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NIPSCO prez: GenCo spinoff is in public interest

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NIPSCO's president is making a case that the utility's proposed GenCo spinoff to fund data centers would be in the public inter-

a filing with the Indiana Utility Regulatory Commission that a proposed settlement with large industrial customers would address some of the common concerns raised by stakeholders.

The Merrillville-based utility to create a new, more lightly regulated spinoff that would negotiate rates directly with hyperscale data centers. It's touting GenCo as the solution for the question of how to fund the billions of dol-

separate company is needed to withindependent electricity genprotect current customers from the cost and risk.

Coalition environmental and County government have raised President and Chief Operating a number of concerns, includ-Officer Vincent Parisi argued in ing that large customers would get preferential rates no one else could, that NIPSCO could pick data center winners and losers and that failed projects could increase residents.

GenCo reached a settlement is seeking the state's permission with the NIPSCO Industrial Group that consists of large consumers of power like Cleveland-Cliffs and U.S. Steel. The utility said it would largely serve new data centers through independently developed power genlars of data centers that have been eration infrastructure rather than Merrillville and other Northwest its own. GenCo would sign pur- sponsibility, he said.

Indiana communities, saying a chase power agreements, or deals erators like solar or wind farms, Critics like the Citizens Action consume more than 50 megawatts.

consumer group and the LaPorte ties raised a number of common SCO does when it seeks to raise the settlement," Parisi said in his still review generation assets. testimony. "From the perspective and addresses not only those issues, but also other concerns or that power to the wholesale marthe financial burden for existing issues unique to parties other than ket, Parisi wrote. He testified the NIPSCO Industrial Group."

Under the terms of the settlement, GenCo will procure its capacity to serve new megaload customers and will not enter into purchase agreements unless it already bear any financial responsibility has a contract with a data center, for GenCo's power generation as-Parisi testified. Substations or other transmission infrastructure built solely for a data center will proposed in Hammond, Hobart, by building new power plants of be that data center's financial re-

with the state every time it issues to serve megaload customers that debt, Parisi wrote. The company would not have to go through a "I would note that various par-docketed proceeding the way NIPconcerns which are addressed in rates. However, the IURC would

GenCo likely will at times end of GenCo and NIPSCO, however, up with additional generation the settlement also accounts for capacity beyond when NIPSCO contracted for and will sell off there could be some cases where GenCo's electric capacity could end up serving NIPSCO's current tric base rate case, this provision customers if it was cost-effective.

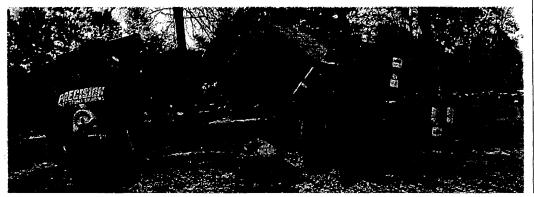
> NIPSCO's customers would not sets but potentially could acquire useful life.

As outlined in the settlement, keep up with growth or adjust to GenCo will have to make a filing changes in environmental rules, it could propose a purchase to the IURC, Parisi testified.

> NIPSCO would need state approval if it ever had to raise rates to serve new data center capacity, which is a possibility despite its efforts to separate the two companies, Parisi wrote. NIPSCO, for instance, said it could seek higher rates if it has to provide electricity from its existing production assets on a temporary basis while new capacity is coming online to serve a new data center.

"If NIPSCO has a pending elecrequires that a new rate schedule or tariff solely to serve megaload customers must be offered as part of that base rate case," Parisi wrote. "This is not to say that them if GenCo no longer needs NIPSCO currently intends to offer them and they still have years of a new 'megaload tariff' but there could come a time in the future If NIPSCO needs more power to where it is appropriate to do so."

SMALL BUSINESS SPOTLIGHT



Lake Station woman charged with neglect

LIZZIE KABOSKI lizzie.kaboski@nwi.com to the hospital, according to the affidavit.