

**CenterPoint Energy Indiana South  
2025 Integrated Resource Plan  
Indiana Office of Utility Consumer Counselor Commentary  
April 2, 2026**

**Introduction**

The Indiana Office of Utility Consumer Counselor (OUCC) respectfully offers these comments on CenterPoint Energy Indiana South's (CEI South) 2025 Integrated Resource Plan (IRP). CEI South held a series of IRP stakeholder meetings from January 2025 through October 2025. The OUCC appreciated the opportunity to participate in these meetings. The OUCC's staff also participated in separate technical meetings with CEI South staff and other stakeholders. However, as with all Indiana electric investor-owned utilities, the ultimate preferred resource portfolio and Action Plan decisions are CEI South's alone and were not determined by the participating stakeholders.

The purpose of the OUCC's comments is to recommend improvements to CEI South's IRP processes and Preferred Portfolio development, as well as make suggestions to the Indiana Utility Regulatory Commission (IURC or Commission) for the benefit of CEI South's customers. The fact that the OUCC does not address specific items, assumptions, or portfolios in CEI South's 2025 IRP should not be interpreted as support on those matters. It is impractical to weigh in on every item or issue given the volume of information and level of depth in these plans.

**Load Growth**

Based on CEI South's historical growth trend, load growth shows a -0.3% compound annual growth rate (CAGR) in energy and a -0.1% decline in peak power CAGR.<sup>1</sup> CEI South forecasts an energy CAGR of +0.4%, peak power demand of +0.6% in the summer, and +0.4% in the winter for 2026-2045.<sup>2</sup> However, this forecast excludes CEI South's energy efficiency and demand response programs, which have contributed to the decrease in historical energy and peak power demand, and includes a secondary forecast of photovoltaics (PV) and electric vehicle growth (EV). Rather than compounding projections with PVs and EVs, the load forecast should be grounded as closely as possible in historical empirical data, which shows declining demand.

CEI South needs to demonstrate prior to its next IRP that load will require additional capacity from a CCGT by 2034.

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<sup>1</sup> CEI South 2025 IRP, Volume 2, Attachment 4.2 Stakeholder Materials, p. 546: Public Stakeholder Meeting 1 on 3/19/2025, p. 43.

<sup>2</sup> *Id.*, Attachment 4.2 Stakeholder Materials, p. 570: Public Stakeholder Meeting 1 on 3/19/2025, p. 67.

## **Demand Side Management (DSM)**

As part of CEI South’s preferred portfolio it is planning to expand its demand-side resources by adding twenty new programs. These programs are projected to offer up to 46 MW of capacity in the first year and increase to up to 156 MW of capacity by 2045.<sup>3</sup> The current DSM plan was only projected to provide 11.189 MW in projected savings. The preferred portfolio would require a sizable increase in demand-side resources to reach this goal.

The modeling of demand-side resources and the number of demand-side resources to pursue in the preferred portfolio was based on the results of the CEI South’s 2025 Market Potential Study (MPS). Various bundles of energy efficiency (EE) and demand response (DR) incentives were evaluated based on several factors. The MPS predicted that CEI South could significantly increase both EE and DR savings across all sectors.

CEI South achieved 98% of its gross DSM savings goal for the overall program (both Residential and Commercial and Industrial programs) in 2025.<sup>4</sup> This is the first time within the past five years that it nearly achieved its DSM savings goal. In 2024, CEI South achieved 85% of its net MWh savings goal and 55% of its net MW savings goal.<sup>5</sup> While CEI South has improved in meeting its DSM goal, the OUCC is skeptical that it can achieve the planned increase in demand-side resources given past performance.

## **Electric Vehicles**

CEI South’s EV forecast is an optimistic case that overstates long-term EV penetration under current federal incentive rollbacks. The forecast relies on Energy Information Administration (EIA) projections that may not reflect post 2025 federal incentive policy rollbacks. Additionally, CEI South does not present an alternative adoption scenario where it’s sensitive to the EV tax credit repeal after 2026.

The market trend as shown below conflicts with CEI South’s smooth EV adoption ramp. There are several “factors such as escalating trade tensions, rare earth shortages are expected to further slow EV adoption in the U.S. to a more moderate pace year over year, from 7.3% in 2024, to under 2% annually each year through 2030.”<sup>6</sup>

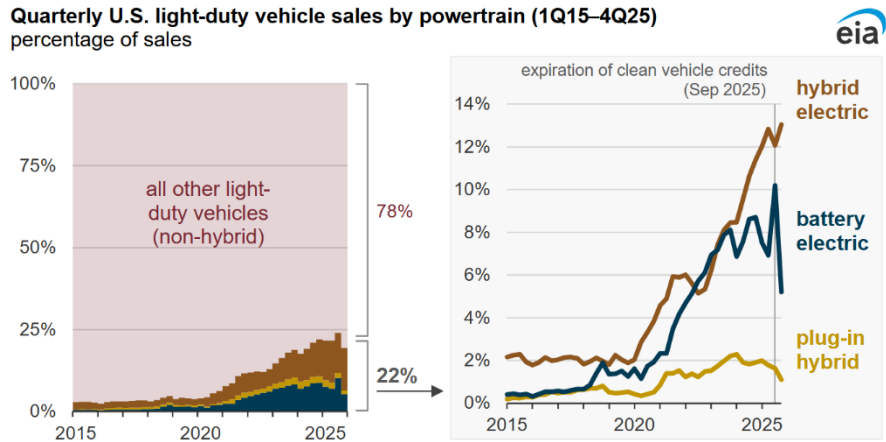
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<sup>3</sup> CenterPoint 2025 IRP, Volume 1, 5.1.1 Description of the Preferred Portfolio, p. 165.

<sup>4</sup> IURC Cause No. 46100, Q4 2025 Scorecard.

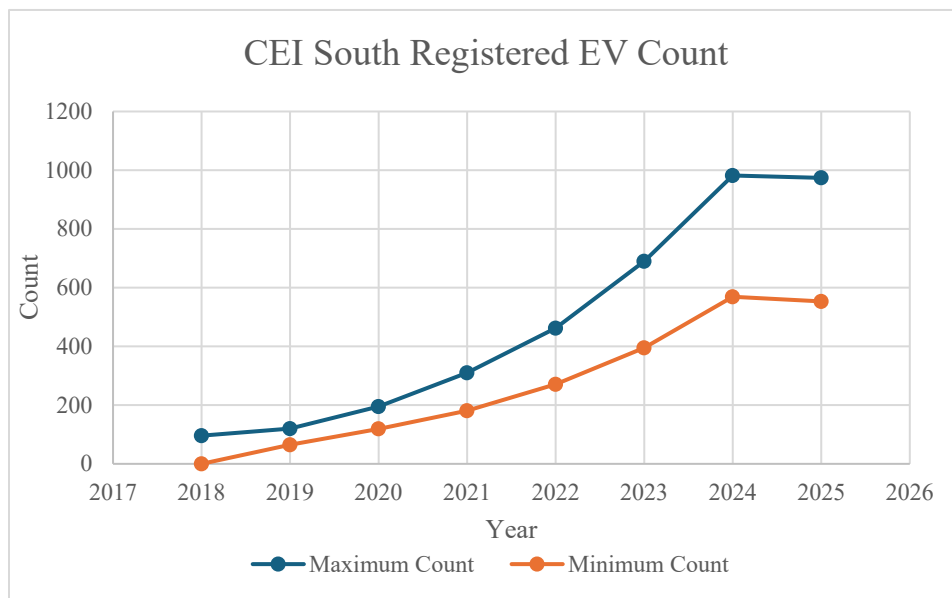
<sup>5</sup> IURC Cause No. 46100, Quarterly Performance Update.

<sup>6</sup> Walz, E. (September 30, 2025) *Utility Dive*. “Regulatory uncertainty slowing US electric vehicle adoption.” <https://www.utilitydive.com/news/EY-mobility-lens-forecaster-us-fall-behind-china-global-race-evs-hybrids/761448/>.



Battery EV and plug-in hybrid sales have decreased in response to the tax credits expiring in September 2025.<sup>7</sup>

When looking at CEI South’s service territory, there is a decline in the number of registered EVs from 2024 to 2025, as shown below:



Source: Indiana Office of Energy Development (OED) Indiana Vehicle Fuel Dashboard<sup>8</sup>

The orange line indicates the amount of registered EVs in CEI South’s service territory, excluding the counties that are partially located in CEI South’s service territory, whereas the blue line indicates all registered EVs in all counties in CEI South, including the ones partially in CEI

<sup>7</sup> EIA. (February 9, 2026) *Today in Energy*. “Electric vehicle sales fell as hybrid vehicle sales continued to rise in 2025.” <https://www.eia.gov/todayinenergy/detail.php?id=67144>.

<sup>8</sup> Indiana OED. Indiana Vehicle Fuel Dashboard. 2018-2025 data obtained for Posey, Vanderburgh, Spencer, Gibson, Warrick, Pike, and Dubois counties. <https://www.in.gov/oed/resources-and-information-center/vehicle-fuel-dashboard/>.

South's service territory assuming every EV owner registers their vehicle annually. CEI South's true registered EV count falls between both the orange and blue lines.

Additionally, according to the International Energy Agency, the growth in electric car sales in the United States has been slowing down significantly.<sup>9</sup> There has also been a steady decline in government spending per vehicle, in the form of purchase subsidies and tax incentives over the past decade. According to IEA, "In 2024, government spending accounted for less than 7% of total spending on electric cars globally, compared to 20% in 2017."<sup>10</sup> While declining government spending as a percentage of total EV expenditures may partially reflect market expansion and broader private sector participation, federal policy changes materially altered the incentive landscape. The elimination of federal EV tax credits such as the New Clean Vehicle Credit, the Used Clean Vehicle Credit, and the Qualified Commercial Clean Vehicle Credits after September 30, 2025, under the OBBBA<sup>11</sup> removed a source of support that historically reduced upfront costs for consumers. Additionally, the Trump Administration has targeted previous EV regulatory initiatives and recently announced re-setting the Corporate Average Fuel Economy (CAFE) standards to remove imputed EV fuel economy performance.<sup>12</sup> As such, CEI South should reassess whether its assumed EV penetration trajectory remains reasonable under these changed conditions.

Toyota Motor has reduced its planned electric vehicle production for 2026 by roughly a third, reflecting weaker than expected EV sales, while Volvo Cars has abandoned its goal of becoming fully electric by 2030 and now expects to continue offering hybrid models. Similarly, in the U.S., General Motors and other automakers have delayed or canceled new EV launches to avoid significant investments amid slowing consumer demand.<sup>13</sup>

These developments indicate EV adoption is progressing more slowly and less uniformly than previously assumed, even among major global and U.S. manufacturers. This broader industry pullback undermines the reasonableness of CEI South's assumed theoretical EV penetration rate of 56.25%, which appears overstated given current market signals, automaker production decisions, and observed demand trends that suggest a more gradual transition rather than rapid, near majority adoption.

Additionally, there is an unexplained discontinuity in the summer peak that jumps from 1.0 MW to 6.4 MW in 2033 that CEI South fails to elaborate upon as shown in Table 4-2: EV impact

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<sup>9</sup> International Energy Agency. Global EV Outlook 2025: Trends in Electric Car Markets. <https://www.iea.org/reports/global-ev-outlook-2025/trends-in-electric-car-markets-2>.

<sup>10</sup> *Id.*

<sup>11</sup> U.S. Internal Revenue Service (IRS). One Big, Beautiful Bill Provisions. <https://www.irs.gov/newsroom/one-big-beautiful-bill-provisions>.

<sup>12</sup> The White House. (December 3, 2025) Fact Sheet: President Donald J. Trump Announces the Reset of Corporate Average Fuel Economy (CAFE) Standards. <https://www.whitehouse.gov/fact-sheets/2025/12/fact-sheet-president-donald-j-trump-announces-the-reset-of-corporate-average-fuel-economy-cafe-standards/>.

<sup>13</sup> Reuters. (September 6, 2025). "Toyota cuts 2026 global EV output plans by a third, Nikkei reports." <https://www.reuters.com/business/autos-transportation/toyota-cut-2026-global-ev-production-by-around-third-1-mln-nikkei-reports-2024-09-06/>.

forecast. CEI South does not explain if there was a shift in assumptions, whether that be a change in charging profile, coincidence factor, or a different method used.

CEI South assumes 80% of charging at home and 20% away, and that “majority of charging will occur at home in the evening hours” because CEI South does not have incentivized charging rates. This is plausible, but there is no sensitivity shown for workplace charging growth, managed charging, or Time of Use rate adoption. Using unmanaged evening heavy profiles as the primary case without a managed charging sensitivity can bias peak forecasts upward.

### **Five Pillars Analysis**

#### ***Affordability***

As mentioned above, CEI South’s load trends have shown declining growth; however, CEI South continues to forecast load growth, which may lead to unnecessary capital investments. As the Indiana Capital Chronicle reported when covering the recent Indiana Utility Regulatory Commission’s inquiry into energy affordability, “the priciest bills and highest increases [of the “big five” investor-owned utility firms] came from CenterPoint — \$221 [per month for 1,000 kWh of electricity], a 25% increase.”<sup>14</sup>

#### ***Stability, Resiliency, and Reliability***

The IRP evaluates reliability, resiliency, and stability through several analytical approaches, including stochastic dispatch simulations that measure unserved energy, verification that portfolios satisfy the Midcontinent Independent System Operator’s (MISO) seasonal Planning Reserve Margin Requirement, transmission stability analysis using Power System Simulator for Engineering, and evaluation of operational flexibility through spinning reserve, fast-start capacity, storage response capability, and demand response resources. The study also references MISO’s regional Loss of Load Expectation (LOLE) studies when establishing capacity accreditation assumptions for generation resources. While these analyses provide a meaningful assessment of system adequacy and operational capability, the IRP relies primarily on unserved energy simulations and operational capability metrics, rather than presenting a broader set of probabilistic or dynamic stability indicators, such as portfolio specific LOLE or frequency response metrics. As a result, the reliability and stability assessment focuses more heavily on operational flexibility and adequacy under modeled dispatch conditions, rather than a wider range of system stress scenarios. The IRP focuses mainly on normal operations and market uncertainty, not extreme disruptions. This can be resolved with metrics such as extreme weather outage performance, restoration time, and correlated generator outage stress tests. To better measure the stability metric, metrics such as system inertia and frequency response would help provide a stronger assessment of the IRP.

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<sup>14</sup> Muniz, L. (March 24, 2026) Indiana Capital Chronicle. “‘Big five’ Indiana utilities defend rates in regulator questioning.” <https://indianacapitalchronicle.com/2026/03/24/big-five-indiana-utilities-defend-rates-in-regulator-questioning/>.

## ***Environmental Sustainability***

Environmental sustainability, as described in Ind. Code § 8-1-2-0.6(5), includes the impact of environmental regulations on the cost of providing electric utility service and evaluating customers' demand for environmentally sustainable sources of electric generation. To evaluate environmental sustainability for this IRP, CenterPoint used the criteria below<sup>15</sup> and developed its scenarios and modeling based on the following environmental assumptions:

- **CO<sub>2</sub>:** CenterPoint revised its Reference Case with the assumption that the Trump Administration would repeal Rule 111(b) and (d),<sup>16</sup> which the Administration has since done. Some portfolios consider the possibility of future CO<sub>2</sub> regulations. This is a valid consideration since a change in administration could lead to renewed interest in CO<sub>2</sub> regulation.
- **SO<sub>x</sub> and NO<sub>x</sub>:** CenterPoint assumes that its current allocations of SO<sub>x</sub> and NO<sub>x</sub> emission allowances will be sufficient to cover existing and future generating resources.<sup>17</sup> Given the current regulatory environment and existing regulations, this is a valid assumption.
- **316(b):** CenterPoint will have to install controls in the cooling water intake system at Culley in order to comply with the Clean Water Act 316(b). The costs for these changes are included in the modeling.<sup>18</sup>

The CO<sub>2</sub> criteria would have been appropriate at the time CenterPoint first began creating its IRP, but the change in Administration and its shift away from CO<sub>2</sub> regulation has made these criteria less relevant. CenterPoint's inclusion of CO<sub>2</sub>, SO<sub>x</sub>, NO<sub>x</sub>, and 316(b) costs allows for a more comprehensive evaluation of compliance with environmental regulations than conducted by most Indiana utilities.

## **Conclusion**

The OUCC appreciates the opportunity to participate in CEI South's IRP stakeholder process. The OUCC also appreciates CEI South and the IURC considering these comments. The OUCC finds great value participating in the IRP stakeholder process and expresses its thanks to all participating stakeholders.

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<sup>15</sup> CenterPoint 2025 IRP, 5.1.5 Environmental Sustainability, p. 169.

<sup>16</sup> CenterPoint 2025 IRP, Volume 1, 1.1.5 Environmental Regulations, p. 49.  
*Id.*, 8.2.1 Air Emissions, p. 208.

<sup>18</sup> *Id.*, 3.5.4 316(b), p. 95.