

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY LLC FOR APPROVAL)
PURSUANT TO IND. CODE §§ 8-1-2-42(a), 8-1-8.8-11) CAUSE NO. 45472
OF A SOLAR ENERGY POWER PURCHASE)
AGREEMENT, INCLUDING TIMELY COST)
RECOVERY.)

VERIFIED PETITION

Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) for approval and associated cost recovery of an Amended and Restated Solar Energy Purchase Agreement between NIPSCO and Green River Solar, LLC (“Green River”) dated December 23, 2020 (“Green River PPA”). In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission’s Rules of Practice and Procedure, Petitioner submits the following information in support of this petition.

1. **NIPSCO’s Corporate Status.** NIPSCO is a limited liability company organized and existing under the laws of the State of Indiana with its principal office and place of business at 801 East 86th Avenue, Merrillville, Indiana. NIPSCO is a wholly-owned subsidiary of NiSource Inc., an energy

holding company whose stock is listed on the New York Stock Exchange.

2. **NIPSCO's Regulated Status.** NIPSCO is a "public utility" within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. NIPSCO is also an "eligible business" as that term is defined in Ind. Code § 8-1-8.8-6. NIPSCO is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

3. **NIPSCO's Operation.** NIPSCO is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter, Pulaski, Saint Joseph, Starke, Steuben, Warren and White Counties in northern Indiana. NIPSCO owns, operates, manages and controls electric generating, transmission and distribution plant and equipment and related facilities ("Utility Property"), which are used and useful in the production, transmission, distribution and furnishing of electric energy, heat, light and power to the public. The NIPSCO generating facilities have an installed capacity of 2,825 megawatts ("MW") and consist of six (6) separate generation sites, including two (2) hydroelectric generating plants. NIPSCO's

transmission system, with voltages from 69,000 to 765,000 volts, consists of approximately 2,802 circuit miles. NIPSCO is interconnected with six (6) neighboring electric utilities. Pursuant to the Commission's Order dated September 24, 2003 in Cause No. 42349, NIPSCO has transferred functional control of its transmission facilities to the Midcontinent Independent System Operator, Inc. ("MISO"), a regional transmission organization ("RTO") operated under the authority of FERC, which administers the use of NIPSCO's transmission system and the economic dispatching of NIPSCO's generating units pursuant to MISO's FERC-approved tariff provisions. NIPSCO also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

4. **2018 IRP and Phase II RFPs.** On October 31, 2018, NIPSCO submitted its 2018 Integrated Resource Plan ("2018 IRP"). The 2018 IRP included a short-term action plan consisting of the actions NIPSCO will take for the period 2019-2021. The short-term action plan focuses on initiating the retirement process for all of the coal-fired units at R.M. Schahfer Generating Station by 2023 and selecting/acquiring replacement projects to fill the capacity gap created by this retirement. On October 1, 2019, NIPSCO issued three separate requests for proposals, one for wind resources, one for solar resources and one for thermal/other capacity resources ("Phase II RFPs") to identify additional projects

required to meet its resource requirements as identified in the 2018 IRP. Responses were due on November 20, 2019. More than 40 bidders submitted proposals supported by approximately 93 individual projects.¹ Each proposal was evaluated and scored independently from NIPSCO by a third party. The projects scoring the highest were short-listed and proceeded to negotiations of definitive agreements. The Green River Project was included in the short-listed projects.

5. **Green River Project and PPA.** The Green River Project is being developed in Breckinridge County and Meade County, Kentucky. The Green River Project has an installed capacity of approximately 200 megawatts (“MW”) (nameplate capacity). The Green River PPA provides NIPSCO with 100% of the electrical output of the Green River Project, and any environmental attributes associated with the project, for a term of 20 years beginning at the Commercial Operation Date. The purchase is a bundled product consisting of the solar energy project’s production, capacity, and environmental attributes, and the purchase price reflects the benefits associated with the investment tax credits (“ITCs”). The terms and conditions of the Green River PPA are included in Petitioner’s evidence submitted herewith.

¹ In connection with the 2018 IRP, NIPSCO issued an all-source RFP on May 14, 2018. Final proposals were due on June 29, 2018. Ninety (90) proposals supported by 59 projects were received.

6. **Solar PPA Capacity.** The expected capacity attributable to the Green River PPA is a reasonable and necessary resource in providing capacity and diversity of supply, as well as maintaining adequate reserve margins, for NIPSCO. The Green River PPA has been modeled by NIPSCO giving appropriate consideration to alternatives such as conservation, demand-side management, load management, customer-specific contracts, cogeneration, and the purchase of power. NIPSCO submits that the Green River PPA is a reasonable addition to a portfolio of capacity resources that in the aggregate serve to mitigate risk through diversification and foster an economic mix of capacity resources. Commission approval of the Green River PPA and associated relief sought herein is in the public interest, will enhance or maintain the reliability and efficiency of service provided by NIPSCO, and is otherwise consistent with Ind. Code § 8-1-8.8-11. The Green River PPA fits into NIPSCO's 2018 IRP and is an economic choice for helping to meet NIPSCO's Indiana retail electric load.

7. **NIPSCO's Request for Cost Recovery.** The Green River PPA contains reasonable pricing and terms that are economic over the long-term. NIPSCO requests the Commission approve the Green River PPA and authorize NIPSCO to recover the costs associated with the Green River PPA throughout the full 20-year term of the agreement via a rate adjustment mechanism in

accordance with Ind. Code §§ 8-1-2-42(a) and 8-1-8.8-11. For administrative efficiency and simplicity, NIPSCO proposes that timely cost recovery be administered through NIPSCO's Fuel Adjustment Clause ("FAC") proceedings (or successor mechanism).² Although NIPSCO is proposing to have the cost recovery administered through its FAC, this cost recovery shall not be subject to the Section 42(d)(1) test or any other FAC benchmarks. Rather, NIPSCO requests that the Commission make a definitive finding in this Cause that the Green River PPA, and associated costs, is reasonable and necessary so that NIPSCO will be authorized to recover those costs over the full term of the Green River PPA.

8. **Confidentiality Request.** NIPSCO requests confidential treatment of the Green River PPA's pricing and other negotiated commercial terms and related confidential, proprietary and competitively sensitive information, since that information is properly considered "trade secrets" under Ind. Code § 5-14-3-4(a)(4). A separate motion under 170 IAC 1-1.1-4 is being filed in this Cause to make this request.

9. **Statutory Authority.** NIPSCO considers Ind. Code ch. 8-1-8.8 *et seq.*, and Ind. Code § 8-1-2-42(a), among others, to be applicable to this Cause and to provide the basis for Commission approval of this Verified Petition. In

² This is consistent with the request NIPSCO made and the Commission approved in Cause Nos. 45195 and 45196, and currently pending in Cause No. 45403.

particular, NIPSCO's commitment to the Green River PPA will develop a clean energy resource under Ind. Code § 8-1-37-4(a)(1), which is therefore a renewable energy resource under Ind. Code § 8-1-8.8-10 and a clean energy project under Ind. Code § 8-1-8.8-2 eligible for timely recovery of costs in accordance with Ind. Code § 8-1-8.8-11.

10. Counsel for NIPSCO. The names and addresses of persons authorized to accept service of papers in this proceeding are:

Counsel of Record:

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With a copy to:

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11. Proposed Procedural Schedule. In accordance with 170 IAC 1-1.1-15(e), Petitioner has had discussions with the Indiana Office of Utility Consumer Counselor ("OUCC") regarding a procedural schedule and proposes the following to satisfy the 120 day schedule provided in Ind. Code § 8-1-8.8-11(d):

Petitioner Filing of Case in Chief	December 23, 2020
OUCC and Intervenors Filing of Case in Chief	February 16, 2021
Petitioner's Rebuttal, if any, and Cross Answering, if any	February 25, 2021
Hearing	One half day during the week of March 8, 2021
Order	April 22, 2021

To facilitate the 120 day schedule, NIPSCO and the OUCC have agreed to informal discovery, with any response or objection to a request being made within seven calendar days of the receipt of such request prior to the OUCC and any Intervenors' prefiling date, and three business days after the filing of the OUCC and any Intervenors' cases in chief. WHEREFORE, Northern Indiana Public Service Company LLC respectfully requests that the Commission promptly publish notice, make such other investigation, and hold such hearings as are necessary or advisable and thereafter, make and enter appropriate orders in this Cause:

- (a) Finding that the Green River PPA is reasonable and necessary;
- (b) Authorizing NIPSCO to enter into the Green River PPA and determining the Green River Project to be an eligible Clean Energy Project for purposes of Ind. Code § 8-1-8.8-11;
- (c) Authorizing the full and certain recovery of the retail jurisdictional portions of the power purchase costs on an accrual basis under the Green River PPA from retail customers through NIPSCO's fuel adjustment clause proceedings, or successor mechanism, over the entire 20-year term of the agreement;

- (d) Approving confidential treatment of the Green River PPA's pricing and other negotiated commercial terms and related confidential information; and
- (e) Granting to NIPSCO such additional and further relief as may be deemed or appropriate.

Dated this 23rd of December, 2020.

Northern Indiana Public Service Company LLC



Erin E. Whitehead
Vice President
Regulatory and Major Accounts

Verification

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated: December 23, 2020.



Erin E. Whitehead
Vice President
Regulatory and Major Accounts


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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon the following:

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Dated this 23rd of December, 2020.



Bryan M. Likins