

March 5, 2024

Ms. Lindsey Osborne
Indiana Department of Administration
Procurement Division
402 W. Washington St. Room W468
Indianapolis, Indiana 46204

Dear Ms. Osborne,

Christensen Associates Energy Consulting, LLC ("CA Energy Consulting") is pleased to submit our proposal to conduct a study of performance-based ratemaking ("PBR") in the electric utility industry on behalf of the Indiana Utility Regulatory Commission ("IURC"). Our team has been on the forefront of PBR and incentive regulation in North America for over three decades. We are well qualified to perform this work.

This executive summary consists of four components, as required by the RFP documentation:

1. Summary of Ability and Desire to Supply the Required Products or Services
2. Identifying Information and Principal Contact Information
3. CA Energy Consulting's status with respect to the Office of the Secretary of State
4. Signature of Authorized Representative

1. Summary of Ability and Desire to Supply the Required Products or Services

We propose to provide the IURC with an objective, independent study on the applicability of PBR to electric utilities in the state of Indiana. This report will include a review of PBR tools and methods used in other jurisdictions, a discussion of related economic theory, results from engagement with stakeholders in the state of Indiana, feedback from regulators in other jurisdictions, hypothetical PBR scenarios applied to future years, and recommendations related to PBR for regulated electricity suppliers in the state. The approach and methodology described in this proposal constitute a suggested path which we expect will be refined in collaboration with IURC staff upon project initiation.

Our firm has been developing the theoretical foundations and practical design of PBR plans dating back to the inception of incentive regulation in North America in the 1980s. We have worked closely with clients in both the United States and Canada to develop and implement effective regulatory strategies that work for consumers and the utilities. Our team consists of consultants who have assisted a range of parties including commission staff, investor-owned utilities, municipal utilities, cooperatives, and environmental non-profit organizations. Our work is founded in economic theory and relies on empirical evidence, with the goal of improving utility regulation.

Our experience includes reviewing PBR tools across jurisdictions, designing price cap and revenue cap frameworks, performing and reviewing cost benchmarking analysis, calculating industry total factor productivity ("TFP"), reviewing utility performance incentive mechanisms ("PIMs"), and assessing incentive regulation proposals. The Project Team has testified on incentive regulation issues, authored peer-reviewed research on alternative regulation, presented on PBR to diverse stakeholders, and worked with regulators to review utility rate proposals in docketed rate application proceedings.

In addition, the Team's recent involvement in designing incentive regulation frameworks for major gas and electric utilities has included broad surveys of the North American regulatory landscape with a focus on incentive regulation. Through our investigations, we have constructed an extensive database of PBR filings, regulatory decisions, academic papers, and public studies that reflect the experience of utilities operating under PBR across several continents and over twenty jurisdictions. We are also experienced in surveying stakeholders to obtain clear and accurate information for reports very similar to the report that will be produced as part of this project.

Our longstanding institutional background and ongoing experience will provide a solid foundation for assisting the state of Indiana in exploring the viability of electric utility incentive regulation in its various forms. We particularly appreciate the opportunity to work in a research capacity to provide contemporary regulatory information to policymakers.

CA Energy Consulting has carefully reviewed the RFP for this project, and we look forward to the opportunity to work with the IURC to produce an expert report and final presentation on PBR for the Indiana General Assembly.

2. Identifying Information and Principal Contact Information

In Table 1, we provide the identifying information associated with CA Energy Consulting, LLC.

Table 1: Identifying Information

Company Name	Christensen Associates Energy Consulting, LLC
Bidder ID Number	0000064344
FEIN	39-1365234
Type of Business	Limited Liability Company
NAICS Code	541690

In Table 2, we provide the contact information of the manager of this project, Mr. Nicholas Crowley.

Table 2: Principal Contact Information

Name	Mr. Nicholas Crowley
Business Address	800 University Bay Drive #400 Madison, Wisconsin, 53703
Phone Number	608.216.7170
Email Address	nacrowley@caenergy.com

3. Status with respect to the Office of the Indiana Secretary of State

CA Energy Consulting is not currently authorized to do business in the State of Indiana. However, we are prepared to obtain authorization with the Indiana Secretary of State upon award of a contract.

4. Signature of Authorized Representative

The individual who is authorized to conduct negotiations on behalf of Christensen Associates is Tammy Droessler, CEO, TCDroessler@LRCA.com, 608.216.7139.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Droessler".

Tammy Droessler
CEO/Senior Vice President