Comments on the HEA 1520 Staff Report Regarding the Retirement of Rockport Unit 1

Thank you for the opportunity to provide comments on the Indiana Utility Regulatory Commission Staff Report regarding Indiana Michigan Power's planned retirement of Rockport Unit 1.

The retirement of Rockport Unit 1 by December 31, 2028, is an important step toward reducing pollution from coal-fired generation in Indiana. The unit has operated since 1984 and is subject to a federal consent decree resulting from longstanding Clean Air Act enforcement actions. The consent decree requires the unit to retire by the end of 2028 and imposes limits on emissions from the Rockport facility.

We support the Commission's conclusion that retirement is consistent with good utility practice and will not adversely affect reliability. However, the Commission should recognize that the environmental implications of this retirement extend beyond the date the coal unit stops operating. In particular, the Commission should ensure that retirement of Rockport Unit 1 does not become a vehicle for replacing one major source of pollution with another without a thorough evaluation of the environmental consequences.

1. Retirement of Rockport Unit 1 should be completed on schedule.

Based on the existing consent decree, the Commission should affirm that Rockport Unit 1 should retire no later than December 31, 2028, consistent with the federal consent decree.

The record makes clear that the environmental compliance strategy for Rockport has been premised on cessation of coal combustion by the end of 2028. I&M acknowledges that it has not made investments that would be necessary to comply with environmental requirements beyond 2028 because the facility is expected to cease coal combustion at that time.

Ceasing coal operations at this site is particularly important because Rockport has historically been a significant source of air pollution. It is one of the top ten most polluting sites in the United States.

The Commission should therefore make clear that any future request to extend coal operations would require substantially more than a demonstration of continued reliability. It would require a comprehensive evaluation of environmental compliance, public health, environmental justice, water impacts, coal ash management, and the full cost of bringing the facility into compliance with all applicable requirements.

2. The Attorney General's attempt to interfere with the retirement undermines environmental protections and regulatory certainty.

The Commission should also be mindful of the recent effort by Indiana Attorney General Todd Rokita to intervene in the federal consent-decree proceeding and prevent the scheduled retirement of Rockport Unit 1.

On July 31, 2026, the Attorney General filed a motion seeking to intervene in the federal case and modify the court-approved consent decree to remove the requirement that Rockport Unit 1 retire in 2028. The consent decree is the product of a longstanding federal enforcement action concerning air pollution from power facilities, including allegations concerning inadequate pollution controls at the Rockport unit. The agreement was negotiated among multiple parties over many years and was most recently modified in 2019 to establish the unit's retirement. Indiana was not a party to the original case or the consent decree.

This attempt to reopen the agreement raises significant environmental and regulatory concerns.

First, the act of seeking a modification at this late stage, especially when the state official in question was not part of the underlying complaint, could undermine the enforceability and stability of environmental settlements. The parties to the consent decree relied on the agreed retirement schedule in developing their respective plans, and I&M has likewise planned for the cessation of coal combustion at Rockport. The Staff Report recognizes that I&M has avoided making certain additional environmental investments at the facility precisely because coal combustion is scheduled to end. Reopening the retirement commitment now could disrupt those plans and create uncertainty about whether environmental obligations negotiated through federal enforcement proceedings will actually be honored.

Second, the Attorney General's stated rationale—that Indiana needs to retain as much generation as possible because of growing electricity demand—does not eliminate the environmental consequences of continued coal combustion. The Rockport retirement is not simply an economic or resource-planning decision. It is an environmental compliance commitment arising from a federal consent decree addressing air pollution. Changes in projected electricity demand should not automatically override pollution-control obligations.

Third, this proposed intervention is particularly concerning because I&M is already pursuing a replacement strategy for the Rockport site. I&M plans to retire its coal generation and has proposed developing a 1,520 MW natural-gas facility at the site beginning in 2030. The company has therefore demonstrated that it is planning for the transition away from coal rather than seeking to maintain Unit 1 indefinitely.

The Attorney General's intervention risks creating an unnecessary conflict between the state's energy policy and the utility's established regulatory and environmental obligations. It could also delay or complicate the transition to replacement resources while providing no demonstrated environmental benefit.

Most importantly, the Commission should not allow an statement around future energy demand to become a justification for extending the operation of an aging coal unit without a comprehensive examination of the environmental consequences. If additional capacity is needed, we have a process for exactly this kind of planning through the integrated resources planning process. In lieu of relying on polluting assets that have already been deemed unfit for a future beyond 2028, Indiana has alternatives. These alternatives —including efficiency, demand response, renewable generation, storage, transmission, and new generation resources—can be evaluated through the appropriate regulatory processes.

The Commission should therefore affirm the scheduled December 31, 2028 retirement of Rockport Unit 1 and should not condition approval of the retirement on the outcome of the Attorney General's effort to reopen the federal consent decree. Any attempt to extend coal operations should be evaluated through the appropriate federal environmental and state regulatory processes, including a full assessment of the costs, emissions, public-health impacts, and environmental compliance requirements associated with continued operation.

The Attorney General's intervention should not be allowed to weaken an existing environmental protection or create regulatory uncertainty around a retirement that has been planned and relied upon for years. The Commission should instead provide clear regulatory support for the timely retirement of Unit 1 and the transition to cleaner and reliable replacement resources.

3. The Commission should distinguish coal retirement from replacement generation

The Staff Report appropriately identifies I&M's plans to replace the capacity associated with Rockport Unit 1. However, the Commission should not treat replacement of capacity as equivalent to replacement of the coal unit's environmental footprint.

I&M anticipates developing a **1,520 MW natural-gas facility at the Rockport site**, expected to enter service in 2030. This proposed gas development raises a separate and important environmental question: **what pollution reductions will actually result from retiring Rockport Unit 1, once the emissions associated with replacement resources are considered?**

A coal-to-gas transition can reduce certain pollutants, particularly SO_2 and particulate matter, but natural-gas generation remains a significant source of greenhouse-gas emissions and can emit NOx and other air pollutants. A new 1,520 MW gas facility could also operate for decades beyond the retirement date of Rockport Unit 1.

The Commission should therefore ensure that the environmental benefits of retiring Unit 1 are not overstated by considering only the emissions avoided at the coal unit while failing to account for emissions from replacement generation.

4. The proposed natural-gas replacement should receive rigorous environmental review

The Staff Report describes I&M's planned 1,520 MW facility as a future project rather than as part of the retirement decision itself. Nevertheless, the Commission should recognize the close relationship between the two decisions.

I&M expressly describes the proposed gas facility as a means to "physically replace" the capacity and energy associated with Rockport Unit 1.

That proposal should therefore receive rigorous scrutiny in its own proceeding, including evaluation of:

- direct and indirect greenhouse-gas emissions;
- NOx, particulate matter, volatile organic compounds, and other air pollutants;
- impacts from methane leakage throughout the natural-gas supply chain;
- water withdrawals and consumption;
- wastewater and thermal impacts;
- impacts associated with construction and operation;
- cumulative environmental impacts from continued industrial activity at the Rockport site; and
- whether lower-emitting alternatives could provide the same reliability and energy services.

The Commission should also require transparent comparison of the proposed gas facility against a portfolio emphasizing energy efficiency, demand response, renewable generation, storage, transmission, and other non-emitting resources.

5. The Commission should not allow retirement to undermine long-term decarbonization

The Staff Report notes that I&M's 2024 IRP identifies redevelopment of the Rockport site with natural-gas combustion turbines and potentially small modular reactor technology.

The Commission should be cautious about approving replacement infrastructure that could lock customers into decades of additional fossil-fuel dependence immediately following the retirement of a major coal plant.

Rockport Unit 1 began operating in 1984 and is now more than four decades old. Its retirement provides an important opportunity to transition the site toward more affordable and less polluting energy resources. A new fossil-fuel facility constructed in 2030 could similarly become a multi-decade asset.

The Commission should therefore require I&M to demonstrate that any replacement generation is consistent with Indiana's long-term electricity needs and does not unnecessarily expose customers to future fuel-price volatility, carbon-related costs, environmental compliance costs, or stranded-asset risk.

6. Environmental benefits should include coal ash and wastewater protections

Retirement of Rockport Unit 1 should also trigger careful attention to the facility's legacy environmental liabilities.

The Staff Report notes that the Rockport plant has relied on the retirement commitment to comply with federal Coal Combustion Residuals (CCR) and Effluent Limitation Guidelines requirements through cessation of coal combustion by the end of 2028.

The end of coal combustion does not mean that the environmental risks associated with decades of coal generation disappear.

The Commission should ensure that retirement planning includes adequate provisions for:

- long-term management and monitoring of coal ash;
- groundwater monitoring;
- closure and post-closure requirements for CCR units;
- contaminated soils and other legacy contamination;
- wastewater and ash-management infrastructure;
- protection of surface and groundwater resources; and
- financial responsibility for environmental remediation.

These obligations should not be deferred or treated solely as an issue for a future decommissioning proceeding. Customers and communities deserve assurance now that the costs of cleaning up the site will be borne appropriately and that environmental protections will remain in place after the generating unit stops operating.

6. The Commission should require transparency regarding the full environmental cost of replacement resources

The Staff Report emphasizes that I&M would face substantial costs if it were required to continue operating Unit 1 beyond 2028. I&M estimates that several hundred million dollars could be required even before accounting for potential environmental project expenditures.

This demonstrates an important point: environmental compliance is a material component of the economics of coal generation.

The same principle should apply to replacement resources. The Commission should evaluate the full lifecycle environmental costs and risks of new generation rather than comparing only the immediate operating costs of different resources.

For natural gas, this should include the cost and environmental consequences of fuel supply, methane leakage, emissions controls, water use, and future regulatory requirements. For renewable resources, the analysis should account for land use, transmission, interconnection, and other site-specific impacts while recognizing the absence of combustion-related air emissions.

A transparent apples-to-apples comparison is essential to ensuring that customers receive reliable power at the lowest reasonable long-term cost while protecting public health and the environment.

7. The Commission should recognize the retirement as an opportunity for a cleaner Rockport site

The retirement of Rockport Unit 1 represents an important opportunity for Indiana to demonstrate that retiring coal generation can improve both reliability and environmental outcomes.

The Staff Report documents that I&M already has replacement capacity arrangements in place, including solar, wind, and battery resources. This suggests that the Commission does not need to view the retirement of Unit 1 as requiring a one-for-one replacement with another large fossil-fuel generator.

Instead, the Commission should encourage a diversified portfolio that uses existing resources more efficiently and combines renewable generation, storage, energy efficiency, demand response, transmission, and appropriately sized firm generation where necessary.

Conclusion

The retirement of Rockport Unit 1 is both legally required and environmentally justified. The facility's retirement will eliminate continued coal combustion at a plant that has been subject to major federal environmental enforcement and extensive pollution-control requirements.

The Commission should approve the planned retirement and affirm that the unit should cease coal combustion no later than December 31, 2028.

At the same time, the Commission should avoid treating retirement as the end of its environmental responsibility. The proposed 1,520 MW natural-gas redevelopment of the Rockport site could create a new, long-lived source of fossil-fuel emissions and should be evaluated independently and rigorously. The

Commission should ensure that the environmental benefits of coal retirement are preserved rather than offset by unnecessary investment in additional fossil-fuel infrastructure.

Finally, the Commission should require a comprehensive plan for coal ash, groundwater, wastewater, and other environmental liabilities associated with the closure of the existing facility.

Rockport Unit 1's retirement provides Indiana with an opportunity to move beyond coal while maintaining reliability and protecting customers. The Commission should ensure that the next generation of resources at the site delivers not only reliable electricity, but also meaningful and durable environmental benefits.

Thank you,

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