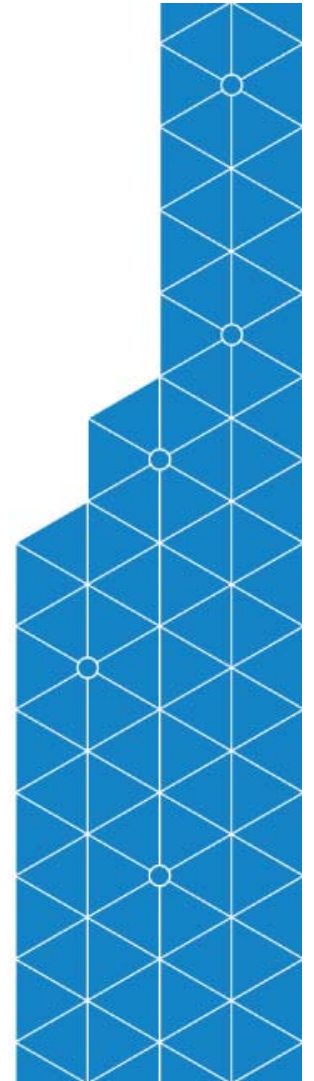




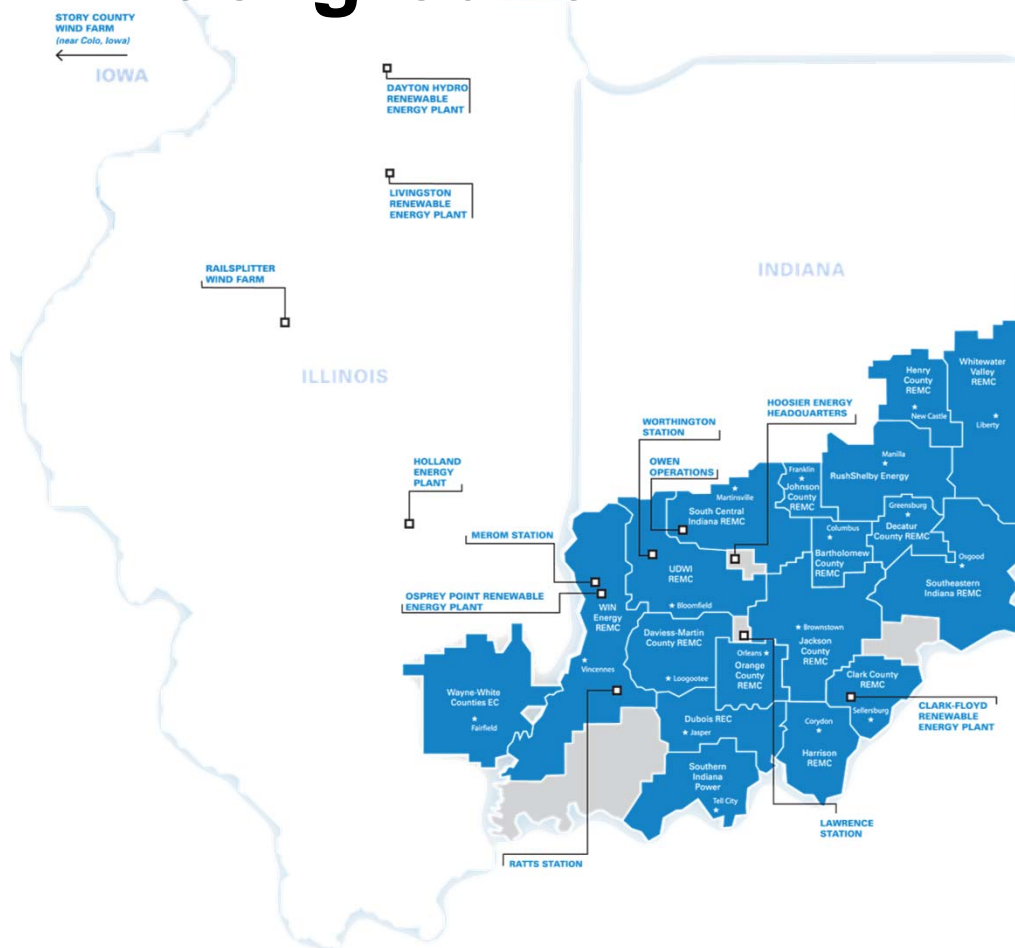
Indiana Utility Regulatory Commission

2015 Summer Capacity Presentation

April 30, 2015
Mike Mooney, Manager Corporate Planning
Mike Rampley, Sr. VP, Marketing & Business Development



Background



Membership

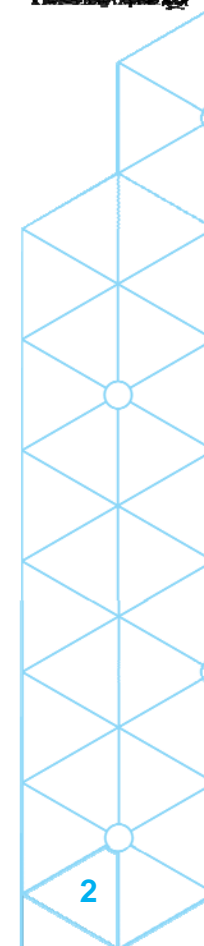
- 18 member cooperatives
- ~300,000 retail customers
- 7.4 million MWh sales

Resources

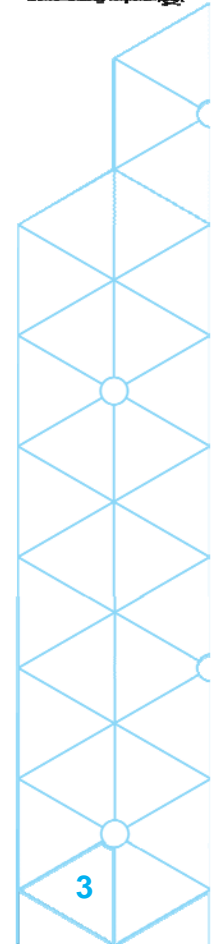
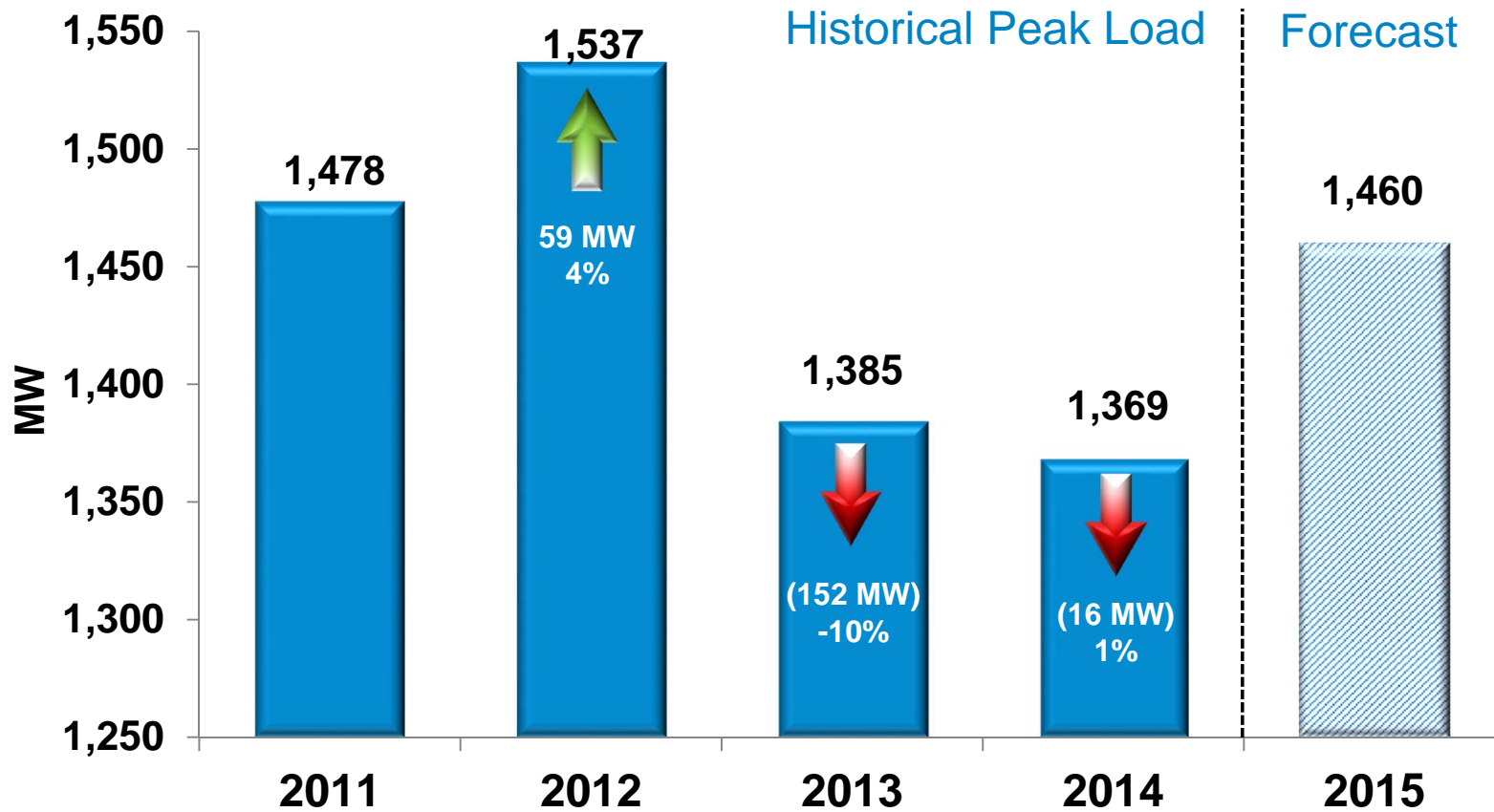
- 1,950 MW
- 7.3 million MWh

Transmission

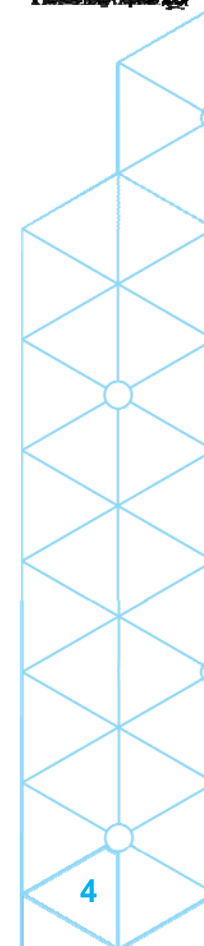
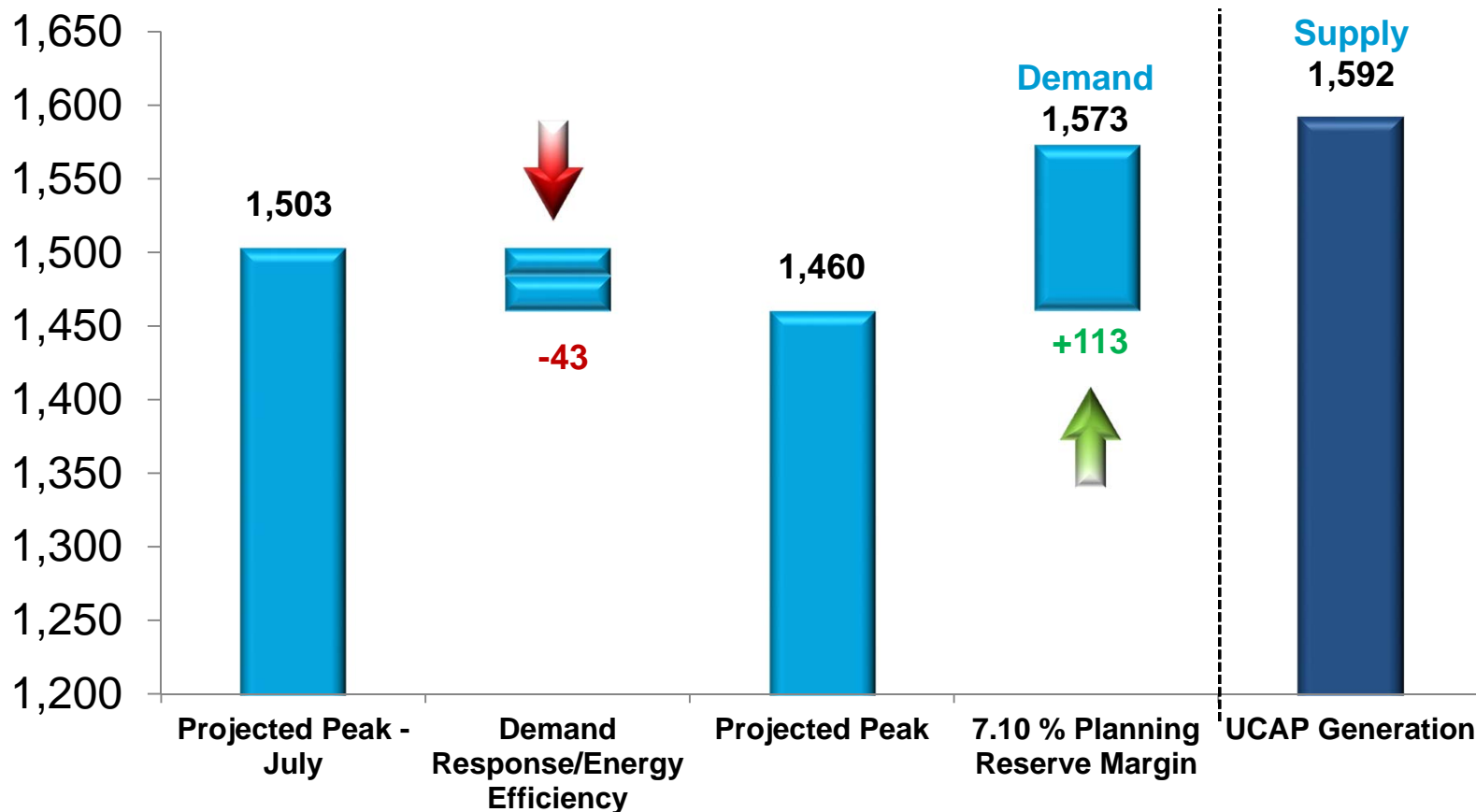
- 1,700 miles of transmission
- Member of Midcontinent ISO



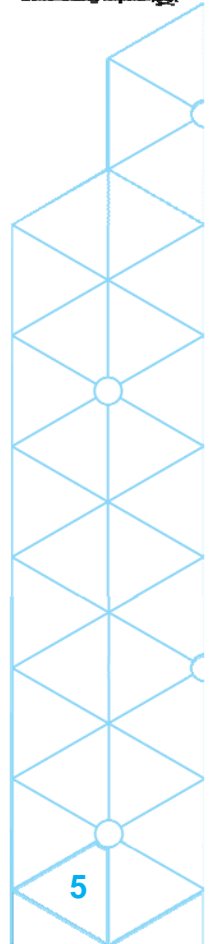
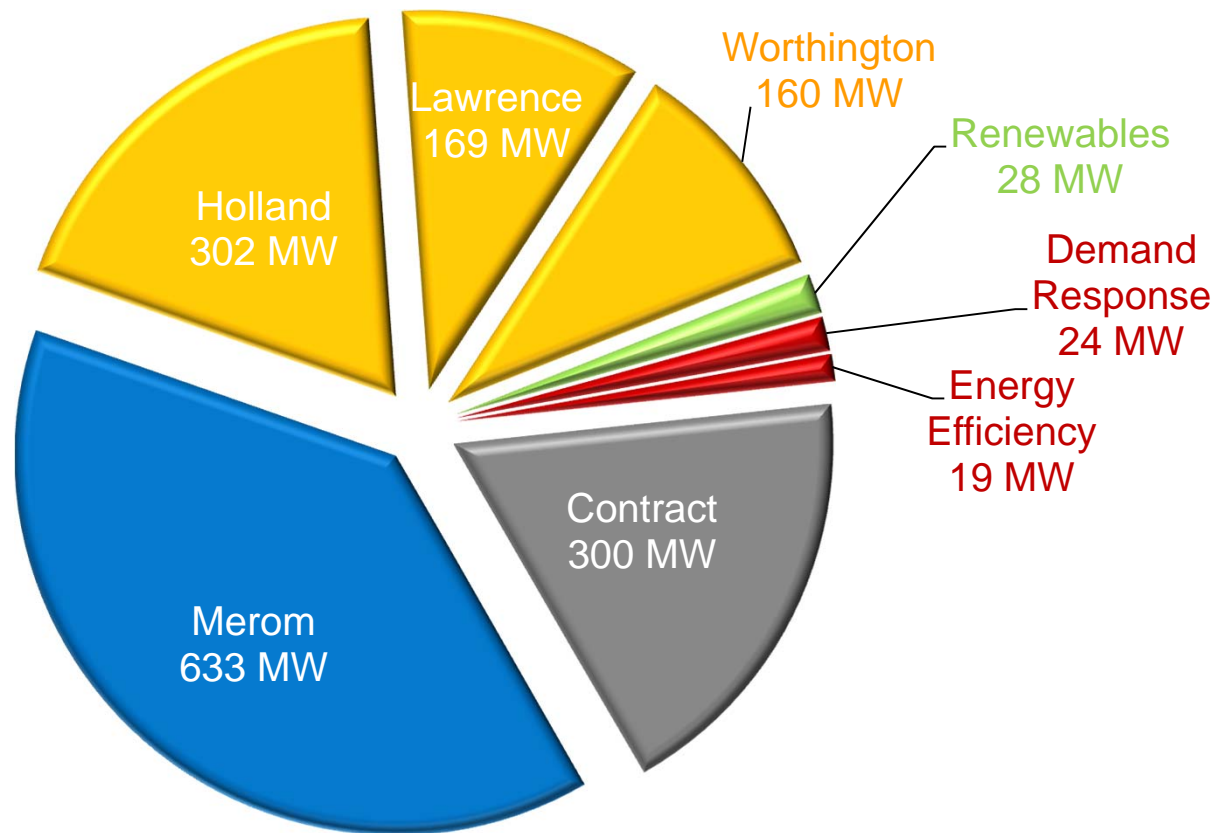
Summer 2015 Peak Forecast



Summer 2015 Supply/Demand Outlook

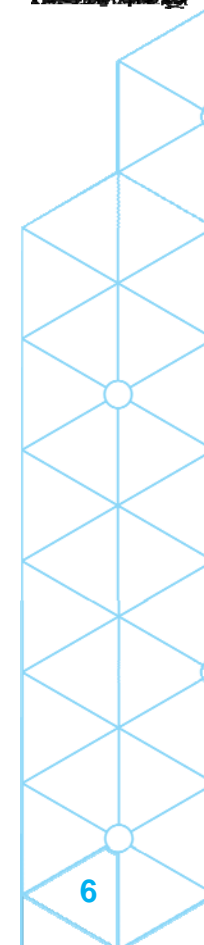


Unforced Capacity (1,635 MW) Summer 2015



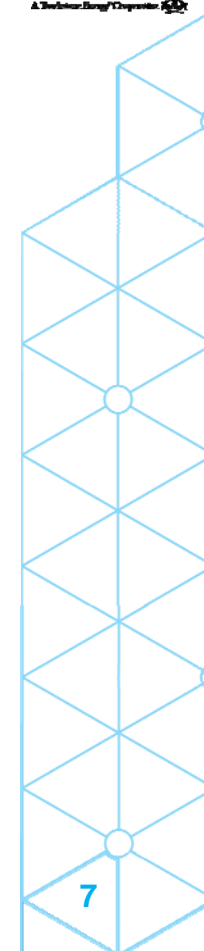
Demand Side Management

- DSM program in place since 2009
 - Extensive review in 2012 resulted in refocused programs
- Cost vs Benefits – 2009 - 2014
 - Hoosier Energy Costs = \$25.0M
 - Estimated Economic Benefits = \$89.2M
- 2013 CFL survey to determine where and how they are used
 - Expected a 33% adoption rate; actual adoption rate was 37%
 - 13 – 15 W CFLs are most commonly used
- Total energy savings to date = 160,000 MWh
- Energy Savings percentage by class
 - Residential = 78% Commercial & Industrial = 22%
- Cumulative Peak savings
 - Winter = 58 MW Summer = 35 MW



Demand Response & Energy Efficiency Programs

Program	Installed	2014
Residential Lighting Program (CFLs)	1.6 million	98,827
Appliance Recycling (units)	6,091	952
Energy Efficient Heating and Cooling (rebates)	24,729	2,982
Touchstone Energy Home Program	363	53
Commercial & Industrial Energy Efficiency	429	128
Demand Response – AC and WH control	14,490	1,030

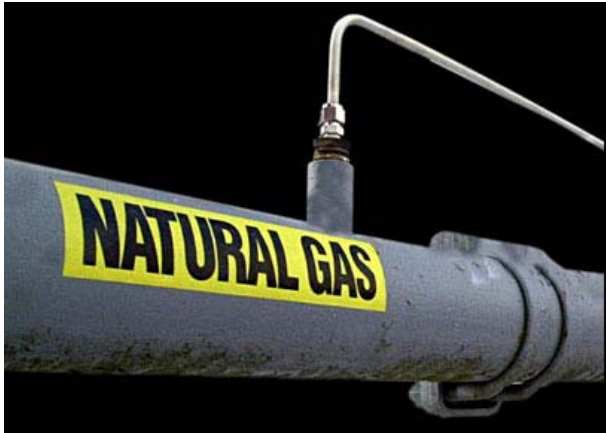


Fuel Supply



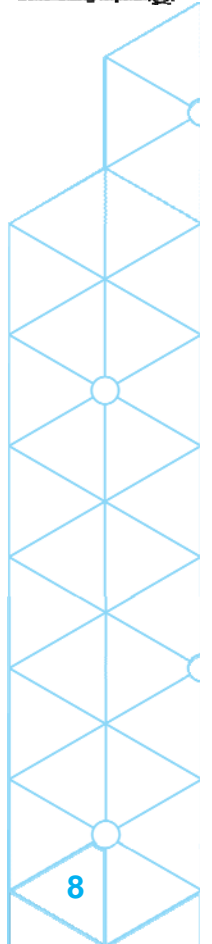
Coal

- No supply difficulties
- Summer 2015 requirements are fully hedged

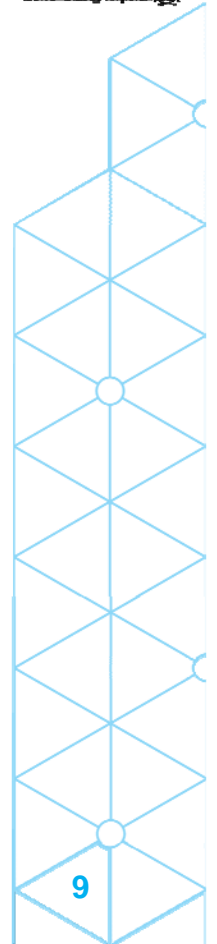
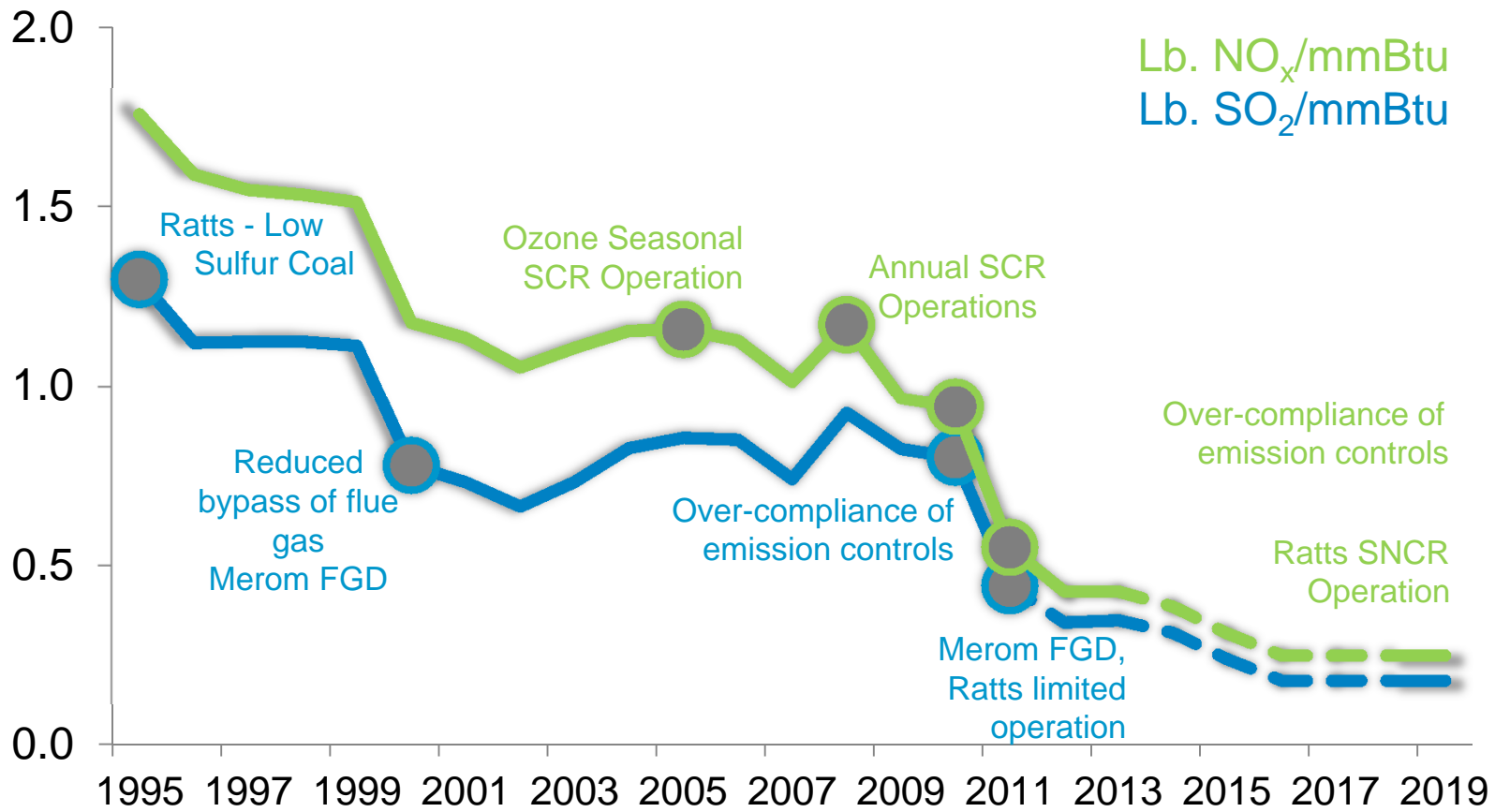


Natural Gas

- Portion of transportation service is firm
- Physical location of generators
- Transportation agreements use suppliers with scale

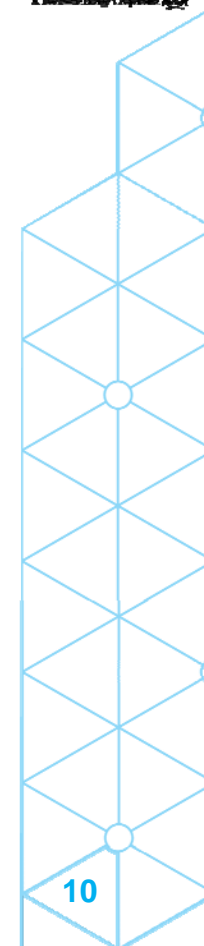
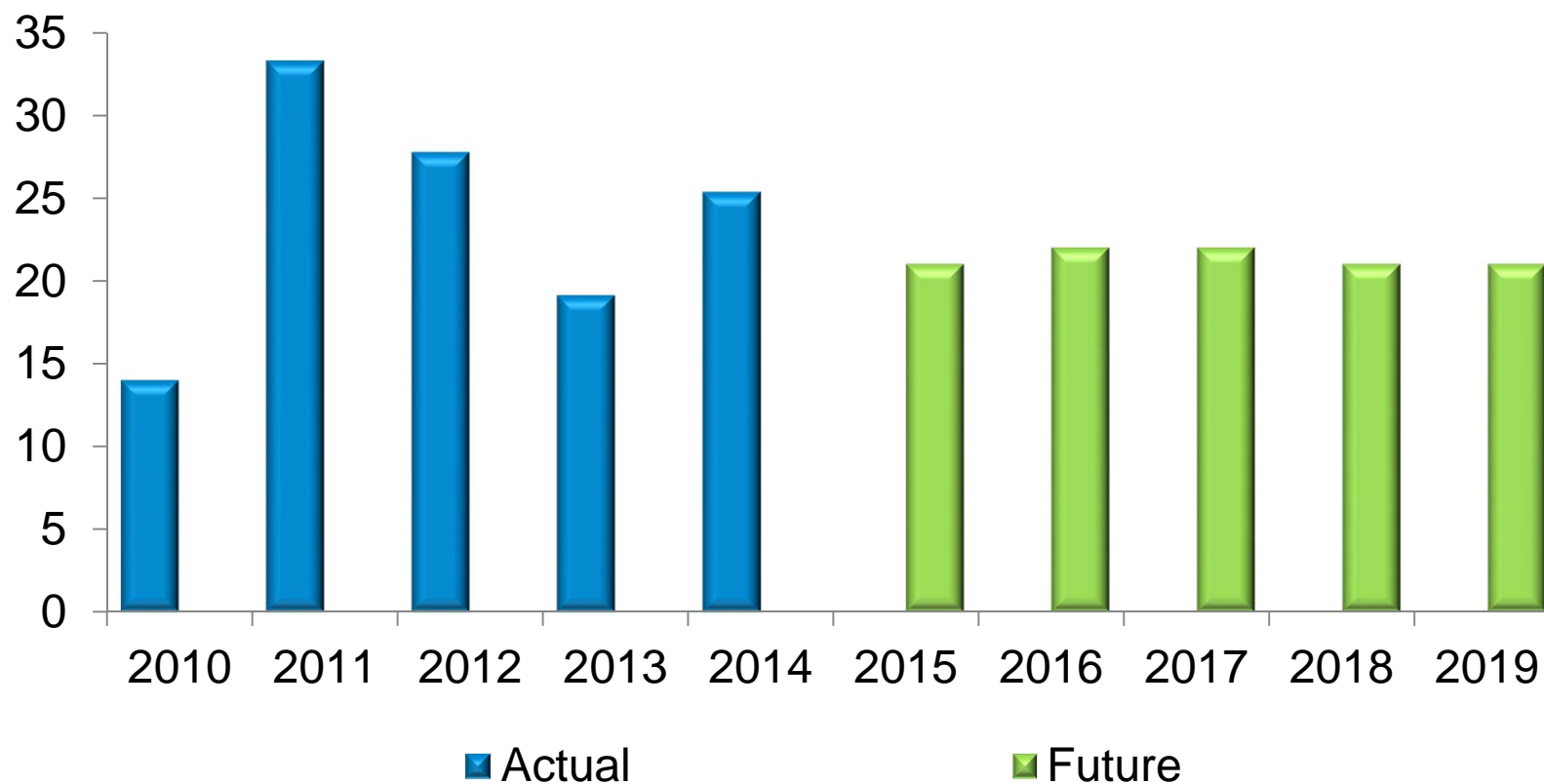


Environmental Performance



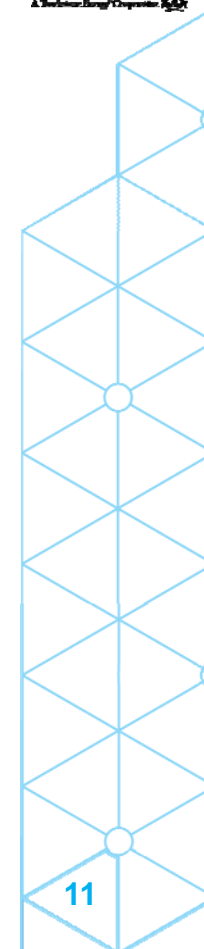
Power Delivery Capital Projects

\$ in Millions



Environmental Standards

- Mercury and Air Toxins Standards (MATS)
 - Coal generation retirements
 - Ratts plant – impact is less than 200MW
- Increased reliance on power purchases, natural gas generation and renewables
- Hoosier Energy has established a new target of supplying 10% of member load from renewable generation by 2025
 - Currently ~4% in 2014

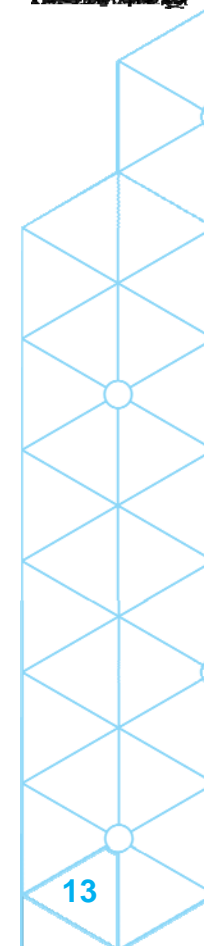


Clean Power Plan – Alternative

- Achieves the same CO2 emission levels as the CPP in 2030
- Acknowledges Fuel Use Act of 1978 and remaining useful life
 - Units online before 1978 phase out in 2030 unless they meet new source performance standard
 - Units online in 1978 and later phase out in 2050 unless they meet new source performance standard
- State sets plant efficiency improvements on unit-by-unit basis
- State sets emission baseline (highest of years 2010-2012)
- FERC, NERC, RTOs retain emergency authority for reliability

Integrated Resource Plan Process

- Revised rules provide sufficient guidance for IRP development
- IRP is used to develop long-term resource strategy
 - Potential risks should have a reasonable probability of occurrence
 - Balance benefits of additional scenario analysis versus costs of analysis
 - Not appropriate to stress system to achieve a specific outcome



Questions?

