and adherence to EGR Plan criteria for resource approval. Accordingly, the Commission finds I&M has satisfied this statutory provision.

vi. <u>Accounting Authority (Section 18(c)(6))</u>. The proposed accounting authority to support the EGR Plan was set forth in I&M's evidence and in the unopposed Settlement Agreement. The Settlement Agreement provides that I&M will withdraw its request for CWIP ratemaking associated with resources approved through the EGR Plan and will use deferral accounting in lieu of EGR Rider recovery. More specifically, although non-fuel EGR Plan costs will be presented in the EGR Rider docket for purposes of review, those non-fuel EGR Plan costs will not be recovered through any tracking mechanism on an ongoing basis, and instead will be subject to the deferral accounting procedure set forth in the Settlement Agreement. The Settlement Agreement also provides that I&M should receive authority to increase its authorized net operating income in the FAC semi-annual earnings test for all applicable EGR Plan resources based on I&M's adjusted WACC as described in the Settlement Agreement. We find the accounting authority requested by I&M, as modified in the Settlement Agreement, is just, reasonable, and comports with the cost recovery allowed by the statute. Accordingly, the Commission finds the above statutory requirement is satisfied and approves I&M's requested accounting authority consistent with the Settlement Agreement.

vii. <u>Revenue Requirement (Section 18(c)(7))</u>. In its Verified Petition and case-in-chief, I&M provided detailed descriptions of its proposed ratemaking treatment for the EGR Plan resource costs, consisting of timely recovery of both fuel and non-fuel costs via the FAC mechanism and a new EGR Rider. As discussed above, I&M agreed in the Settlement to withdraw its CWIP ratemaking request, use levelized cost recovery for PPAs and CPAs, and use its FAC mechanism to recover EGR Plan fuel and purchased energy costs and renewable PPA costs. I&M also agreed to utilize deferral accounting in lieu of EGR Rider recovery. Further, the Settlement Agreement provides that the allocation methodologies to be determined in the future rate case filing will address regulatory assets or liabilities from the EGR Plan.

The record shows the Settlement Agreement provisions related to accounting and ratemaking for the EGR Plan are reasonable compromises among the parties and balance affordability with the ultimate recovery of the prudent and reasonable costs of providing utility service. The FAC mechanism will allow for timely recovery of fuel costs, while the deferred accounting authority as set forth in the Settlement Agreement will provide I&M the opportunity to recover other EGR Plan costs in subsequent rate cases. The record also shows I&M's proposed treatment of development costs is consistent with the accounting and ratemaking previously approved by the Commission for other resources. Therefore, the Commission finds the Settlement Agreement and record evidence satisfy the statutory requirement to propose the manner of cost recovery.

The Commission further finds I&M's proposed accounting and ratemaking treatment for the EGR Plan, as modified by the Settlement Agreement, is just, reasonable, and in the public interest and should be approved. Deferred accounting preserves the EGR Plan costs for later inclusion in rates (either base rates or a rate adjustment mechanism). Accordingly, we approve the EGR Rider for the limited purposes reflected in the Settlement Agreement and authorize I&M to defer its EGR Plan costs, including development costs as defined by Mr. Locigno, for subsequent recovery. We also conclude that the proposed ratemaking agreed to by the Settling Parties will reasonably align costs and revenues of increased load and customers and will allow I&M an opportunity to timely recover some of its costs of providing electric utility service in a period of tremendous growth. Accordingly, we approve I&M's requested accounting and ratemaking relief as modified by the Settlement Agreement.

In addition, we approve the Settlement Agreement's provision allowing I&M to increase its authorized net operating income for FAC purposes to match EGR Plan capital investments, as this provision is consistent with how the Commission generally treats significant infrastructure investments for FAC earnings test purposes and because not doing so would deprive I&M of an opportunity to earn a reasonable return on its EGR Plan capital investments.

viii. Capacity and Energy in the EGR Plan (Section 18(c)(8)). Section 18(c)(8) requires a utility petitioning for approval of an EGR plan to identify the type and amount of capacity and energy: (A) that is included in the EGR Plan; (B) that does not exceed 75% of the energy utility's peak capacity of the forecast period described in Section 18(c)(3); and (C) with respect to which the energy utility may request expedited approval in the subsequent generation resource submittal. As modified by the Settlement Agreement, I&M's proposed EGR Plan provides for the acquisition of up to 3,000 MW ICAP of Dispatchable Resources and up to 1,500 MW ICAP of Clean Energy Resources.

The record shows that I&M identified the type and amount of capacity and energy in its initially proposed EGR Plan, and the Settlement Agreement modified the type and amount of capacity to be included in the EGR Plan. The record shows that 75% of the peak capacity for the relevant forecast period equates to 4,117 MW ((4420 MW Dispatchable Resources + 1069 MW Clean Energy Resources) x 75%). To determine the amount to include in I&M's proposed EGR Plan, I&M took the total projected acquisition amount by category in the 2024 IRP Preferred Portfolio, subtracted the resources that I&M has submitted to the Commission for approval, and then took 75% of the net remaining installed capacity to be acquired.

For Dispatchable Resources, the 2024 IRP Preferred Portfolio includes 5,290 MW of resource acquisitions from 2025-2030, comprised of 3,600 MW of existing natural gas combined cycle, 1,000 MW of existing natural gas combustion turbine, and 690 MW of new natural gas combustion turbine. The record shows that, after reducing the total 5,290 MW ICAP for the proposed Oregon Clean Energy Center acquisition of 870 MW (in Cause No. 46217), a net amount of 4,420 MW ICAP of dispatchable generation is yet to be acquired. Thus, I&M proposed up to 3,300 MW ICAP be eligible for the EGR Plan, which is approximately 75% of the 4,420 MW. As set forth in the Settlement Agreement, if the Commission approves I&M's requested relief in Cause No. 46276, I&M agrees to reduce the Dispatchable Resources category under the EGR Plan to 3,000 MW.

For the Clean Energy Resources, the 2024 IRP Preferred Portfolio includes 1,643 MW ICAP of resource acquisitions from 2025-2030, comprised of 1,000 MW of wind, 593 MW of solar, and 50 MW of storage. The record shows that after reducing the total 1,643 MW ICAP for the recently approved Wind Purchase Power Agreements of 574 MW (in Cause No. 46238), this leaves a net amount of 1,069 MW ICAP of clean energy generation yet to be acquired. Under the terms of the Settlement Agreement, I&M agrees to increase the Clean Energy Resource category from "up to 800 MW" to "up to 1,500 MW."

The record shows the actual energy generated by resources in the EGR Plan will be dependent on a variety of factors, including but not limited to energy market prices, commodity prices, resources selected, and future environmental regulations. The record also shows that I&M's proposed capacity and energy resources in the EGR Plan as modified by the Settlement do not exceed 75% of I&M's peak capacity over the forecast period described in Section 18(c)(3). The EGR Plan also provides flexibility to allow I&M to select the best projects to meet customers' needs with I&M's decisions subject to Commission approval through the GRS filing process.

The Commission finds that the EGR Plan as modified in the Settlement Agreement sufficiently identifies the type and amount of capacity and energy included in the Plan and meets the requirements of Section 18(c)(8). Accordingly, the Commission finds I&M has satisfied this statutory requirement.

ix. GRS Filing Requirements and Criteria (Section 18(c)(9)). I&M's Verified Petition and the testimony of Mr. Gaul identified the initially-proposed criteria for approval of a GRS filing, including project pricing, PJM status and interconnection agreement, local permitting, consistency with Indiana energy policy, protections for existing and future customers and economical rates, and applicable air permitting. The other parties responded to the initially-proposed criteria and in rebuttal I&M modified its proposed criteria. The Settlement Agreement contains the following additional criteria:

1. Method of Acquisition. The Settlement Agreement calls for the use of annual all-source RFPs beginning in 2026, until the EGR Plan resource limitations are met or additional resources are no longer necessary. For each of these future RFPs, I&M must hold a pre-issuance stakeholder meeting at least 15 days prior to issuance of the RFP. In addition, I&M must utilize an independent monitor that will support the development and administration of the RFP, stakeholder engagement, the eligibility and threshold evaluation, and the review and monitoring of the selection process. The Commission finds this requirement is a reasonable modification to I&M's initially-proposed EGR Plan.

2. Price. The Settlement Agreement provides additional required evidence to be included in the GRS filings supporting project selection and cost. The resource-selection documentation will be comparable to that provided in I&M's CPCN or clean energy resource filings. In addition, I&M agrees to provide an overview of the information in an in-person technical meeting and answer questions. For projects selected from an RFP, this will include an eligibility and threshold evaluation, bid analysis and scoring spreadsheet, and independent monitor report. For projects selected outside of an RFP, I&M will provide the same information from its most recent RFP and additional market information to demonstrate the project cost is within 15% above the average and median prices for those comparable, commercially viable, eligible resources identified in the most recent annual RFP, or, if released after the RFP, the most recent IRP, or demonstrate that other factors, such as a small sample size or insufficient response to the RFP/IRP, limit the value of this comparison. The Commission finds the 15% threshold above the average and median prices for comparable resources reasonably addresses IG witness Gorman's concern to provide greater assurance that the final negotiated price is closer to the lowest reasonable cost, while also allows I&M to recognize the non-price factors that need to be considered in the selection process as described by I&M witness Gaul in rebuttal. Accordingly, the Commission finds the Settlement Agreement's clarification of the evidence to be provided in GRS filings in support of project selection and cost to be reasonable.

3. Natural Gas Supply and Natural Gas Transportation. The Settlement Agreement provides that for any contracts for natural gas generation resources procured through the EGR Plan, or any PPAs/CPAs for natural gas generation, I&M will secure sufficient firm natural gas supply, and natural gas delivery, transportation and/or storage capacity sufficient to operate the resource at full accredited capacity. To the extent agreement(s) for natural gas supply, delivery, transportation and/or storage are not executed at the time of the GRS filing, I&M will clearly identify its proposed natural gas supply and transportation strategy for the resource. We find this provision reasonably addresses concerns raised by IG witness Gorman, while recognizing (as explained in I&M witness Gaul's rebuttal testimony) that I&M seeks to obtain firm transportation and firm fuel supply commitments whenever possible and practical, but the timing of these agreements may not always coincide with the timing of a GRS filing. We further find this provision to be reasonable and supportive of reliability.

4. Key Contract Terms. In rebuttal, I&M witness Gaul explained that Petitioner would provide a narrative summary description of each key term in addition to the entire agreement,

ensuring the Commission and other parties will have the ability to review the contract and determine whether it provides reasonable safeguards. In addition, the Settlement Agreement states that the "key contract terms" identified in Petitioner's Exhibit 4R, Attachment EJL-3R will require a finding that they are reasonable. The Commission finds this requirement is reasonable and should be added to the criteria as discussed by Mr. Gaul.

5. Best Estimate. The Settlement Agreement provides that I&M will: (1) non-confidentially state the rate impact on residential, commercial, and industrial customer classes, and (2) provide a non-confidential best estimate of the total cost of the resource under review, unless the Commission determines the best estimate is exempt from public disclosure. The Commission finds this provision is reasonable, in that it balances the desire for transparency with the legitimate need for confidential treatment of certain pricing information.

6. Five Pillars. I&M witness Locigno clarified in rebuttal that I&M will provide a resource-specific description of how a proposed acquisition will support the Five Pillars. Consistent with that clarification, the Settlement Agreement states that I&M agrees to provide non-confidential specific evidence in GRS filings to demonstrate consistency with the Five Pillars. The Commission finds I&M's rebuttal and the Settlement Agreement on this point to be reasonable and supports transparency of information. The Commission further finds that these requirements should be added to the EGR Plan.

7. Rate Impact. The Settlement Agreement states approval of a GRS filing will be contingent upon a finding that the rate impact of a resource addition is "just and reasonable." Further, in future GRS filings, I&M will provide a rate impact calculation that compares the annual revenue requirement associated with the resource to the estimated incremental revenues associated with the increased Indiana retail load that the resource is needed to serve. We find this provision addresses concerns related to the rate impact associated with EGR Plan resources, by comparing the incremental revenues associated with I&M's load growth with the cost of the resources. Therefore, Commission finds the Settlement Agreement provision, along with I&M's rebuttal proposal, reasonable.

8. Necessary and Prudent. The Settlement Agreement states that approval of a GRS filing will be contingent upon a finding by the Commission that the acquisition of any asset constitutes a "necessary and prudent" investment. In addition, on rebuttal I&M revised the GRS filing template to make clear that the other parties to a GRS filing proceeding may review, analyze, and submit their own views as to a proposed acquisition. The Commission finds these provisions are reasonable.

In sum, the record shows I&M's proposed criteria for approval of a GRS filing as modified on rebuttal and by the Settlement Agreement are similar to those that have been applied by I&M in its RFPs and reflect criteria that are relevant from a procurement perspective. These criteria will facilitate Commission review by demonstrating that the resources I&M brings to the Commission: (1) support the capacity and energy requirements of the EGR Plan, (2) are procured at competitive prices; (3) can reliably begin service when needed; (4) contain key contractual terms that will protect existing and future customers; and (5) will support the provision of safe, reliable, and affordable electric utility service at economical rates. The Commission finds these requirements and criteria for approval of a GRS filing as modified in I&M's rebuttal testimony and by the Settlement Agreement are reasonable and should be adopted.

x. Prefiling Meeting for the EGR Plan (Section 18(c)(10)). I&M witness Lucas testified that I&M conducted prefiling meetings with the OUCC and the Commission on August 14, 2025, and August 15, 2025, respectively, to discuss I&M's EGR Plan. He also stated that, prior to making a GRS filing, I&M will offer to meet with the OUCC to preview the filing, demonstrate compliance, and answer questions. I&M further offered to be available for discussions after a GRS filing is made. We note that the Settlement Agreement also contains requirements for notices and meetings prior to GRS filings, which should help to facilitate understanding and reviewing the filing in the statutorily expedited timeframe. The Commission finds that this statutory requirement is satisfied.

xi. Consideration of Grid Enhancing Technologies (Section 18(c)(11)). Consistent with the United States Department of Energy terminology, I&M's filing considers GETs to mean technologies that maximize electricity transmission across the existing system through a family of technologies that includes sensors, power flow control devices, and analytical tools. Mr. Lucas testified that this definition of GETs includes three types of technologies: (1) dynamic line rating hardware and/or software that updates calculated thermal limits of existing transmission lines in real time; (2) power flow control devices that allow grid operators to reroute power lines as necessary to balance overloaded lines and available corridors within the transmission network; and (3) analytical tools such as sensors, smart meters, and monitoring devices that collect real-time data, helping grid operators make informed decisions and respond quickly to grid changes.

The record shows that the evaluation of GETs is part of AEP's normal process for analyzing projects on the transmission system, but that GETs do not explicitly replace the need for generation, especially given the amount of load I&M is interconnecting to the system. Rather, GETs are used as tools to allow grid operators to optimize the transmission network for power flow around the grid if congestion or outage issues arise. I&M witness Locigno explained that historically, congestion has not been a major issue in the I&M region in PJM and any historical congestion has been resolved through small upgrades. At the I&M distribution level, I&M has implemented Advanced Metering Infrastructure smart meters and continues to implement grid modernization technologies to provide safe and reliable service to customers; however, any demand or energy savings associated with these technologies do not materially impact the generation capacity needed to meet I&M's future load growth. We further note that as part of the Settlement Agreement approved in Cause No. 46097, I&M agreed to conduct a study with input from interested settling parties on GETs prior to I&M's next IRP.

The Commission finds that I&M reasonably considered GETs and has satisfied this statutory requirement.

xii. Supportive of the Five Pillars (Section 18(c)(12)). I&M witness Zellers discussed how the Five Pillars of Indiana energy policy were considered in I&M's IRP process and how the conduct of reasonable least cost planning through the integrated resource planning process protects affordability for existing and future customers and economical rates. Mr. Lucas further explained how I&M's proposed EGR Plan is consistent with the Five Pillars.

The record shows I&M considered each of the Five Pillars in its proposed EGR Plan, as modified on rebuttal and by the unopposed Settlement Agreement as discussed below.

Reliability – I&M has shown that it is in a period of unprecedented load growth and needs to acquire, obtain regulatory approval, and bring online significant amounts of new generation over the next five years. As discussed by I&M witness Zellers, the 2024 IRP, which served as the basis for the EGR Plan, included Portfolio Performance Indicators that evaluated reliability, and the subset of resources included in the EGR Plan support the ongoing reliability of the system. The addition of substantial Dispatchable and Clean Energy Resources is necessary to serve I&M's customers and meet both the capacity and energy needs going forward. Additionally, the EGR Plan will reduce the overall timeline for the acquisition and regulatory approval of generation resources that I&M determines are necessary to continue to provide safe and reliable service to I&M's customers.

Affordability – A more streamlined regulatory process that reduces the overall acquisition and regulatory timeline should assist I&M's competitiveness in attracting the most beneficial resources for I&M and its customers. The ability to move quickly on generation market opportunities is a competitive advantage, and standard regulatory timelines have been presented previously to I&M as a disadvantage in the current market where developers and generation owners have multiple options to consider. Thus, approval of the EGR Plan should allow I&M to be more competitive with market alternatives for generation developers and owners and provide I&M with access to a broader range of projects. In addition, I&M's proposed accounting and ratemaking seeks to align costs with the revenues associated with I&M's growing Indiana retail load driving the need for the EGR Plan.

Resiliency and Stability – I&M's ability to attract generation resources with a higher likelihood of execution and bring them online in a more streamlined manner should increase I&M's ability to have a resilient and stable system. I&M's ability to meet its capacity and energy obligations and coordinate both load and generation resources in a predictable manner will maintain the overall stability of the grid. The EGR Plan supports I&M's ability to meet its PJM capacity commitments and aligns I&M generation plans with load increases during the Plan.

Environmental Sustainability – I&M's proposed EGR Plan as modified by the Settlement includes up to 1,500 MW ICAP of Clean Energy Resources, which is in addition to the 574 MW of Clean Energy Resources recently approved by the Commission in Cause No. 46238. The streamlined regulatory process provided in the EGR Plan should better position I&M to be competitive in identifying and acquiring additional Clean Energy Resources that will further diversify I&M's generation portfolio.

Mr. Gaul's testimony further supported the EGR Plan's consistency with the Five Pillars from a procurement perspective and Mr. Locigno further discussed affordability with respect to I&M's proposed ratemaking.

With respect to reliability, resiliency, and stability, Mr. Gaul explained the EGR Plan calls for procuring dispatchable generation resources that are important to providing a stable base of electricity to support high load factor customers but are in high demand in the current market. Thus, the expedited regulatory approval process will allow I&M to better compete to secure these resources and serve its growing high load factor customer base. The Settlement Agreement provides additional support by laying a clearer pathway for resource approval. The commitments by the Settling Parties will help limit controversy in future proceedings through substantial overview in pre-filing meetings, firm discovery timelines, and a template for resource submittal review. These terms will help ensure that I&M's GRS filings are robust, well-supported, and promote collaboration between the parties to facilitate resource approval, which will allow I&M to procure more efficiently the resources needed to safely and reliably serve the new large load customers.

With respect to affordability, Mr. Gaul explained how the expedited review process supports affordable pricing by improving project cost estimates, reducing risk contingency, and minimizing the need for price adjustment mechanisms. In addition, by being able to move quickly on opportunities in the market for limited generation resources, I&M should also have access to more projects and be more competitive than it would otherwise be under traditional regulatory requirements. This, in addition to the accounting and ratemaking terms agreed to by the Settling Parties that limit the near-term bill impact, supports affordability and ensures that resources are acquired at the lowest cost reasonably possible. Furthermore, the Settlement terms on the EGR Plan criteria regarding the necessity and reasonableness of resources and required evidence in GRS filings help ensure that ratepayers are reasonably protected from excessive costs.

Regarding environmental sustainability, I&M's proposed EGR Plan as modified by the Settlement includes up to 1,500 MW of Clean Energy Resources to support I&M's energy and capacity needs. Mr. Gaul explained that recent changes in tax law have reduced the timeline for securing renewable energy tax credits, driving renewable energy developers to aggressively pursue contracts for projects that are still eligible for tax credits. Because project developers will be seeking buyers with the ability to sign an agreement and move quickly into construction to minimize schedule risks that could impact tax credit viability, the expedited GRS filing process will help I&M compete for these late-stage projects and support a path to commercial operation that will preserve the tax credits.

Accordingly, the Commission finds the EGR Plan as modified on rebuttal and by the Settlement Agreement will support the Five Pillars of reliability, affordability, resiliency, stability, and environmental sustainability.

xiii. <u>Protection of Existing and Future Customers (Section 18(c)(13))</u>. Mr. Lucas testified regarding several customer protections provided in I&M's proposed EGR Plan. First, I&M used the 2024 IRP as the basis for determining the amount and timing of generation resources in the EGR Plan, which ensures that I&M is using the results of extensive modeling that was completed throughout the IRP process to produce the Preferred Portfolio. Second, Mr. Lucas emphasized that I&M utilized Portfolio Performance Indicators in the IRP process that were aligned with Indiana's Five Pillars and balanced reliability, costs, and other factors in determining the Preferred Portfolio. Third, I&M's proposal to limit the EGR Plan to

75% of I&M's expected generation need reduces the risk from any potential changes in future load requirements. Mr. Lucas noted that this proposal, combined with I&M's ESA contractual commitments and large load tariff provisions in Tariff I.P., provides significant protections for I&M's existing and future customers. Fourth, I&M's proposal to utilize pre-established conditions, such as pricing parameters, required PJM and local permit approval, and key contract terms, ensures that the resources I&M proposes will meet requirements that have been established as being in the customers' best interests. And fifth, the more streamlined regulatory process included in the EGR Plan will allow I&M to increase its competitive position and provide access to the most beneficial resources for its customers in an active and more constrained market.

Ms. Zellers also explained that the IRP resource optimization process leads to least cost cases and ultimately a reasonable least cost Preferred Portfolio that appropriately balances the Portfolio Performance Indicators and the Five Pillars. She noted that I&M's proposed EGR Plan is consistent with the 2024 IRP, and that the IRP process reasonably protects existing and future customers and is consistent with the provision of safe, reliable, and affordable electric utility service and economical rates.

In addition, Mr. Locigno explained that I&M's Tariff I.P., as modified to address large loads and approved by the Commission in Cause No. 46097, will apply to the large load customers primarily driving the need for additional capacity and energy. He stated the Commission recognized that the agreed-upon Tariff I.P. modifications support affordability by providing large load customers with access to the tariff under normal business conditions and benefiting all customers as result of increased load. The modifications also provide protections for existing customers to minimize adverse financial impacts in the event of a business disruption that causes large load customers to deviate from their plans.

The unopposed Settlement Agreement provisions discussed previously add further customer protections in areas such as rate impacts and transparency, particularly regarding residential bill impacts and project best costs estimates, while also supporting the acquisition of reliable and cost-effective resources on a timely basis to meet growing customer demands. The EGR Plan provides for an alignment of resource acquisitions and contracted need. It also affords interested stakeholders the opportunity to monitor, and the Commission to oversee, the Plan as it unfolds in the subsequent GRS and EGR Rider proceedings. This alignment is intended to avoid any unnecessary cost creation for all customers receiving service from Petitioner. Accordingly, the Commission finds I&M's EGR Plan as modified on rebuttal and by the Settlement Agreement is reasonably designed to provide protections for existing and future customers and is consistent with this statutory criterion.

xiv. **Supporting Evidence (Section 18(c)(14)).** I&M filed its written verified testimony and exhibits on September 26, 2025, and included an index to the filing with the Verified Petition in this Cause. The Commission finds that I&M has satisfied this statutory requirement.

xv. **Proposed Order (Section 18(c)(15)).** I&M's proposed order was included with the Verified Petition filed September 26, 2025, and was updated on November 25,

2025. An updated proposed order reflecting the Settlement Agreement was filed on December 19, 2025. The Commission finds I&M has satisfied this statutory requirement.

C. <u>EGR Plan Conclusion</u>. Ind. Code § 8-1-7.9-19(b) provides the Commission shall make its decision based on whether the relief requested is just, reasonable, and in the public interest. As discussed above, in reaching our decision, the Commission has considered the required statutory showings by I&M, including whether I&M's proposed EGR Plan supports the Five Pillars and protects existing and future customers. Based on the evidence presented, we find that I&M's EGR Plan, as modified on rebuttal and by the Settlement Agreement, provides I&M with the opportunity to timely meet the growing generation needs of its customers through an expedited regulatory process while maintaining adequate Commission oversight, allowing input from stakeholders, and providing transparency to the public.

As noted above, the OUCC and other intervenors expressed concerns regarding the procedural structure, standards for Commission approval, and evidentiary requirements related to the GRS filing process. The unopposed Settlement reasonably addresses these concerns and imposes additional contingencies in the EGR Plan criteria concerning the approval of resource submittals, namely the requirement that a resource's rate impact is "just and reasonable" and that any investment is "necessary and prudent." These terms emphasize the Commission's discretion in the approval of resources and reserves the rights of intervening parties to challenge approval of these resources. We find that these terms, as well as those related to annual all-source RFPs and evidence supporting project selection, are reasonable and the GRS filing process, as discussed further below, will allow the Commission and other interested parties to effectively and expeditiously evaluate the resource selection justification, competitiveness against market alternatives, and adherence to EGR Plan criteria for resource approval.

I&M's withdrawal of its request for CWIP ratemaking through the EGR Rider and the Settling Parties' agreement that I&M will instead utilize deferral accounting and levelized recovery for PPAs and CPAs will reduce the near-term bill impact to customers. The Settlement Agreement provides that costs associated with EGR Plan resources and the related allocation of those costs will be deferred and addressed comprehensively in a future base rate case, while allowing I&M the opportunity to timely recover its fuel costs during this period of significant load growth. Further, limiting the use of the EGR Rider will allow EGR Plan costs incurred to be presented for review while limiting controversy in subsequent proceedings. The proposed ratemaking methodology agreed to by the Settling Parties will also reasonably align costs and revenues associated with the increased load, and the provision to adjust I&M's authorized net operating income for earnings test purposes in the FAC is consistent with how the Commission has historically treated major infrastructure investments between rate cases.

Additionally, the commitments made by I&M in the Settlement Agreement to provide specific evidence demonstrating a resource selection's consistency with the Five Pillars, the non-confidential rate impacts to customer classes, and the necessity of particular resources bolster the transparency of the two-step EGR process. It also helps to ensure that the Commission and other stakeholders can, to the extent possible under the statutorily expedited timeframe, reasonably evaluate resource selections as part of the EGR Plan.

Accordingly, we find the EGR Plan, as modified on rebuttal and by the Settlement Agreement, is reasonable, just, and in the public interest.

D. <u>GRS Filing Process</u>. Under Ind. Code § 8-1-7.9-20(b), an energy utility may submit a GRS to the Commission for approval of an acquisition that the energy utility intends to make in accordance with an approved EGR plan. Notwithstanding Ind. Code ch. 8-1-8.5 or any other statute, the Commission may approve an energy utility's GRS to construct, purchase, lease, or otherwise acquire generation resources under Ind. Code ch. 8-1-7.9 for purposes of meeting the needs of the energy utility's customers. Ind. Code § 8-1-7.9-21(b). The Commission will make its decision based solely on whether the submittal meets the criteria and requirements set forth in the energy utility's approved EGR plan. *Id.*

After reviewing the GRS, the Commission may approve, deny, or modify the energy utility's GRS. Ind. Code § 8-1-7.9-21(c). However, if the Commission modifies the GRS, then it is subject to the energy utility's acceptance of the modification. *Id.* Depending on the nature of the GRS filing, the Commission is required to issue a final order on the energy utility's GRS not later than 60 days or 120 days, as applicable, after receiving the energy utility's complete GRS. Ind. Code § 8-1-7.9-21(d). A GRS is considered approved if the Commission does not issue a final order on the GRS within the period set forth in Ind. Code § 8-1-7.9-21(d).

I&M asks the Commission to approve I&M's proposed process for the GRS filings, as modified on rebuttal and by the Settlement Agreement. I&M's initially proposed process was supported by I&M witnesses Lucas and Locigno and included a proposed GRS filing template to organize and facilitate review of the GRS filings. I&M clarified its proposals in its rebuttal filing and the process was further modified in the unopposed Settlement Agreement to address various concerns of the parties.

The Commission finds the proposed GRS filing process, as modified on rebuttal and by the Settlement Agreement, including the GRS filing template and the standard procedural schedules that are attached to this Order, is reasonably designed to facilitate the timely review of I&M's GRS filings under the EGR Plan and in accordance with the governing statute. Therefore, the Commission approves I&M's GRS filing process, including the proposed procedural schedules and associated terms, as modified on rebuttal and by the Settlement Agreement. I&M is directed to submit its GRS filings as a subdocket to this Cause with the designated extension: Cause No. 46301 GRS X.

E. <u>Reporting and Other Matters</u>. Ind. Code § 8-1-7.9-26(g) provides that the Commission may require an energy utility to file progress reports and updates regarding an acquisition under Ind. Code ch. 8-1-7.9. Any required progress reports or updates are to be made in a form and at a frequency that the Commission determines to be reasonable. The Commission finds the GRS filing process contemplated by the Settlement Agreement is reasonably designed to update the Commission on I&M's implementation of the EGR Plan.

12. <u>Effect of Settlement Agreement</u>. The parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in Richmond Power & Light, Cause No. 40434, (IURC March 19, 1997).

13. Confidential Information. In its Verified Petition, I&M requested the Commission enter a protective order that will apply to certain trade secret information ("Confidential Information") that will be submitted in this case as well as in subsequent GRS filings. I&M asserted that because the Confidential Information is expected to be of the same nature across all these submissions, entry of a protective order in this proceeding that will also apply prospectively will further administrative efficiency because it will avoid the need to file repeated motions for a protective order and associated affidavits to protect the same kind of information. I&M proposed that to the extent a subsequent submission includes information of a different kind, it would file a motion for protective treatment to address such information.

In support of this request, I&M filed motions on September 26, 2025, and November 20, 2025, seeking a determination that designated Confidential Information be exempt from public disclosure under Ind. Code § 8-1-2-29 and Ind. Code ch. 5-14-3. The Confidential Information included IRP pricing criterion and other related confidential IRP information; resource acquisition costs and pricing; resource acquisition contracts; key contract terms; economic analyses, information and/or cost comparisons of resource options; competitive bidding, independent monitor reports, and pricing related results and analysis; expected resource operational characteristics; fuel supply pricing and commercial terms; and details of large load customer contracts and commitments and other competitively sensitive customer-specific information. These motions were supported by affidavits showing the Confidential Information to be admitted into evidence contains trade secret information as defined by Ind. Code § 24-2-3-2 and within the scope of Ind. Code § 5-14-3-4(a)(4). On October 2, 2025, and on November 20, 2025, the Commission issued docket entries wherein the Presiding Officers found such information confidential on a preliminary basis and granted I&M's motions. Subsequent to the docket entries, Petitioner submitted the designated Confidential Information.

After reviewing the Confidential Information, we find all such information qualifies as confidential trade secret information pursuant to Ind. Code § 5-14-3-4 and Ind. Code § 8-1-2-29. This information has independent economic value from not being generally known or readily ascertainable by proper means. I&M showed it takes reasonable steps to maintain the secrecy of the information, and disclosure of such information would cause harm to I&M and its customers. Therefore, we find that this information should be exempted from the public access requirements contained in Ind. Code ch. 5-14-3, Ind. Code § 8-1-2-29 and Ind. Code § 8-1-7.9-26(a) and held confidential and protected from public disclosure by the Commission. The Commission further finds that to the extent this type of Confidential Information is contained within subsequent GRS filings related to I&M's EGR Plan, it will be exempt from public disclosure as proposed by I&M.

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

1. The Settlement Agreement, and the EGR Plan as modified on rebuttal and by the Settlement Agreement, are approved. Any EGR Plan criteria or requirements contained within the rebuttal or Settlement Agreement will be considered in accordance with Ind. Code § 8-1-7.9-21.

2. I&M's proposed accounting and ratemaking, as modified by the Settlement Agreement, is approved.

3. The proposed GRS filing process and template, as modified on rebuttal and by the Settlement Agreement, are approved.

4. I&M's request for a protective order is approved. The Confidential Information filed in this Cause pursuant to a preliminary finding of confidentiality and the same type of information to be filed in subsequent GRS filings is determined to be confidential trade secret information and shall continue to be treated by the Commission as confidential and not subject to public disclosure.

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

ZAY, DEIG, VELETA, AND ZIEGNER CONCUR; SWINGER NOT PARTICIPATING:

APPROVED: JAN 28 2026

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

Dana Kosco

Digitally signed by Dana Kosco
Date: 2026.01.28 10:31:42 -05'00'

Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED PETITION OF INDIANA MICHIGAN POWER COMPANY FOR APPROVAL OF AN EXPEDITED GENERATION RESOURCE PLAN, ASSOCIATED ACCOUNTING AND RATEMAKING RELIEF (INCLUDING AUTHORITY TO DEFER COSTS FOR SUBSEQUENT RECOVERY AND TIMELY RECOVERY OF COSTS), A GENERATION RESOURCE SUBMITTAL COMPLIANCE FILING PROCESS, AND PROTECTION OF CONFIDENTIAL INFORMATION FROM PUBLIC DISCLOSURE	**))))))))))**	**CAUSE NO. 46301**

STIPULATION AND SETTLEMENT AGREEMENT

Indiana Michigan Power Company ("I&M" or "Company"), the Indiana Office of Utility Consumer Counselor ("OUCC"), Intervenor I&M Industrial Group, and Intervenor Amazon Data Services, Inc. ("Amazon"), (collectively the "Settling Parties" and individually "Settling Party"), solely for purposes of compromise and settlement and having been duly advised by their respective staff, experts and counsel, stipulate and agree the terms and conditions set forth below represent a fair, just and reasonable resolution of the matters set forth below, subject to their incorporation by the Indiana Utility Regulatory Commission ("IURC" or "Commission") into a final, non-appealable order ("Final Order")[1] without modification or further condition that may be unacceptable to any Settling Party. If the Commission does not approve this Stipulation and Settlement Agreement ("Settlement Agreement"), in its entirety, the entire Settlement Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Settling Parties.[2]

I. TERMS AND CONDITIONS.

The Settling Parties agree as follows:

A. EGR Plan Approval. I&M's Expedited Generation Resource ("EGR") Plan will be approved, as modified by this agreement.

[1] "Final Order" as used herein means an order issued by the Commission as to which no person has filed a Notice of Appeal within the thirty-day period after the date of the Commission order.
[2] The remaining parties to this proceeding, namely Intervenors Citizens Action Coalition of Indiana, Inc., City of Fort Wayne, City of Marion, Marion Municipal Utilities, City of South Bend, and Steel Dynamics, Inc. do not oppose the Settlement Agreement.

B. EGR Plan Resource Limitations.

1. If the Commission approves I&M's requested relief in Cause No. 46276, I&M agrees to reduce the Dispatchable category under the EGR Plan to 3,000 MW.

2. I&M will withdraw its proposal allowing it to build, or acquire newly constructed, natural gas combined cycle ("NGCC") units to be added to its resource portfolio through the EGR Plan; provided that the CPCN for any NGCC units to be built by, or newly constructed NGCC units to be acquired by, I&M to meet the level of expected load growth for which the Plan was designed, will be sought pursuant to Indiana Code ch. 8-1-8.5.

3. The Company agrees to limit the amount of newly-constructed, owned natural gas combustion turbine resources pursued through the EGR Plan and Generation Resource Submittal ("GRS") process to 1,650 MW.

4. The Company agrees to target no less than 660 MW utilizing power purchase agreements ("PPA") or capacity purchase agreements ("CPA") with terms 10 years or shorter.

5. For any contracts for natural gas generation resources procured through the EGR Plan, or any PPAs/capacity agreements for natural gas generation, the Company commits to securing sufficient firm natural gas supply, and natural gas delivery, transportation and/or storage capacity sufficient to operate the resource at full accredited capacity. To the extent agreement(s) for natural gas supply, delivery, transportation and/or storage are not executed at the time of the GRS Filing, the Company will clearly identify its proposed natural gas supply and transportation strategy for the resource.

C. Clean Energy Resources. I&M will agree to increase the Clean Energy Resource category from "up to 800 MW" to "up to 1,500 MW" (ICAP) and issue an RFP during 2026 to target 500 MW of solar, 500 MW of wind, and 500 MW of battery storage under the EGR Plan. To the extent the 2026 RFP does not produce these targets, I&M will use reasonable efforts to backfill with any economical Clean Energy Resource to reach the 1,500 MW (ICAP) total either in 2026 or with the subsequent RFP in 2027. Such resources will need to meet the eligibility and threshold requirements and be competitive relative to other resource alternatives based on the price and non-price RFP scoring criteria.

D. <u>EGR Plan Period</u>.

1. The Company commits to file a base rate case with a test year concluding no later than December 31, 2031, so as to bring into base rates all assets acquired pursuant to the EGR Plan.

2. The Company's authority to acquire approvals for generation resources under the EGR Plan will expire on December 31, 2030.

3. The approved deferral accounting related to the EGR Plan will expire upon the implementation of the new base rates approved in the rate case required by subsection D.1 above, provided that in the event circumstances outside I&M's control prevent a previously approved resource from being deemed used and useful and in service as of that date or otherwise not included in I&M's rates, proper accounting and/or rate making treatment for the asset will be determined in that case.

E. <u>Additional EGR Plan Criteria</u>.

1. The approved EGR Plan will include specific criteria stating that:

   (a) Approval of GRS Filings will be contingent upon a finding that the rate impact of a resource addition is "just and reasonable."

   (b) Approval of GRS Filings will be contingent upon a finding by the Commission that the acquisition of any asset(s) constitutes a "necessary and prudent" investment.

   (c) That "key contract terms" identified in Attachment EJL-3R will require a finding that they are reasonable.

2. The approved EGR Plan will:

   (a) Require that each 120-day GRS Filing, including all Dispatchable Resources and any Company owned Renewable and Storage Resources that would otherwise require a Commission order within 120 days under Ind. Code ch. 8-1-7.9, will be addressed in a docketed proceeding, commencing with the filing of a petition and filing of pre-filed testimony and other evidence, with a schedule to provide for discovery by, and testimony from, other parties, and an evidentiary hearing.

   (b) Reflect the agreement of the Settling Parties that the process outlined above will be concluded within the applicable statutory time limits, unless otherwise agreed to prior to the filing.

   (c) Provide that filings will be made in a subdocket to this case, unless otherwise directed by the Commission.

(d) Ensure the proceeding will allow for intervention by parties which shall be decided by the Commission.

(e) Allow I&M to request that the Commission control the scope of any GRS Filing consistent with the statute.

(f) Preserve I&M's right to challenge the intervention of any party, seek to dismiss parties who fail to adhere to the scope of the proceeding as established by the Commission, ask that testimony be stricken, and otherwise protect its procedural rights, decisions regarding such decisions will remain solely with the Commission.

(g) Require that I&M meet with the OUCC at least 30 days prior to each GRS Filing and provide an overview during that meeting of the upcoming GRS Filing, including the best estimate and estimated rate and bill impacts; and require that I&M provide notification to parties from this EGR Plan proceeding at least 30 days prior to each GRS Filing of I&M's intent to file, and schedule a meeting with parties from this EGR Plan proceeding at least 20 days (unless otherwise mutually agreed) prior to the GRS Filing to review the details of the GRS Filing, subject to appropriate confidentiality protections.

(h) In pre-filing meetings with the OUCC, or parties from this EGR Plan proceeding, the Company will provide a substantive overview of the filing, including a review of expected evidence, which for 60-day filings would include a presentation of the draft affidavits. Nothing herein precludes additional informal discussions or technical meetings among the OUCC and the Company prior to the filing.

F. Annual All-Source RFPs.

1. I&M agrees to issue an all-source RFP annually beginning in 2026, until the EGR Plan resource limitations are met or additional resources are no longer necessary.

2. For each of these future RFPs, the Company will hold a pre-issuance stakeholder meeting at least 15 days prior to issuance of the RFP.

3. For each of these future RFPs, I&M will utilize an independent monitor that will support the development and administration of the RFP, stakeholder engagement, the eligibility and threshold evaluation, and review and monitoring of the selection process.

G. <u>Evidence Supporting Basis for Project Selection and Cost</u>.

1. The Company will provide documentation supporting the selection of the resources filed in the GRS Filings. This resource-selection documentation will be comparable to that provided in the Company's Certificate of Public Convenience and Necessity or Clean Energy Resource filings. In addition, the Company will present a Summary Overview of the information in an in-person technical meeting to help orient participants to the documentation and answer questions.

2. For projects selected from an RFP, this will include:

   (a) Eligibility and Threshold (E&T) evaluation – A table of all projects submitted into the RFP with respect to whether the proposal met the E&T criteria. This analysis is prepared by the Independent Monitor and identifies which projects meet minimum criteria for consideration in the evaluation.

   (b) Bid Analysis and Scoring Spreadsheet – A spreadsheet compiling all of the price and non-price factors and scores for every eligible bid. Includes separate sheets presenting the variables considered and scores for each of the non-price factors. Also includes charts depicting the rank of each project by resource type and total score.

   (c) Independent Monitor Report – A report prepared by the independent monitor reporting on the RFP process, price and non-price criteria, scoring rubric, any changes that occurred during the process, and the results of the selection.

3. For projects selected outside of an RFP, the Company will provide:

   (a) The information listed under subsection G.2 above from the most recent RFP.

   (b) Additional market information presenting comparable bids or sales, as necessary, to support that the project is "within the range of current market competitive pricing." I&M will demonstrate that the project cost is within 15% above the average and median prices for those comparable, commercially viable, eligible resources[3] identified in the most recent annual RFP, or, if released after the RFP, the most recent IRP, or demonstrate that other factors, such as

[3] Includes projects that have passed the eligibility and screening criteria, price and non-price evaluation, and are considered to be viable projects that meet the Company's RFP requirements.

a small sample size or insufficient response to the RFP/IRP, limit the value of this comparison.

H. Additional Evidence in GRS Filings.

1. I&M agrees to provide non-confidential specific evidence to demonstrate consistency with the Indiana Five Pillars.

2. I&M will (1) non-confidentially state the rate impact on Residential, Commercial, and Industrial customer classes, and (2) provide a non-confidential best estimate of the total cost of the resource under review, unless the Commission makes a determination that the best estimate is exempt from public disclosure. This does not preclude other parties from challenging I&M's designation of confidentiality.

3. Clearly identify any EGR Plan costs which will be recovered by the Company on an ongoing basis and the recovery mechanism to be utilized.

4. I&M agrees to provide an analysis of the rate impact of the proposed resource. The rate impact calculation will include the annual revenue requirement associated with the proposed resource(s); as well as the incremental revenues associated with the load addition (need for the resources). Such incremental revenues will include the additional billing units, either actual or forecasted depending on the situation in question and the Company's generation-related rates for service as of the date of this settlement agreement.

5. I&M will demonstrate that the capacity of each resource requested for approval, as measured by the then prevailing methodology used by PJM to accredit capacity, does not exceed, or cause I&M to exceed, its forecasted FRR planning reserve margin; or otherwise justify the acquisition of any capacity in excess of that requirement.

6. I&M will demonstrate that the resource requested for approval is needed to satisfy load requirements in each GRS Filing. The demonstration will be based on I&M's most up to date forecasted load obligation and resource portfolio. This will utilize the most recent information available related to the following:

   (a) I&M's future PJM load obligation, including current executed Letters of Agreement and/or Electric Service Agreements;

   (b) Customer generation resources under tariff or contract;

   (c) Efforts taken by I&M to evaluate opportunities for customer generation, increased demand response, and partnership arrangements with customers to develop assets independent of the EGR Plan;

(d) Accredited capacity associated with generation resources approved or pending approval;

(e) Short-term capacity agreements; and

(f) The accredited amount of demand response under tariff or contract.

7. Nothing in this agreement limits a party's ability to challenge any aspect of the Company's GRS Filings.

I. GRS Filing and FAC Schedules.

1. I&M agrees to modify the preset discovery timeline in the GRS Filings to 5 business days.

2. I&M agrees to extend the time to review the FAC filings by two weeks, from 35 days to 49 days.

J. Affordability and Rate Impacts.

1. I&M will utilize levelized cost recovery for PPAs and CPAs to mitigate immediate rate impacts.

2. I&M withdraws its request for CWIP ratemaking associated with resources approved through the EGR Plan.

3. I&M will utilize deferral accounting in lieu of EGR Rider recovery. Specifically, I&M will use deferral accounting to record the net of the following:

(a) Revenues from Large Load Customers. The net revenues subject to deferral will be limited to the amount by which I&M's actual net operating income ("NOI") exceeds its authorized NOI according to its FAC earnings test calculations.

(b) Incremental EGR Plan costs and expenses associated with EGR Plan resources including depreciation, FERC acquisition adjustment amortization, property tax, consumables, development costs, operations & maintenance, pre-tax carrying costs on capital investment, and power purchase agreements or capacity purchase agreements that are not recovered through existing rider mechanisms.

4. To the extent EGR Plan costs are incurred prior to the conclusion of the Oregon deferral mechanism approved in Cause No. 46217, such EGR Plan

costs will be deferred in conjunction with Oregon costs and included in the final net regulatory asset or liability balance and ratemaking procedure as set forth in section I.A.7 of the settlement approved in Cause No. 46217.

5. For the avoidance of any doubt:

   (a) EGR Plan costs for Renewable Resources acquired through a PPA will flow through the FAC.

   (b) Although non-fuel EGR Plan costs will be presented in the EGR Rider docket for purposes of review, those non-fuel EGR Plan costs will not be recovered through any tracking mechanism on an ongoing basis, instead being subject to the deferral accounting procedure described above.

   (c) Fuel costs associated with a Dispatchable Resource PPA or acquired/constructed Dispatchable Resources will flow through the FAC.

   (d) Any revenues derived from off system sales or utilization of upstream pipeline transportation and storage capacity will be flowed through on an ongoing basis through the Company's OSS/PJM or FAC riders, as applicable.

6. I&M's authority to adjust its authorized NOI in its FAC proceedings provided pursuant to this Settlement Agreement will terminate contemporaneously with the expiration of deferral authority as set forth in subsection D.3 above.

7. The Settling Parties agree that the allocation methodology approved by the Commission in the base rate case required by subsection D.1 above will be utilized to address the recovery/credit of any regulatory asset/liability created pursuant to this Settlement Agreement not otherwise previously addressed by the Commission in a base rate case (*e.g.*, the regulatory asset/liability addressed pursuant to subsection J.4 above).

8. The Settling Parties agree that in the base rate case required by subsection D.1 above, all parties reserve their right to challenge the total amount of any regulatory asset or liability, the proper class cost allocation methodology, and whether carrying charges or other return should be approved for any regulatory asset or liability.

9. In any base rates case incorporating generation resources approved through the EGR Plan, including any filing required by subsection D.1, the Company commits to provide an analysis of the realized return (which includes the cost to serve the class and the revenues produced by the class)

for the IP Class, including any large load customers. When producing the analysis, the Company will provide large load customers' revenue, demand, and energy on an aggregate basis separate from that of the IP Class as a whole. This paragraph is subject to all appropriate actions to protect customer specific, confidential or trade-secret information from public disclosure.

10. Nothing in this Settlement Agreement shall be construed to limit the rights of the Settling Parties to put forward and advocate for any class cost of service study and resulting allocations.

11. I&M will receive authority to increase its authorized NOI in the FAC semi-annual earnings test for all applicable EGR Plan Resources based on I&M's adjusted weighted average cost of capital ("WACC") as described in Section K below.

12. In I&M's next rate case the Company will present a study and proposed modification to its extension of service policy related to new large load customers.

13. By July 1, 2026, I&M will revise the Collateral Requirements section of the Terms and Conditions for Customer at or Over 70 MW Individually or 150 MW in the Aggregate under Tariff I.P. to establish a deadline by which collateral requirements must be met. I&M will consult with parties to this EGR Plan filing before filing the proposed revisions.

K. Updates to WACC. In each EGR Rider filing, I&M will update its WACC based on the end of the forecasted rate period for the following:

1. Accumulated deferred income tax ("ADFIT") balances,

2. Other tax-related balances (ex. accumulated deferred investment tax credits) and cost rates included in I&M's IURC-approved WACC,

3. Long-term debt balance and cost rates, and

4. Equity will be limited to the IURC approved equity ratio of investor supplied capital and ROE approved in I&M's most recent general base rate case.

L. VPP Program. I&M shall work with Citizens Action Coalition and other interested parties in this case, beginning in 2026, to develop a Virtual Power Plant ("VPP") program, with a particular focus on residential customers. I&M will use best efforts to file a VPP program for Commission approval in 2026, but no later than December 31, 2027, with the goal of launching the VPP program in 2027. In the VPP program design, I&M will evaluate and propose a customer incentive program that would be subject to Commission approval.

II. PRESENTATION OF THE SETTLEMENT AGREEMENT TO THE COMMISSION.

A. The Settling Parties shall support this Settlement Agreement before the Commission and request that the Commission expeditiously accept and approve the Settlement Agreement.

B. The Settling Parties may file testimony specifically supporting the Settlement Agreement. The Settling Parties agree to provide each other with an opportunity to review drafts of testimony supporting the Settlement Agreement and to consider the input of the other Settling Parties. Such evidence, together with the direct and rebuttal evidence previously prefiled in this Cause will be offered into evidence without objection and the Settling Parties hereby waive cross-examination of each other's witnesses. The Settling Parties propose to submit this Settlement Agreement and related evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or condition(s) unacceptable to any Settling Party, the Settlement and supporting evidence shall be withdrawn, and the Commission will continue to hear this Cause with the proceedings resuming at the point they were suspended by the filing of this Settlement Agreement.

C. A Commission Order approving this Settlement Agreement shall be effective immediately, and the agreements contained herein shall be unconditional, effective and binding on all Settling Parties as an Order of the Commission.

III. EFFECT AND USE OF SETTLEMENT AGREEMENT.

A. It is understood that this Settlement Agreement is reflective of a negotiated settlement and neither the making of this Settlement Agreement nor any of its provisions shall constitute an admission by any Settling Party in this or any other litigation or proceeding. It is also understood that each and every term of this Settlement Agreement is in consideration and support of each and every other term.

B. Neither the making of this Settlement Agreement (nor the execution of any of the other documents or pleadings required to effectuate the provisions of this Settlement Agreement), nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein.

C. The Settling Parties agree that this Settlement Agreement and each term, condition, methodology, and exclusion contained herein reflect a fair, just, and reasonable resolution and compromise for the purpose of settlement in this proceeding. The Settlement

Agreement shall not constitute, and shall not be used as, precedent or be deemed an admission by any person or entity in any other proceeding before the Commission except to the extent necessary to implement or enforce this Settlement Agreement.

D. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any Settling Party may take with respect to any or all of the items resolved here and in any future regulatory or other proceedings.

E. The Settling Parties agree the evidence in support of this Settlement Agreement constitutes substantial evidence sufficient to support this Settlement Agreement and provides an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement Agreement, as filed. The Settling Parties shall prepare and file an agreed proposed order with the Commission as soon as reasonably possible after the filing of this Settlement Agreement and the final evidentiary hearing.

F. The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Settlement Agreement all relate to offers of settlement and shall be confidential, without prejudice to the position of any Settling Party, and are not to be used in any manner in connection with any other proceeding or otherwise.

G. The Settling Parties agree to work collaboratively on form, wording, and timing of a joint media/public announcement of this Settlement Agreement and terms thereof. No Party will release any information to the public or media prior to the aforementioned announcement. The Settling Parties may respond individually without prior approval of the other Settling Parties to questions from the public or media related to the Settlement Agreement, provided that such responses are consistent with such announcement and do not disparage any of the Settling Parties with respect to the Settlement Agreement. Nothing in this Settlement Agreement shall limit or restrict the Commission’s ability to publicly comment regarding this Settlement Agreement or any Order affecting this Settlement Agreement.

H. The Settling Parties have represented and agreed that they are fully authorized to execute the Settlement Agreement on behalf of their respective clients, and their successor and assigns, which will be bound thereby.

I. The undersigned Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of the Commission Order approving this Settlement Agreement in its entirety and without change or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically implementing the provisions of this Settlement Agreement).

J. The provisions of this Settlement Agreement shall be enforceable by any Settling Party upon approval and incorporation into a Final Order first before the Commission and thereafter in any state court of competent jurisdiction as necessary.

K. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ACCEPTED AND AGREED AS OF THE 12th DAY OF DECEMBER, 2025.

INDIANA MICHIGAN POWER COMPANY

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INDIANA MICHIGAN POWER COMPANY
GENERATION RESOURCE SUBMITTAL COMPLIANCE FILING TEMPLATE

PART I – Submittal Management

Resource Submittal #	Generation Resource Acquisition Name/Short Description	Submission Date	Statutory five (5) business day deadline (HEA 1007 Sec. 21(d)	Type of Acquisition (e.g. Utility-owned (PSA/EPC), PPA, CPA)	Statutory Approval Deadline (e.g. 60 days/date; 120 days/date)
1					

60 Day Procedural Schedule

Day Count[1]	Day/Date	Task
0		Generation Resource Submittal
Business Day Five (5)		Notice of Deficiency Deadline
Adjusted Day Zero (0)		Completeness Date (Day 0 unless adjusted due to deficiency)
25		OUCC/Intervenor Objections/Affidavits/Exhibits/Workpapers/Proposed Order or Notice of Intent Not to File (submissions shall be limited to standard for approval)
25-30		If objections are filed, IURC issues notice of hearing to be scheduled during period identified below and publishes notice; IURC may also elect to conduct hearing on its own motion

[1] Day Counts are calendar days except where noted otherwise

PART I – Submittal Management (cont'd)

60 Day Procedural Schedule (cont'd)

Day Count	Day/Date	Task
35		If objection filed, Utility Response/Affidavits/Exhibits/Updated Proposed Order or Notice of Intent Not to File; no need for utility filing if no objections filed
36		Proposed Order
40-45		Hearing[2]
Day 60		**Final Order deadline or GRS Compliance Filing considered approved**

120 Day Procedural Schedule

Day Count[3]	Day/Date	Task
0		Generation Resource Submittal
Business Day Five (5)		Notice of Deficiency Deadline
Adjusted Day Zero (0)		Completeness Date (Day 0 unless adjusted due to deficiency)
55		OUCC/Intervenor Testimony/Exhibits/Workpapers/Proposed Order or Notice of Intent Not to File (submissions shall be limited to standard for approval)

[2] Parties seeking to question affiant shall notice Commission and parties no later than three days after utility response filing. Said notice shall identify the affiant and time desired for questioning; IURC ALJ will convene attorneys conference to allocate hearing room time efficiently if necessary or appropriate. If the Commission has questions, it will work to notify the parties which affiants need to appear at the hearing no later than two business day before the hearing.

[3] See footnote 1 above.

PART I – Submittal Management (cont'd)

120 Day Procedural Schedule (cont'd)

Day Count	Day/Date	Task
55-60		If testimony is filed, IURC issues notice of hearing to be scheduled during period identified below and publishes notice; IURC may also elect to conduct hearing on its own motion;
75		No need for utility filing if no testimony filed. If testimony filed, Utility Response/Testimony/Exhibits/Updated Proposed Order or Notice of Intent Not to File
76		Updated Proposed Order
80-85		Hearing
Day 120		**Final Order deadline or GRS Compliance Filing considered approved**

PART I – Submittal Management (cont'd)

Other Procedural Matters

Service: The parties will provide same day service of filings via email, hand delivery or large file transfer.

Discovery: Discovery will be conducted on an informal basis and is limited to statutory scope of proceeding. Any response or objections to a discovery request shall be made within five (5) business days of such receipt until OUCC and intervenor submission deadline. Thereafter, any response or objection to a discovery request shall be made within five (5) calendar days of such request. Any discovery communication received after noon on a Friday or after 5:00pm on any other business day shall be deemed to have been received the following business day. The last date on which a discovery response or objection will be due it two days prior to the evidentiary hearing. The parties may conduct discovery through electronic means. Subject to the protection of confidential information, all parties will be served with discovery requests and responses.

Informal Technical Meetings: To facilitate review of the Compliance Filing, I&M will offer to schedule informal technical meetings to facilitate review and mitigate the need for discovery.

Number of Copies/Corrections: Submissions with the Commission shall comply with GAO 2016-2. However, the parties need only mail or deliver one paper copy of any electronic filing that exceeds 30 pages. Any corrections to submissions shall be made in writing as soon as possible after discovery of the need to make such corrections.

PART I – Submittal Management (cont'd)

Declination of Jurisdiction Order Status

Cause No.	Petitioner Name	Filing Date	Status/Order Issued

Protection of Confidential Information

Protective Order Entered?	Yes/No	Cause No.	Date of Docket Entry/Order
Protective Order Needed?	Yes/No	Motion for Protective Order/Affidavit(s) filed	Date

Counsel/Service List

Name	Address/Email/Phone

PART I – Submittal Management (cont'd)

Service List

Name	Address/Email/Phone

Service will be made on OUCC and intervenors who participated in EGR Plan docket without need for intervenors to file new petition to intervene. However, intervenors are required to indicate intention to participate in submittal process by filing notice appearance within five (5) business days of submittal. Utility will not be required to continue to serve intervenors who do not appear by said deadline. New intervenors shall comply with IURC intervention rule.

IURC Decision Standard

HEA 1007 Reference	Requirement
Ind. Code 8-1-7.9-21(b)	The Commission shall make its decision based solely on whether the submittal meets the criteria and requirements set forth in the energy utility's approved EGR plan.

PART II – Generation Resource Submittal Compliance Filing Statutory Requirements

Number	Statutory Reference Ind. Code 8-1-7.9-	Generation Resource Submittal - Statutory Requirements	Description	Affidavit/Exhibit Reference
1	20(c)(1)(A)	Describe the type of technology used in the generation resource to be acquired		
2	20(c)(1)(B)	Describe the amount of capacity and energy to be acquired		
3	20(c)(1)C)	Describe Key contractual terms for the acquisition	See Part III below.	
4	20(c)(1)(D)	Describe the estimated Acquisition Costs	Acquisition Costs are confidential and presented in Public and Confidential versions of Part IV below, which includes templates for presentation of estimated Acquisition Costs for Company owned resources and for PPA/CPAs.	
5	20(c)(2)	Demonstrate that the Acquisition meets the criteria set forth in the approved EGR Plan	See Part V below.	
6	20(c)(3)	Explain how acquisition is consistent with or differs from the Company's most recent IRP	Compliance Filing will provide an explanation on how the specific resource is consistent with or differs from the most recent IRP	
7	20(c)(4)	Detail the status of customer contracts and commitments that support the acquisition.	Compliance Filing will provide an update on capacity commitments included in the executed electric service agreements at the time the GRS filing is made.	

PART II – Generation Resource Submittal Compliance Filing Statutory Requirements (cont'd)

Number	Statutory Reference Ind. Code 8-1-7.9-	Generation Resource Submittal - Statutory Requirements	Description	Affidavit/Exhibit Reference
8	20(c)(5)	Certify that at least 30 days before filing of the submittal the energy utility held a pre-filing meeting with the Commission and the Office of Utility Consumer Counselor to review the acquisition.		
9	20(c)(6)	Describe how utility considered implementing grid enhancing technologies to defer or minimize need for additional investment in generation.	Compliance Filing will contain an updated description of the consideration of the implementation of grid-enhancing technologies and confirmation of consideration of technological advances.	
10	20(c)(7)	Describe how Acquisition will support the provision of electric utility service with the attributes set forth in IC 8-1-2-0.6, including: (A) reliability; (B) affordability; (C) resiliency; (D) stability; and (E) environmental sustainability.	Compliance Filing will include a description of how the identified acquisition will support the Five Pillars of reliability, affordability, resiliency, stability, and environmental sustainability.	

PART II – Generation Resource Submittal Compliance Filing Statutory Requirements (cont'd)

Number	Statutory Reference Ind. Code 8-1-7.9-	Generation Resource Submittal - Statutory Requirements	Description	Affidavit/Exhibit Reference
11	20(c)(8)	Describe how Acquisition reasonably protects existing and future customers and is consistent with: (A) the provision of safe, reliable, and affordable electric utility service, and (B) economical rates.	Compliance Filing will provide a description of how the specific resource reasonably protects existing and future customers and aligns with safe, reliable, affordable service at economical rates.	
12	20(c)(9)	Include supporting affidavits and exhibits	Resource Agreements (PPA, CPA, PSA, EPC); Pricing and Cost support (market comparative analysis, as appropriate); most recent forecasted peak demand; RFP price and non-price scoring, as appropriate.	
13	20(c)(10)	Proposed Order.	See Attachment [X] (Word version will also be emailed to IURC ALJ once case assigned or as otherwise directed by Commission)	

PART III – Key Contractual Terms for Acquisition

Number	Key Contract Terms -	Description	Exhibit/Affidavit Reference
1	Condition for regulatory approval	Contract provision that makes the agreement conditional pending approval by the IURC.	
2	Price and Closing Structure	Contract price terms or project cost structures.	
3	Contract Mechanisms to address market changes and Force Majeure	Contract terms that provide procedures for events outside of the Seller's or Buyer's control.	
4	Schedule/Completion Milestones	Schedule mechanisms that drive the project to completion while allowing for schedule movement for events outside of the seller or contractor control.	
5	Contract Performance Assurance	Provisions and requirements that ensure contract compliance	
6	Termination Rights	Provisions that protect customers by providing I&M with termination rights when key characteristics of the project extend beyond predefined limits for price, delivery, or if the seller becomes insolvent.	

Part IV – Estimated Acquisition Costs

PSA

PSA	ACQUISITION NAME
PSA/EPC Price	$XXXXX
Owner's Costs	$XXXXX
Resiliency & Integration	$XXXXX
Project Management	$XXXXX
Other Owner's Costs	$XXXXX
Acquisition, Planning, and Development	$XXXXX
Overhead	$XXXXX
AFUDC	$XXXXX
Project Contingency	$XXXXX
Total Facility Cost[4]	$XXXXX
Operating and Maintenance Costs	$XXXXX
Ongoing Capital	$XXXXX

[4] Provided non-confidentially, unless the Commission makes a determination that cost is exempt from public disclosure.

Part IV – Estimated Acquisition Costs (cont'd)

EPC

EPC	ACQUISITION NAME
Direct Costs	
EPC Price	$XXXXX
Contract Adjustments	$XXXXX
Owner's Costs	$XXXXX
Internal Costs	$XXXXX
Owner Allowances	$XXXXX
Contingency	$XXXXX
Indirect Costs	$XXXXX
Overheads	$XXXXX
AFUDC	$XXXXX
Total Facility Cost[5]	$XXXXX

PPA/CPA

PPA/CPA	ACQUISITION NAME
PRICE	$XX/MWh
Planning and Development Costs	$XXXX

[5] Provided non-confidentially, unless the Commission makes a determination that cost is exempt from public disclosure.

Part IV – Estimated Acquisition Costs (cont'd)

Operation & Maintenance[1]

Non-Fuel O&M	Year 1	Year 2	Year 3	Year 4	Year X
Fixed O&M					
Line Item 1	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Line Item 2	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Total Fixed O&M	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Variable O&M					
Line Item 1	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Line Item 2	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Total Variable O&M	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Other Items	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Line Item 1					
Total Other Items	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Total Non-Fuel O&M	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX

[1] Line items specific to resources will be listed under appropriate categories in GRS Compliance Filing.

Part IV – Estimated Acquisition Costs (cont'd)

Capital[2]

	Year 1	Year 2	Year 3	Year 4	Year X
Capital					
Line Item 1	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Line Item 2	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX
Total Capital	$XXXX	$XXXX	$XXXX	$XXXX	$XXXX

[2] Line items specific to resources will be listed under appropriate categories in GRS Compliance Filing.

PART V– Generation Resource Submittal Approval Criteria

Number Reference	Transaction Type	Description	Criterion	GRS Filing Content	Exhibit/Affidavit Reference
1	All	Acquisition Cost	The Best Estimate component of the cost of the acquisition (PSA/EPC) or the PPA/CPA price is (1) consistent with most recent IRP pricing[6]; or (2) within the range market pricing as supported by most recent RFP performed by the Company, or other market data and intelligence. The Company will present the pricing of the project relative to a range that reflects 20% above the mean and median market pricing.	The Company will provide project specific information to demonstrate that the acquisition cost meets (1) or (2).	Support with Affidavit
2	All	PJM Status - Eligibility	The generation resource accredited capacity is eligible for I&M's PJM capacity plan.	The Company will provide verified factual presentation.	Support with Affidavit

[6] The meaning of the phrase "consistent with the most recent IRP pricing means" is presented in the confidential testimony of Company witness Gaul.

PART V– Generation Resource Submittal Approval Criteria (cont'd)

Number Reference	Transaction Type	Description	Criterion	GRS Filing Content	Exhibit/Affidavit Reference
3	All	PJM Status – Generation Interconnection Agreement (GIA)	Project has received or expects to receive a GIA with an interconnection backfeed date that supports the project schedule.	The Company will provide verified factual presentation.	Support with Affidavit
4	All	Local Permitting	Either all discretionary approvals must have been acquired or the proposed project has a defensible path for local approval that fits within the proposed project schedule.	The Company will provide verified factual presentation.	Support with Affidavit

PART V– Generation Resource Submittal Approval Criteria (cont'd)

Number Reference	Transaction Type	Description	Criterion	GRS Filing Content	Exhibit/Affidavit Reference
5	All	Consistency with Indiana Energy Policy	Acquisition will support provision of service with reliability, affordability, resiliency, stability and environmental sustainability attributes	The Company will provide non-confidential project specific information to demonstrate how resource will support the Five Pillars.	Support with Affidavit
6	All	Protections for existing and future customers and economical rates.	Acquisition reasonably protects existing and future customers and is consistent with: (A) the provision of safe, reliability and affordable electric utility service; and (B) economical rates.	The Company will provide project specific information to demonstrate how resource protects future customers.	

PART V– Generation Resource Submittal Approval Criteria (cont'd)

Number Reference	Transaction Type	Description	Criterion	Criterion Demonstration	Exhibit/Affidavit Reference
7	Gas Resources Only	Air permit	For projects that require an air permit, the Company will be required to demonstrate that the new build Acquisition has received or is expected to receive approval of the air permit that supports the expected in-service date for the Acquisition.	The Company will provide verified factual presentation.	
8	All	Acquisition Method	Resource is acquired through one of the following: (1) RFP;(2) Bilateral engagement or ;(3) Enhancement/redevelopment of I&M sites[7]	The Company will provide verified factual presentation.	
9	All	Acquisition Agreement	The acquisition agreement is reasonable.	The Company will provide verified factual presentation and copy of the acquisition agreement.	

[7] As described in the direct testimony of Company witness Gaul.

PART VI – OTHER INFORMATION

A. Company-Owned

Number	Requirement	Description	Exhibit/Affidavit Reference
1a	GAO 2025-02: Name of RTO to which the new generation will be connected and information regarding the RTO's planning reserve margin, peaks, capacity auctions, possible ancillary services the new generation may provide, and other markets in which the new generation may participate.		
1b	GAO 2025-02: Qualitative assessment by the RTO regarding the new generation shall be requested and the RTO's response shall be part of the utility filing (including, as applicable, the RTO's affidavit or testimony)		
2	GAO 2025-02: A description of the new generation's anticipated impact on the submitting utility's resource adequacy and reliability.		
3	GAO 2025-02: An explanation regarding whether the new generation is required to be in the RTO's interconnection queue and, if so, its status in the queue.		
4	GAO 2025-02: A description of the new generation's expected capacity factors, dispatchability, and accreditation characteristics		

PART VI – Other Information (cont'd)

A. Company-Owned (cont'd)

Number	Requirement	Description	Exhibit/Affidavit Reference
5	GAO 2025-02: If the new generation will be in an RTO that has a seasonal capacity construct, a description of the new generation's expected seasonal accredited capacity for each season.		
6	GAO 2025-02: A description of how the new generation is expected to perform at the relevant RTO's peak pursuant to its capacity construct (for example, summer and/or winter and/or other, as may be applicable).		
7	Other information: Expected Useful Life		
8	Other information: Salvage Estimate		
9	Other information: Tax Qualification		
10	Other information: Gas Resources - Plans and status for fuel supply		

11	Other information: Rate Impact I&M agrees to provide an analysis of the rate impact of the proposed resource. The rate impact calculation will include the annual revenue requirement associated with the proposed resource(s); as well as the incremental revenues associated with the load addition (need for the resources). Such incremental revenues will include the additional billing units, either actual or forecasted depending on the situation in question and the Company's generation-related rates for service as of December 2025.		
12	Other Information: Project Selection and Cost The Company will provide documentation supporting the selection of the resources filed in the GRS Filings. This resource-selection documentation will be comparable to that provided in the Company's Certificate of Public Convenience and Necessity or Clean Energy Resource filings. In addition, the Company will present a Summary Overview of the information in an in-person technical meeting to help orient participants to the documentation and answer questions. For projects selected from an RFP, this will include an Eligibility and Threshold evaluation, bid analysis and scoring spreadsheet, and an independent monitor report. For projects selected outside an RFP, I&M will provide the same information the most recent RFP and additional market information presenting comparable bids or sales, as		

	necessary, to support that the project is "within the range of current market competitive pricing." I&M will demonstrate that the project cost is within 15% above the average and median prices for those comparable, commercially viable, eligible resources identified in the most recent annual RFP, or, if released after the RFP, the most recent IRP, or demonstrate that other factors, such as a small sample size or insufficient response to the RFP/IRP, limit the value of this comparison.		
13	Other Information: Cost Recovery I&M will clearly identify any EGR Plan costs which will be recovered by the Company on an ongoing basis (See Part IV) and the recovery mechanism to be utilized.		
14	Other Information: I&M will demonstrate that the capacity of each resource requested for approval, as measured by the then prevailing methodology used by PJM to accredit capacity, does not exceed, or cause I&M to exceed, its forecasted FRR planning reserve margin; or otherwise justify the acquisition of any capacity in excess of that requirement.		
15	Other Information: I&M will demonstrate that the resource requested for approval is needed to satisfy load requirements in each GRS Filing. The demonstration will be based on I&M's most up to date forecasted load obligation and resource portfolio. This will utilize the most recent information available related to		

	the following: (a)I&M's future PJM load obligation, including current executed Letters of Agreement and/or Electric Service Agreements; (b) Customer generation resources under tariff or contract; (c) Efforts taken by I&M to evaluate opportunities for customer generation, increased demand response, and partnership arrangements with customers to develop assets independent of the EGR Plan; (d) Accredited capacity associated with generation resources approved or pending approval; (e) Short-term capacity agreements; and (f) The accredited amount of demand response under tariff or contract.		

PART VI – Other Information (cont'd)

B. PPA/CPA

Number	Requirement	Description	Exhibit/Affidavit Reference
1	GAO 2025-02: Name of RTO to which the new generation will be connected.		
2	GAO 2025-02: A description of the new generation's anticipated impact on the submitting utility's resource adequacy and reliability.		

3	GAO 2025-02: An explanation regarding whether the new generation is required to be in the RTO's interconnection queue and, if so, its status in the queue.		
4	GAO 2025-02: A description of the generation's expected capacity factors, dispatchability, and accreditation characteristics		
5	GAO 2025-02: If the new generation will be in an RTO that has a seasonal capacity construct, a description of the new generation's expected seasonal accredited capacity for each season.		
6	GAO 2025-02: A description of how the generation is expected to perform at the relevant RTO's peak pursuant to its capacity construct (for example, summer and/or winter and/or other, as may be applicable).		