

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, AND TO THE) CAUSE NO. 45196
EXTENT NECESSARY IND. CODE §)
8-1-2.5-6, OF A RENEWABLE ENERGY)
POWER PURCHASE AGREEMENT WITH)
ROAMING BISON WIND, LLC, INCLUDING)
TIMELY COST RECOVERY.)

PETITIONER'S SUBMISSION OF FIRST SET OF CORRECTIONS

Northern Indiana Public Service Company LLC ("NIPSCO"), by counsel,
respectfully submits the attached corrections to the Verified Direct Testimony of
Robert its prepared case-in-chief:

NIPSCO is providing a clean and redlined version of the corrected pages.
The clean version will be included in the court reporter's copies offered into
evidence at the hearing.

Respectfully submitted,

A handwritten signature in cursive script, reading "Claudia J. Earls", written in black ink. The signature is positioned above a horizontal line.

Claudia J. Earls (No. 8468-49)

NiSource Corporate Services - Legal

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Attorney for Northern Indiana Public Service
Company LLC

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing was served upon the following via electronic transmission this 8th day of March, 2019 to:

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Claudia J. Earls

1 capacity needs. I have submitted testimony before the Federal Energy
2 Regulatory Commission ("FERC") on affiliate transaction issues associated
3 with RFPs conducted for Mon Power and DTE Energy. I submitted
4 testimony to FERC quantifying the reactive power tariff for generating
5 assets owned by DP&L and AES Ohio Generation. In addition, I have
6 testified on competitive bidding in the insurance industry in civil litigation.
7 My curriculum vitae is attached as Attachment 3-A.

8 **Q6. What is the purpose of your direct testimony in this proceeding?**

9 A6. The purpose of my direct testimony is to explain the analysis NIPSCO used
10 to evaluate its various options for wind energy and why the Wind Energy
11 Purchase Agreement between NIPSCO and Roaming Bison Wind Farm
12 LLC ("Roaming Bison"), which is an affiliate of NextEra Partners, LP, dated
13 January 3, 2019 ("Roaming Bison Wind Energy PPA") is an economic choice
14 for helping meet NIPSCO's retail electric load.

15 **Q7. Are you sponsoring any attachments to your direct testimony?**

16 A7. Yes. In addition to my curriculum vitae attached as Attachment 3-A, I am
17 sponsoring Attachment 3-B, which is a May 14, 2018 news release issued by
18 NIPSCO announcing its intent to explore potential options to meet the

1 NIPSCO's 2018 IRP and how the assumptions associated with the new wind
2 resource options modeled in the 2018 IRP compare with the cost of the
3 Roaming Bison Wind Energy PPA.

4 **Q11. When did you first become involved in NIPSCO's IRP process?**

5 A11. My involvement with NIPSCO began in February 2018 after the 2018 IRP
6 process had been initiated. While others at CRA became involved with
7 NIPSCO to support the 2018 IRP update, during the first quarter of 2018,
8 NIPSCO retained CRA to assist in the design, administration and bid
9 evaluation of an All-Source RFP. The All-Source RFP was intended to
10 inform NIPSCO's resource planning and identify potential capacity assets
11 to meet NIPSCO's needs. The All-Source RFP was conducted as part of an
12 integrated IRP and RFP process. My role with NIPSCO was to help design
13 and administer the All-Source RFP process.

14 **Q12. Describe NIPSCO's objectives for the All-Source RFP.**

15 A12. Through the All-Source RFP, NIPSCO sought to identify the discrete
16 capacity resources best positioned to satisfy the anticipated capacity
17 shortfall consistent with both the 2018 IRP analysis and the RFP bid
18 selection criteria. NIPSCO considered a wide range of asset types,

1 **Q32. Did CRA consider the locational marginal price-related ("LMP") impacts**
2 **of the wind Proposals?**

3 A32. The prices included in the RFP NPV evaluation of bids were based on a
4 single Indiana Hub price derived from IRP base case modeling. As a result,
5 for this phase of the analysis, there was no distinction on the LMP for assets
6 within LRZ6. However, I am aware that NIPSCO has conducted a nodal
7 analysis of bids as part of the due diligence process during the definitive
8 agreement phase to understand any potential congestion risk.

9 **Q33. Is the proposed Roaming Bison Wind Energy PPA an economic option**
10 **for meeting NIPSCO's retail electric load?**

11 A33. Yes. The 2018 IRP identified that based on the current market economics
12 and outlook, wind power represents an excellent resource option for
13 NIPSCO and its customers over the expected useful life of a new wind
14 facility. As illustrated in Confidential Attachment 3-D, the Roaming Bison
15 facility represented a positive economic option based on the project's NPV
16 score. In addition, there were no asset specific concerns with the
17 development project and, as a result, the facility lost no points related to
18 asset specific risk scoring category. The Roaming Bison project received 573
19 total points based on the evaluation criteria used for scoring the RFP. The

1 project will interconnect to the Nucor-Cayuga 345 kV transmission line via
2 a line tap.

3 **Q34. Does this conclude your prefiled direct testimony?**

4 **A34. Yes.**

VERIFICATION

I, Robert Lee, Vice President of Charles River Associates, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



Robert Lee

Dated: March 7, 2019

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Northern Indiana Public Service Company LLC
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1 capacity needs. I have submitted testimony before the Federal Energy
2 Regulatory Commission ("FERC") on affiliate transaction issues associated
3 with RFPs conducted for Mon Power and DTE Energy. I submitted
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14 for helping meet NIPSCO's retail electric load.

Deleted: Jordan Creek

Deleted: Jordan Creek

Deleted: indirect, wholly-owned subsidiary of

Deleted: Energy Resources, LLC ("NextEra")

Deleted: Jordan Creek

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Page 7

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18 selection criteria. NIPSCO considered a wide range of asset types,

Q32. Did CRA consider the locational marginal price-related ("LMP") impacts of the wind Proposals?

A32. The prices included in the RFP NPV evaluation of bids were based on a single Indiana Hub price derived from IRP base case modeling. As a result, for this phase of the analysis, there was no distinction on the LMP for assets within LRZ6. However, I am aware that NIPSCO has conducted a nodal analysis of bids as part of the due diligence process during the definitive agreement phase to understand any potential congestion risk.

Q33. Is the proposed Roaming Bison Wind Energy PPA an economic option for meeting NIPSCO's retail electric load?

A33. Yes. The 2018 IRP identified that based on the current market economics and outlook, wind power represents an excellent resource option for NIPSCO and its customers over the expected useful life of a new wind facility. As illustrated in Confidential Attachment 3-D, the Roaming Bison facility represented a positive economic option based on the project's NPV score. In addition, there were no asset specific concerns with the development project and, as a result, the facility lost no points related to asset specific risk scoring category. The Roaming Bison project received 573 total points based on the evaluation criteria used for scoring the RFP. The

Deleted: Jordan Creek

Deleted: of all the wind proposals that were submitted into the RFP,

Deleted: Jordan Creek Project yielded the highest overall score

Deleted: bids with 817 total points

Deleted: The Jordan Creek Project is the most mature project of all RFP bids for in development wind resources having already achieved four of the five identified development milestones used as part of the RFP scoring. Of the potential counterparties for in development wind resources, NextEra had performed the most extensive transmission analysis associated with their project and completed an N-1-1 contingency analysis of the Jordan Creek Project.⁵ In addition, there were limited asset specific concerns for Jordan Creek; the facility only lost points for potential shared interconnection costs under some scenarios

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2 a line tap.

3 **Q34. Does this conclude your prefiled direct testimony?**

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