

Comments Regarding The Retirement or Potential Extension Of Michigan City Generating Station Unit 12

Thank you for the opportunity to submit comments regarding the Indiana Utility Regulatory Commission Staff Report concerning Northern Indiana Public Service Company's ("NIPSCO") Michigan City Generating Station Unit 12.

We urge the Commission to carefully consider the environmental consequences of extending the operating life of Unit 12 beyond its planned retirement date. While the Staff Report appropriately recognizes that changes in federal policy, tax incentives, and MISO accreditation may have changed some of the economic assumptions underlying NIPSCO's previous retirement decisions, those changes should not obscure the environmental costs and risks associated with continuing to operate a 52-year-old coal-fired generating unit.

1. Michigan City Unit 12 is an aging coal plant whose environmental impacts do not disappear because its economics have changed.

Michigan City Unit 12 began operating in 1974. The Staff Report recognizes that coal plants require continual investment in maintenance, environmental controls, and waste-management systems as they operate beyond their original design lives. The Staff Report specifically notes that environmental regulations can create additional investment requirements for aging coal facilities.

The fact that Unit 12 currently has pollution controls does not mean that extending its operating life is environmentally neutral. The unit continues to burn coal and therefore continues to [produce](#) carbon dioxide, nitrogen oxides, sulfur dioxide, particulate pollution, mercury and other pollutants, as well as coal combustion residuals.

The Commission should therefore distinguish between **compliance with existing pollution-control requirements** and **the broader environmental consequences of continuing to operate an aging coal facility**. A facility can comply with its permit while still imposing substantially greater environmental impacts than cleaner replacement resources.

Unit 12's selective catalytic reduction, over-fire air system, and flue-gas desulfurization system reduce certain pollutants, but they do not eliminate the environmental impacts of coal combustion. In particular, these technologies do not eliminate carbon dioxide emissions or the generation and management of coal combustion residuals. The Staff Report itself identifies the plant's environmental controls and CCR-related investments as important considerations in the plant's operating history.

2. Continuing operation would prolong carbon pollution from a coal-fired generating unit.

The Commission should explicitly account for the pollution consequences of extending Unit 12's operation.

NIPSCO's prior IRPs consistently contemplated retirement of Unit 12. The 2024 IRP included carbon dioxide emission rules in four of its five scenarios, while the 2021 IRP found that early retirement of coal generation was generally cost-effective.

The fact that federal policy assumptions have changed does not mean that the underlying carbon impacts of burning coal have changed.

Every additional year of operation represents another year of greenhouse-gas emissions from a 469-MW coal unit. Extending the plant's life also risks locking the utility and its customers into additional investment in an aging fossil-fuel asset when replacement resources are already being developed.

The Commission should therefore evaluate not only whether Unit 12 can technically continue operating, but whether doing so is consistent with Indiana's obligation to provide reliable electricity while protecting the environment and minimizing unnecessary long-term environmental costs.

3. The environmental risks associated with coal ash are important at this site.

Michigan City Generating Station has produced tens of thousands of tons of coal combustion residuals, or coal ash, every year since it began operating. The most recent data available show that it produced 73,000 tons in 2023 and 30,800 tons in 2024.¹ If the operation of Unit 12 at Michigan City is extended, it will continue to produce thousands of tons of coal ash per year.

Coal ash is a particularly problematic waste. Coal ash contains toxic heavy metals including arsenic, mercury, lithium and molybdenum and others, and it is a forever waste, meaning that it doesn't biodegrade or break down over time. Some of the metals in coal ash are carcinogens and cause cancer; others are toxic to the brain; and some of them interfere with the development of the unborn child. When coal ash is dry and blows in the wind, it creates a significant inhalation hazard. When it gets wet, it contaminates water. When coal ash containment structures have failed, there have been catastrophic coal ash spills.

The safest means of coal ash disposal are those that prevent dust hazards, water contamination, and spills. Using coal ash in cement or other encapsulated uses can lock it away and prevent water contamination. For the coal ash that is not amenable for an encapsulated use, the best disposal is in a well-engineered, lined landfill located on high ground away from flood-prone areas. The landfill should have an impermeable cap and a leachate collection system. Unfortunately, due to the nature of coal ash, the landfills should be maintained in perpetuity.

NIPSCO disposes of all of the Michigan City coal ash off-site. Some of it is sold and it is not clear in the publicly accessible documentation whether it is going to encapsulated or unencapsulated uses. Any unencapsulated uses create risks of dust hazards and contaminated water. The portion that is not sold is disposed of in the landfill at the Schahfer Generating Station.² The Michigan City coal ash is transported by truck, which carries all the risks inherent in moving waste by truck. Given the location of the Michigan City Generating Station, the trucks necessarily pass through residential neighborhoods en route.

These activities demonstrate an important point: the environmental liabilities associated with coal generation do not end when the boiler stops operating, and they certainly should not be ignored when determining whether to extend the boiler's operating life.

¹ US Energy Information Administration. <https://www.eia.gov/electricity/data/eia923/>

² WSP USA Inc. (Nov 18, 2025). Northern Indiana Public Service Company, LLC, R.M. Schahfer Generating Station Annual RCRA CCR Unit Inspection Report, Restricted Waste Type I Landfill. https://www.nipsco.com/docs/librariesprovider11/rates-and-tariffs/ccr/r.m.-schahfer/r.m.-schahfer-generating-station-operating-criteria/2025-11-18_nipsco-ccr-landfill-rcra-inspection.pdf?sfvrsn=2c2af251_3

Continuing to burn coal necessarily extends the period during which coal ash and other combustion wastes are generated and managed. It also increases the amount of material that ultimately must be handled, transported, stored, or disposed of.

The Commission should require NIPSCO to quantify the additional coal combustion residuals that would be generated by each additional year of Unit 12 operation and identify the resulting costs, environmental risks, and closure obligations.

4. The plant's location on Lake Michigan makes continued operation particularly significant.

Michigan City Generating Station is located on the shore of Lake Michigan.

This location warrants particular scrutiny of continued coal operations.

The Great Lakes are an irreplaceable freshwater resource, and activities involving coal combustion, wastewater, coal ash, and other industrial pollutants deserve heightened environmental scrutiny when they occur immediately adjacent to the lake.

Even where a facility is operating under applicable water-quality permits, continued operation extends the period during which the facility presents potential risks associated with wastewater, cooling systems, coal handling, stormwater, and coal-ash management.

The Commission should not view these environmental risks in isolation from the plant's age and its proximity to Lake Michigan.

6. Extending Unit 12 would also extend the need for additional investment in an aging facility, which would be funded by rate payers.

The Staff Report identifies a particularly important issue: Unit 12 experienced four separate cooling-tower hot-deck structure failures in early 2026 and was out of service for approximately 599 hours. NIPSCO temporarily repaired the unit and plans to replace the old panels during a recent outage.

This occurrence demonstrates the broader concern with extending the life of a plant that began operating more than five decades ago: keeping this coal unit online will cost Indiana ratepayers.

At a time when Hoosiers' electricity bills are rising above the rate of inflation, affordability is an increasingly important pillar in our energy planning approach.

If the Commission allows continued operation beyond the currently planned retirement date, NIPSCO should be required to demonstrate that the additional capital investments necessary to keep Unit 12 operating will not simply extend the life of an increasingly aging and environmentally intensive asset.

Instead, those investments should be evaluated against the environmental and economic benefits of accelerating replacement with cleaner resources.

7. The availability of replacement resources weakens the environmental justification for an extension.

NIPSCO has spent multiple IRP cycles planning for the retirement of Unit 12 and developing replacement resources.

The Staff Report states that NIPSCO has already completed and placed in service wind, solar, and solar-plus-storage resources associated with its planned coal transition. It further concludes that the resources scheduled for the winter and spring of 2029 are sufficient to satisfy the HEA 1520 reliability metric if Unit 12 retires as scheduled.

If replacement resources are available and reliability can be maintained, the Commission should not extend the operating life of an aging coal plant merely because the energy demand has changed.

Instead, the Commission should ask whether continued coal generation provides enough incremental reliability or economic value to justify the additional environmental impacts.

The Staff Report itself provides evidence that this question deserves careful consideration: NIPSCO's 2021 IRP found that retirement of Unit 12 in 2026 was the lowest-cost portfolio, while extending retirement to 2032 cost more than either the 2026 or 2028 retirement scenario.

Those additional costs should be weighed alongside the environmental consequences of keeping the coal unit operating for additional years.

8. The Commission should not allow changed federal policy assumptions to erase long-term environmental considerations.

The Staff Report states that NIPSCO's retirement notice identified changes in environmental policy, tax policy, and MISO resource accreditation as factors affecting the economic rationale for retirement.

However, a change in federal policy does not constitute a finding that continued coal operation is preferable or consistent with Indiana's five pillars of energy planning.

Environmental policy can change again. The Commission should be cautious about making a long-lived investment decision based on temporary or uncertain policy conditions.

The upcoming 2027 IRP process should include a robust evaluation of environmental externalities and risks—not simply a comparison of short-term capacity costs.

9. The IRP reevaluation should require comprehensive environmental review.

We ask retirement in 2028 remain the plan for Michigan City 12 but recognize that the 2027 IRP will revisit this question.

As the 2027 IRP examines alternative scenarios, we respectfully request that NIPSCO be required to provide, at a minimum:

1. **Annual greenhouse-gas emissions** associated with each additional year of operation;
2. **Annual emissions of NOx, SO2, particulate matter, mercury and other regulated pollutants** associated with continued operation;
3. **Projected additional coal consumption and coal combustion residuals** generated by each additional year of operation;
4. **The anticipated costs of coal-ash management, groundwater monitoring, corrective action, and eventual closure** as a result of any potential extension;

5. **A detailed assessment of additional capital expenditures** required to maintain the plant through the proposed extended operating period;
6. **An assessment of environmental risks associated with continued operation of the facility's aging equipment**, including the cooling system;
7. **A comparison with cleaner replacement resources**, including renewable generation, storage, energy efficiency and demand response;
8. **An analysis of whether continued operation creates environmental or financial risks for ratepayers** if additional environmental regulations are adopted during the extended operating period; and
9. **A cumulative environmental assessment** considering the plant's coal combustion, coal ash, wastewater, groundwater, and air emissions together rather than only evaluating each issue independently.

Conclusion

Michigan City Unit 12 has provided electricity to Indiana customers for more than five decades. Its continued operation has also created a legacy of air emissions, coal combustion residuals, groundwater monitoring, and other environmental obligations.

Reliability and economics should not be considered independently of environmental consequences. NIPSCO has spent years planning for the retirement of Unit 12 and developing replacement resources. The Staff Report indicates that those replacement resources are sufficient to satisfy the applicable reliability metric for the 2029 period.

At the same time, extending Unit 12 would continue greenhouse-gas emissions, coal combustion, waste generation, and the environmental risks associated with operating and maintaining an aging coal plant on the shore of Lake Michigan.

For these reasons, we urge the Commission **not to treat any potential extension as environmentally neutral**. Before permitting any extension of Unit 12's operating life, the Commission should require NIPSCO to demonstrate that the environmental costs and risks of continued coal generation are justified by a demonstrated reliability need that cannot reasonably be met through cleaner replacement resources.

The Commission should also ensure that the upcoming 2027 IRP fully evaluates these environmental considerations and does not allow short-term changes in federal policy or market assumptions to undermine the long-term transition away from coal that NIPSCO has previously determined is economically and operationally achievable.

Because there are other available generation options, NIPSCO cannot demonstrate a compelling **need** for continued operation. Thus, the retirement of Michigan City Unit 12 should remain the preferred outcome. Any analysis related to continued operation should be analyzed against the significant environmental costs of extending the life of a 52-year-old coal-fired generating unit.

Thank you,

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