

## **ICC Comments on the Preliminary Director's Report of the DEI IRP**

The Director's Report did not address the following key items identified by ICC in its comments.

1. DEI did not evaluate what role carbon capture can play in its future resource plans. The Edwardsport generating plant was originally designed to employ carbon capture. Even though that element was abandoned prior to the completion of the plant, Duke's IRPs should continually re-evaluate whether the plan for carbon capture should be revived. Further, the currently-available Section 45Q credits promote investment in CCUS. The value of the tax credit was increased from \$10 to \$35 per ton of CO<sub>2</sub> used in enhanced oil recovery (EOR) and from \$20 to \$50 per ton for CO<sub>2</sub> sequestered in secure geologic storage without EOR. Given DEI's concerns over its long-term exposure to carbon and its significant investment in Edwardsport, such a review should be encouraged.
  
2. DEI made no mention of the legislation-mandated task force referred to as the 21<sup>st</sup> Century Energy Development Task Force (Task Force). The Task Force is required to do the following:
  - Examine and evaluate specified aspects of the state's policies concerning electric generation portfolios
  
  - Develop recommendations for the general assembly and the governor concerning any identified challenges with respect to Indiana's electric generation portfolios
  
  - Issue a report setting forth the task force's recommendations not later than December 1, 2020.

The results of this very important and relevant Task Force could provide useful information and guidelines that affect the future construction of IRPs. For example, DEI did not consider strategic alternatives to a phase out of its coal plants during the 20-year forecast period despite the relative competitiveness of DEI's coal plants within the state. Such alternatives could include diversification of ownership of the plants (e.g., with other regulated in-state utilities, merchants, and third parties) and retrofit of carbon capture onto the existing plants. Nor did DEI evaluate carbon offset options, which could be lower in cost while achieving the same net reduction in emissions, and which could also address DEI's perceived risk. Therefore, we believe the Director should encourage DEI to consider the Task Force's findings.