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Indiana Electric Cooperatives Responses to IURC's Request for Feedback Regarding the HEA 1278 Energy Study

The Indiana Electric Cooperatives appreciates the opportunity to provide feedback regarding the Indiana Utility Regulatory Commission's request for feedback regarding the impact that fuel transitions and emerging technologies may have on the State's power system. Below are our comments for consideration.

Scenarios for SUFG Modeling for Report to Energy Policy Task Force

1. Scenario #1 – Reference Scenario
 - a. The base year of the 2019 Forecast is 2018, which uses 2017 data. Given that this data is now over two (2) years old, it may be stale.
2. Scenario #2 – no coal retirements before 2025 (except Gallagher)
 - a. Rockport #2's lease expires at the end of 2022.
 - b. Although it was not requested to provide supporting data, Hoosier Energy is willing to provide similar data to improve the analysis.
3. Scenario #3 – no coal retirements before 2030
 - a. Why 2030?
4. Scenario #4 – SUFG will conduct a high gas scenario.
 - a. Does the use of an arbitrary gas price provide meaningful results?
 - b. Should there also be a low gas sensitivity off the reference scenario? This may show the value differential between coal and low cost gas generation.
5. Scenario #5
 - a. In general, as the market penetration of energy efficiency increases, the unit cost increases. The proposed assumption does not capture that reality.
6. Scenario #6 – distributed resources, EVs and energy storage
 - a. No comment.
7. Scenario #7 – SUFG will perform a low renewable price scenario, in which renewable prices are lower than currently projected.
 - a. EIA forecasts tend to be conservative and sometimes dated. NREL might be a better source for the base and a low renewable scenario could be a reduction from there.
 - b. Should there also be a sensitivity off the reference scenario reflecting higher than anticipated renewable? Higher prices might be caused by increased competition for limited available projects resulting from more coal retirements in the 2020s.
8. Scenario #8 – high CHP
 - a. With the appropriate non-disclosure agreements, Hoosier Energy is willing to share C&I forecasts to improve the analysis.

Other Comments:

- #1 is a scenario but #2-7 are arguably sensitivities, where limited variables are changed from the reference scenario.
- It's appropriate to assume a carbon tax but Hoosier Energy would suggest this be a scenario rather than a sensitivity. There needs to be better definition of the timing, price and escalation of the carbon tax. Recent IRPs submitted by Indiana utilities could provide a framework for analysis.
- The analysis may benefit from scenarios that include Higher/Lower wholesale energy and demand prices as well as Higher/Lower demand and energy forecasts.
- Berkeley Lab study mentions only looking at the Indiana IOU's. What about the cooperatives and the municipals?