OFFICIAL EXHIBITS

ORIGINAL

Commissioner	Yes	No	Not Participating
Huston	√		
Freeman	√		
Veleta	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANAPOLIS POWER & LIGHT COMPANY D/B/A AES INDIANA FOR APPROVAL OF ONGOING REVIEW PROGRESS REPORTS, REVISED PROJECT SCHEDULE AND COST AND ASSOCIATED COST RECOVERY FOR THE PETERSBURG ENERGY CENTER PROJECT APPROVED IN CAUSE NO. 45591)

CAUSE NO. 45832

APPROVED: MAY 03 2023

IURC PETITIONER'S EXHIBIT NO. Redirect 1
9-12-23 AT
DATE REPORTER

ORDER OF THE COMMISSION

Presiding Officers:
Stefanie N. Krevda, Commissioner
Jennifer L. Schuster, Senior Administrative Law Judge

On December 22, 2022, Indianapolis Power & Light Company d/b/a AES Indiana ("Petitioner" or "AES Indiana") filed a Verified Petition and the direct testimony and attachments of the following witnesses with the Indiana Utility Regulatory Commission ("Commission"):

- G. Aaron Cooper, Chief Commercial Officer, AES US Utilities;
- Patrick S. Daou, Principal Energy Consultant, Sargent & Lundy ("S&L");
- Danielle S. Powers, Executive Vice President, Concentric Energy Advisors, Inc. ("Concentric");
- Chad A. Rogers, Director, Regulatory Affairs, AES Indiana; and
- Frank J. Salatto, Director, AES US Tax Reporting.

On February 24, 2023, the Indiana Office of Utility Consumer Counselor ("OUCC") prefiled the testimony of Wes R. Blakley, Senior Utility Analyst in the OUCC's Electric Division, and Gregory L. Krieger, Utility Analyst in the OUCC's Electric Division.

On March 10, 2023, AES Indiana filed the rebuttal testimony and attachments of Mr. Cooper, Mr. Daou, Mr. Rogers, and Mr. Salatto.

The Commission set this matter for an evidentiary hearing to be held at 3:30 p.m. on March 27, 2023, in Hearing Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. AES Indiana and the OUCC participated in the evidentiary hearing by counsel, and the testimony and exhibits of AES Indiana and the OUCC were admitted into the record without objection.

Based on the applicable law and the evidence of record, the Commission now finds:

1. **Jurisdiction and Notice.** Notice of the hearing in this Cause was given and published by the Commission as required by law. AES Indiana is a public utility as that term is defined in Ind. Code §§ 8-1-2-1 and 8-1-8.5-1. The Commission has jurisdiction over the ongoing review of a project granted a certificate of public convenience and necessity ("CPCN") pursuant to Ind. Code § 8-1-8.5-6. Ind. Code § 8-1-8.8-11 allows the Commission to authorize financial incentives for clean energy projects, and Ind. Code § 8-1-8.8-15 provides for Commission review of such projects. Therefore, the Commission has jurisdiction over AES Indiana and the subject matter of this Cause.

2. **AES Indiana's Characteristics.** AES Indiana is a corporation organized and existing under Indiana law, with its principal office at One Monument Circle, Indianapolis, Indiana. AES Indiana renders electric public utility service in Indiana and owns and operates plant and equipment in Indiana used for the production, transmission, delivery, and furnishing of such service to the public.

3. **Background.** The Commission's November 24, 2021 Order in Cause No. 45591 ("45591 Order") issued a CPCN and other approvals for AES Indiana's acquisition and development of the Petersburg Energy Center Project ("Petersburg Project" or "Project"). The Petersburg Project is an approximately 250 megawatt ("MW") alternating current ("MWac"), 335 MW direct current ("MWdc") solar photovoltaic electric generation facility coupled with a 180 MW-hour ("MWh") direct current battery energy storage system located in Pike County, Indiana. Petersburg Energy Center is able to take advantage of the existing MISO interconnection, was filed as a capacity replacement project for Petersburg Unit #2, and will use 250 MW of the Unit #2 injection right. The Generator Interconnection Agreement ("GIA") has been executed and ratified by FERC.

The original Project was being developed with Petersburg Energy Center Holdings, LLC ("Seller") which is the NextEra subsidiary ("ProjectCo") on the terms established in the Membership Interest Purchase and Project Development Agreement ("MIPA") approved in Cause No. 45591 (the "Transaction"). ProjectCo's affiliate, NextEra Energy Engineering & Construction, LLC ("Contractor"), was responsible for overall Project construction management, all civil and electrical infrastructure design, and the coordination and general management of the project work, including the acquisition of all contractor permits in accordance with the Engineering, Procurement, and Construction ("EPC") agreement approved in Cause No. 45591.

In Cause No. 45591, the Commission approved AES Indiana's request for ongoing review, which allows AES Indiana to request approval of its progress reports, project cost increases and other matters. The 45591 Order provides:

> Project cost increases due to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign-sourced materials, and change in law or regulation, including changes in tax law, net of any insurance proceeds, may be presented to the Commission as part of the ongoing review process for determination whether cost recovery shall be allowed.

45591 Order at 11-13. The OUCC and the intervenors in Cause No. 45591 reserved the right to oppose such cost increases, but all parties agreed to a procedural process that will allow the ongoing reports and cost increase requests to be reviewed and addressed by Commission decision within 120 days. *Id.* at 11, 13.

AES Indiana filed an ongoing semi-annual progress report (public and confidential versions) in Cause No. 45591 on September 30, 2022 and a supplemental report on October 31, 2022.

4. <u>Relief Requested</u>. As noted in the September 30, 2022 progress report, the Transaction was expected to close no later than June 1, 2022. However, commercial terms for the Transaction became challenged by force majeure, including supply chain disruptions, changes in law and regulation, and other matters beyond the control of AES Indiana and the developer, that affected the module procurement, the Project cost, and Project schedule. As previously reported via the October 31, 2022 supplemental report, AES Indiana, ProjectCo, and Contractor assessed the impact of these events on the Project and reached agreement resolving cost and schedule impacts, subject to Commission approval. The agreement, which is reflected in amendments to the MIPA and EPC Contract, is presented in this proceeding for approval. AES Indiana requests Commission approval of the updated Best Estimate of the Project costs and authority to recover the revised Project cost, including updated Project Development Costs. AES Indiana also requests Commission approval of the revised Project schedule, the ongoing review reports, and the portion of the Project under review.

5. <u>Evidence Presented</u>.

A. <u>AES Indiana's Evidence</u>. Mr. Cooper described the status of the Project development as fairly advanced. He explained that the commercial terms for the Transaction were challenged by supply chain disruptive events and changes in law and regulation. He described how the supply chain, change of law and regulation, and other force majeure challenges have caused project delay and increased costs. Mr. Cooper testified that these factors could not have been anticipated by AES Indiana and are beyond AES Indiana's control.

Mr. Cooper discussed the amendments to the terms of the MIPA and the EPC negotiated to address these matters and provide a path forward for the Project. He presented the ongoing review progress reports and the amendments to the MIPA and EPC. He explained AES Indiana negotiated other provisions to safeguard the timely development of the Petersburg Project by NextEra upon Commission approval in this proceeding; he also discussed certain confidential negotiated provisions.

Mr. Cooper presented the revised Project schedule, explaining that the original project commercial operation date ("COD") of May 1, 2024 cannot be achieved and has been extended to December 31, 2025. He explained the revised Petersburg Project schedule, driven by supply chain, change of law and regulation, and other force majeure challenges, means construction will occur at increased cost of labor and commodities due to inflation and market conditions.

Mr. Cooper also presented the updated Best Estimate of the Project cost. He testified that the developer and contractor cost to procure equipment and build the facility have increased significantly due to industry-wide supply chain disruptions, inflation, force majeure, unforeseeable conditions at the site, and change in the law and regulation. He said these cost increases are offset by an increase in the Investment Tax Credit ("ITC") under the recently enacted Inflation Reduction Act ("IRA"), whereby the ITC for this Project increases from 26% to 40% for the Petersburg Project due to its location in an area that meets the characteristics of an Energy Community. Therefore, he said that the Best Estimate for the overall Project approved in Cause No. 45591 remains approximately the same and should remain recoverable through retail rates.

Mr. Cooper testified that AES Indiana's need for capacity and energy has not decreased. AES Indiana assessed and validated the Project developer's and contractor's cost increases against the market cost of capacity for eight asset transfer proposals bid into the 2022 All-Source Request for Proposals ("RFP" or "2022 All-Source RFP"). He testified that this comparison showed the present value of revenue requirements ("PVRR") for Petersburg Energy Center to be one of the top-ranking, most competitive PVRR/MW unforced capacity ("UCAP") results for the capacity deadlines required. Mr. Cooper testified that the cost changes for the Petersburg Energy Center are consistent with observed industry-wide costs based on recent proposals for similar projects.

Mr. Cooper explained that AES Indiana also assessed the MIPA and EPC Contract cost increases against an independent cost estimate for a comparable-sized generic solar project with battery storage located proximate to the Petersburg site and utilizing the Petersburg interconnection. He said this independent analysis showed an estimated cost higher than the negotiated cost memorialized in Amendment No. 1 to the MIPA and Amendment No. 1 to the EPC.

Mr. Cooper testified that S&L reviewed NextEra's cost increases, and this review corroborated AES Indiana's conclusion that the new price for the Petersburg Energy Project MIPA and EPC contract falls within the range of reasonableness and that the cost increases are attributable to supply chain disruptions, change in law and regulation, unforeseeable conditions at the site, and other force majeure factors beyond AES Indiana's control.

Mr. Cooper said that AES Indiana's need for this capacity remains unchanged. He testified that the Petersburg Energy Center was included in and is integral to AES Indiana's 2022 IRP due to the winter capacity contribution from the standalone storage portion of the Project. He said MISO gives solar zero capacity credit in the winter because the typical winter peak hours occur outside of the typical hours of solar operation. Therefore, the solar portion of the Project receives zero capacity credit from MISO in the winter, but the storage component will help to satisfy AES Indiana's MISO winter capacity obligation. He explained that the Project revisions do not change AES Indiana's plan to enter into the Joint Venture and Capacity Agreement and Contract for Differences ("CFD").

Mr. Cooper testified that AES Indiana proposes that the Commission continue the ongoing review of the construction of the Petersburg Project as it proceeds. He said the first report would be filed six months after an order in this Cause, subject to the protection of confidential information. He added that AES Indiana plans to submit these reports in Cause No. 45591 unless directed otherwise by the Commission, and, in the event AES Indiana desires a Commission decision regarding a Project development, AES Indiana will file a petition seeking this relief and will work with the OUCC and any intervenors on an agreed procedural process that will allow the Project development to be reviewed and addressed by Commission decision in 120 days in accordance with the 45591 Order.

Mr. Cooper opined that the public convenience and necessity continue to require the construction of the proposed Petersburg Project. He testified that AES Indiana believes that the Petersburg Energy Center Project remains a reasonable, least-cost choice to fill part of AES Indiana's near-term capacity shortfall. He recommended the Commission approve the ongoing review reports, the MIPA and EPC Contract amendments, including the revised Project schedule and Project cost changes, and authorize the full cost recovery requested by AES Indiana.

Ms. Powers presented the PVRR analysis discussed by Mr. Cooper and testified that her confidential analysis demonstrates the Project's continued reasonableness as compared with other similar offers for capacity.

Mr. Salatto described the impact of the IRA on the Petersburg Project, including the joint venture structure and the Capacity Agreement and CFD. He explained that AES Indiana expects that the fair wage and apprenticeship thresholds will be met, and the site of the Petersburg Project will qualify as an Energy Community allowing an increase in the rate of the ITC from 26% in the original filing to 40%. He stated that, overall, AES Indiana expects that the ITC is more beneficial than the PTC. Regarding risk mitigation, Mr. Salatto testified that, on July 6, 2022, AES Indiana received a Private Letter Ruling in which the IRS agreed with AES Indiana's position that the structure of the Petersburg Project will not result in any normalization violations. Mr. Salatto added that the IRA also provides that standalone storage is ITC eligible, and this is included in the credit-eligible basis for the Petersburg Project. He presented a confidential quantification of the ITC benefit to the updated Project.

Mr. Salatto stated that, while the IRA provides new alternatives for monetizing the tax credits resulting from the Petersburg Project, tax equity reasonably remains the lowest-cost option. He said that AES Indiana has taken reasonable steps to address possible future changes in tax law and to safeguard the interests of AES Indiana and its customers through the change in tax law provisions of the proposed tax equity partner investment terms. He recommended the Commission approve the amendments to the MIPA and EPC for the Petersburg Project.

Mr. Daou presented an independent review of NextEra's costs for the Petersburg Project performed by S&L at the request of AES Indiana and NextEra. He also presented a generic cost estimate which S&L prepared for a comparable-sized solar project with battery energy storage located near the Petersburg site and utilizing the Petersburg interconnection. He explained that the generic cost estimate was prepared prior to the independent assessment of NextEra's costs presented in Attachments PSD-1 and PSD-1(C) to his testimony.

Mr. Daou testified that the S&L assessment also discusses recent supply chain disruptions, cost increases, and other developments in the solar industry. The S&L report concluded that recent commodity production deficits, pandemic lockdowns, trade disputes, and human rights policy initiatives have extended the lead times for many globally sourced items and delayed procurement for many of the primary components of the Project. The report concluded that NextEra's present schedule duration of 639 days (approximately 21 months) from the start of construction to the COD appears to be reasonable for a project of this size and scope, but ongoing supply chain issues—particularly for items sourced from China—will continue to represent some level of schedule risk until equipment has been delivered to the Project site. Finally, the report included S&L's conclusion that the new price for the Petersburg Energy Center is reasonable and that the cost increases are attributable to supply chain disruptions, global market conditions, change in law and regulation, and unforeseeable conditions at the Project site.

The 45591 Order reflects that AES Indiana sought and obtained approval to record approximately $4 million of Project Development Costs as a regulatory asset (without carrying charges) and authority to begin to include the regulatory asset in rate base and recover it through amortization in AES Indiana's next rate case. Mr. Rogers provided an updated estimate of the Project Development Costs of $4.4 million. He testified that the updated estimate reflects the additional outside costs, including legal costs, incurred for the amendments to the MIPA and EPC presented by Mr. Cooper, the cost of the analyses performed by S&L and presented in this Cause by Mr. Daou, the additional PVRR work performed by Concentric Energy Advisors presented in the testimony of Ms. Powers, and project development and management costs that would have otherwise been capitalized if the Project were directly owned by the utility. Mr. Rogers explained that these costs were (or will be) reasonably incurred to address Project challenges and find a path forward for the Project and to present the Project revisions to the Commission as part of the ongoing review process. Mr. Rogers concluded that the updated Project Development Costs reflect the costs necessary to assess and negotiate the Petersburg Project amendments and present the revised Project to the Commission.

Mr. Rogers also updated the estimated customer impact of the Project using the same methodology that was used to estimate customer rate impact in his direct testimony in Cause No. 45591. He testified that the updated calculation, presented in his Attachments CAR-3 and CAR-3(C), shows the net impact to the revenue requirement of the Petersburg Project immediately following its in-service date is approximately $22.9 million for 2026, which is less than the originally calculated amount of $26.9 million. He explained that, although there was a small increase in the Petersburg Project Best Estimate, the impact on the revenue requirement decrease is primarily due to less of a difference between the CFD price and the MISO market price of electricity in this updated calculation. Mr. Rogers testified that, for a residential customer using 1,000 kWh per month, this equates to approximately $1.84 per month, which is an increase over current base rates of approximately 1.6%, compared to the originally estimated increase of $2.18 per month or 1.9% in his direct testimony in Cause No. 45591. Mr. Rogers concluded the customer rate impact upon the completion of the Project and inclusion in base rates is not adversely affected by the increased Best Estimate of the Petersburg Project Costs.

Mr. Rogers also updated the carrying charges estimate on the revised Petersburg Project estimated cost and COD. He discussed the impact of timely recovery through the AES Indiana's environmental cost rider ("ECR") filings and explained that, because of the tracking of carrying charges, in AES Indiana's next basic rate case the estimated amount of the regulatory asset will be lower than if the carrying charges were not tracked. Mr. Rogers concluded that the impact of the change in the Petersburg Project schedule and Best Estimate on carrying charges is reasonable and mitigated in part by the recovery of carrying charges through the ECR.

B. OUCC's Evidence. Mr. Blakley addressed AES Indiana's proposal to update estimated Project Development Costs and the estimate for overall Project costs, its request for full recovery of those costs, its updated customer rate impact, and the estimated carrying charges for the Project. Mr. Blakley recommended: 1) the continued use of the carrying charge rate approved in Cause No. 45591, which was the lower of AES Indiana's weighted average cost of capital ("WACC") rate and the allowance for funds used during construction ("AFUDC") rate; 2) applying the 50/50 sharing mechanism on incurred cost increases and cap approved in Cause No 45591, which in this case would decrease the Petersburg Project cost; and 3) removing all cost increases identified by OUCC witness Krieger as not being a result of force majeure.

Mr. Krieger opined that AES Indiana's presentation of costs is misleading and disagreed with AES Indiana's method of justifying cost increases. He said the characterization of S&L as an "independent engineer" is inaccurate because S&L had a vested interest because it managed the RFP process recommending the developer. He opined that AES Indiana also misrepresented the S&L analysis as an estimate for a comparable-sized generic solar project. He stated that the unprecedented pandemic-induced cost escalation has now dramatically declined and has not been adjusted out of the estimates. He asserted that AES Indiana and its EPC contractor should be able to control project management, administration, installation, and other common civil cost increases with diligent project oversight. He presented the OUCC's estimate of cost increases that are not the result of force majeure or unforeseeable site conditions. He also explained his concern about the generator tie line length, its cost, and interconnection costs and asserted that Mr. Cooper's testimony was misleading and inconsistent with his testimony in Cause No. 45591. He concluded the total Project cost estimate lacked transparency in this update. He ultimately recommended the Commission limit AES Indiana's recovery of cost increases by the amount identified by the OUCC. He noted that some of AES Indiana's proposed cost increases did not result from force majeure or unforeseen site conditions or had fixed prices.

C. AES Indiana's Rebuttal. Mr. Cooper responded to Mr. Blakley's testimony regarding the 50/50 cost sharing mechanism, stating that the mechanism addresses costs that exceed the total Best Estimate approved in Cause No. 45591 and showed that dollar amount is the total of all components of the Best Estimate net of the tax equity contribution. In other words, the 50/50 cost sharing mechanism approved in Cause No. 45591 applies to the Best Estimate of net AES Indiana investment; this sharing mechanism does not apply to each line item that makes up the Best Estimate. He added that project cost increases due to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign sourced materials, and change in law or regulation are excluded from the 50/50 cost sharing mechanism and may be presented to the Commission as part of the ongoing review process for determining whether cost recovery shall be allowed.

Mr. Cooper discussed a table presented in his direct testimony for a comparison of the original Best Estimate and the updated Best Estimate and stated that this calculation does not depend on whether costs are determined to be caused by force majeure, supply chain disruption, or the other exceptions to the 50/50 sharing mechanism. He opined that the amount in excess of the previously approved Best Estimate is not subject to the 50/50 sharing mechanism because it is attributable to cost exceptions to the sharing mechanism.

Mr. Cooper testified that it is unclear how Mr. Blakley calculated the confidential amount of costs that the OUCC contends are not caused by force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign sourced materials, or a change in law or regulation. Mr. Cooper explained that, because of the delay in the Project schedule, work and procurement will be undertaken at a later point in time and will necessarily reflect the prevailing cost at the time the work is performed. Thus, he disagreed with Mr. Krieger and concluded that all of the costs are the result of force majeure, unforeseen site conditions, supply chain disruption, or changes in law and regulation.

In response to Mr. Krieger's contention about the characterization of S&L as an independent engineer, Mr. Cooper stated that S&L was involved in Phases 1 and 2 of the RFP response evaluation process. He said AES Indiana selected the proposals to be advanced to Phase 3 of that process; S&L did not recommend specific projects that AES Indiana should purchase or contract with. Mr. Cooper disagreed with Mr. Krieger's assertion that S&L has a vested interest in the success of the Project because it managed the RFP recommending the developer. Mr. Cooper added that NextEra's cost increases, which are reflective of the broader industry, could not have reasonably been anticipated in any of the work performed by S&L in relation to the RFP. Mr. Daou explained that S&L was not involved in process of selecting developers for contract negotiation.

Mr. Cooper described the two analyses performed by S&L for the current proceeding. He noted that the analysis that is the subject of AES Indiana Attachment PSD-2(C) is an independent cost estimate for a comparable-sized generic solar project with battery storage located proximate to the Petersburg site and utilizing the Petersburg interconnection. He added that, at the time S&L prepared the generic cost estimate, S&L had not yet seen NextEra's updated costs. Mr. Cooper explained that AES Indiana used the generic cost estimate to inform the decision to sign the Amendment.

Mr. Cooper stated that, as part of the Amendment, AES Indiana negotiated a commitment from the developer to share the project costs to allow S&L to assess whether the initial costs escalated under current market conditions would lead to the cost increase claimed by NextEra and assess whether the increase in the Project purchase price is attributable to market disruptions and other force majeure events and the delay in construction which resulted from these events. He said the analysis required a third party to be engaged due to the competitive nature of the information involved, particularly on equipment costs and construction agreements.

Responding to Mr. Krieger, Mr. Daou testified that S&L prepared a cost estimate for a comparable-sized generic solar project with battery storage located proximate to the Petersburg site and utilizing the Petersburg interconnection, as indicated in Mr. Cooper's direct testimony. He explained that the generic cost estimate was prepared prior to the receipt and assessment of NextEra's costs presented in AES Indiana Attachments PSD-1 and PSD-1(C). Mr. Daou explained that his testimony presents two different bases to assess the updated Project cost, a generic cost estimate and an escalation analysis.

Mr. Cooper disagreed with Mr. Krieger's contentions that project management, administration, installation, and common civil other costs are not the result of force majeure or unforeseeable site conditions. Among other things, he noted that, because this work will be undertaken later than anticipated, the cost of the work will necessarily reflect the prevailing cost at the time the work is performed. He added that the Project must comply with prevailing wages and apprenticeship requirements imposed by the IRA, which is a change in law that occurred after the Project was awarded to NextEra and approved by the Commission.

Mr. Daou also opined that Mr. Krieger's testimony regarding Project management, administration, installation, and common civil other costs fails to consider the associated increases to labor, equipment, and commodity costs. He said AES Indiana and its EPC contractor have no control over the prevailing wage rate for craft labor or commodity costs which are driven by global market demand.

Mr. Cooper addressed Mr. Krieger's claim that the fixed pricing in the original EPC agreement should have precluded the cost increases identified in his testimony as not being the result of force majeure and unforeseen conditions at the site. He testified that diligent project oversight and management cannot eliminate the cost impact of inflation and resource demand. He also noted that contractors who will supply the labor, rent the equipment, and procure materials for the Project will necessarily incur the prevailing cost of these items; project oversight cannot eliminate current costs.

Mr. Cooper also disagreed with Mr. Krieger's opinion that the evidence shows AES Indiana took insufficient steps to moderate the price increases. Mr. Cooper opined that the updated Petersburg Project is one of the most competitive PVRR/MW UCAP results for the capacity deadlines required and added that substitute capacity could not be developed within this timeframe and would likely come at a higher cost.

Mr. Cooper disagreed with Mr. Krieger's contention that shipping and import challenges are resolved, noting that module suppliers continue to struggle to demonstrate origin for polysilicon and quartzite. He noted that the United States Customs and Border Protection ("CBP") regulations were recently developed (with the most recent guidelines issued in February 2023), and suppliers and authorities are still adjusting to their requirements and bill of materials to meet those requirements.

In response to Mr. Krieger's contention that the interconnection cost reflected in the Best Estimate is misleading, Mr. Cooper noted the separate or different transmission costs for the generation tie line from the Project to the point of interconnection with AES Indiana that are a part of the EPC contract and said that, as part of the EPC contract scope, the contractor is responsible for building an interconnection line from the collector substation to the interconnection point with AES Indiana.

Mr. Cooper disagreed with Mr. Krieger that AES Indiana's filing lacked transparency, noting that AES Indiana provided substantial information on this issue to the OUCC via the discovery process, citing AES Indiana Confidential Attachment GAC-3R. These discovery responses explained that 1) ProjectCo has been working with the City of Petersburg and Pike County to establish the route for the transmission line from the Project location to AES Indiana's Petersburg property; and 2) the estimated length and cost of the transmission line changed due to the delay in the Project schedule, the relocation of the Project substation and other facilities undertaken to address unforeseeable local zoning requirements, and environmental and other conditions at the site.

Mr. Cooper also disputed Mr. Krieger's suggestion that the change in the generation tie line and associated cost is inconsistent with certain testimony Mr. Cooper provided in Cause No. 45591. Mr. Cooper said this testimony from Cause No. 45591 addressed real property matters, not the cost of generation tie line materials and labor. He noted that the acquisition of real property interests discussed in his testimony in Cause No. 45591 was intended to allow for multiple routes, but the actual site conditions could not be determined prior to local studies and work. He added that AES Indiana explained this in discovery as shown by AES Indiana Confidential Attachment GAC-3R. Mr. Daou testified that additional length and bends in the transmission line require additional transmission tower support structures in addition to the increased quantities of transmission cable.

Mr. Cooper opined that it is unreasonable for the OUCC to propose to reduce the MIPA and EPC contract costs by the identified amount yet retain all of the benefits of the tax equity contribution included in Mr. Cooper's estimate. Mr. Salatto opined that the OUCC's proposed cost disallowance unreasonably incorporates the benefit of the ITC without acknowledging the associated costs. He discussed the confidential terms of the original MIPA approved by the Commission and opined that it would be unreasonable for customers to receive a confidential portion of ITC benefits from the Project amendment while a confidential amount of Project costs from that same amendment are disallowed.

Mr. Daou further explained his analysis of cost escalation, noting that the cost of relevant labor categories from 2019 to 2022 has increased between 8.25% and 33.53% as tracked by the United States Bureau of Labor Statistics ("BLS"). He said that labor cost increases are primarily attributable to increases in craft wage rates driven by significant labor demand, shortages in supply of labor, and elevated rates of market inflation. He showed that relevant equipment and commodity prices from 2019 to 2022 have increased between 2.78% and 64.61% as tracked by the BLS. He stated that the relevant BLS indices for the supply of inverters and solar panels have increased between 2019 and 2022 by 64.16% and 45.87%, respectively. Finally, he said that the relevant BLS indices for the installation of inverters and solar panels have both increased by 31.56% between 2019 and 2022.

Mr. Rogers responded to Mr. Blakley's concerns about the impact that the Petersburg Project has on the affordability of AES Indiana's rates. Mr. Rogers opined that, in the context of a CPCN, affordability and customer rate impact are considered through the economic analysis of projects as compared to alternatives. He added that AES Indiana considers affordability by analyzing the economics of projects through the IRP process, through the issuance of all-source RFPs, and in the selection of projects for which to request a CPCN. He stated that this information shows that AES Indiana's residential rates are the lowest among the Indiana investor-owned utilities and remain the lowest or among the lowest even when adding the bill impact of the Petersburg Project and Hardy Hills Project.

Mr. Rogers also addressed Mr. Blakley's recommended continued use of the carrying charge rate approved in Cause No. 45591 to calculate carrying charges on the Petersburg Energy Center Regulatory Asset. Mr. Rogers agreed with Mr. Blakley that the ratemaking approved in

Cause No. 45591 included AES Indiana's agreement to calculate the carrying charges at the lower of AES Indiana's WACC or AFUDC rate and said that AES Indiana intends to continue that ratemaking.

6. **Commission Discussion and Findings.** In this Cause, AES Indiana seeks approval of its updated Best Estimate and associated cost recovery for the Project, of the revised Project schedule, and of the associated progress reports, Project progress under review, and amendments to the MIPA and EPC. AES Indiana also requests approval to recover updated Project Development Costs and updated carrying charges.

A. **Need for Capacity.** The 45591 Order found AES Indiana demonstrated a need for the requested Petersburg Project. AES Indiana's need for the Project's capacity was not challenged in this proceeding. We find AES Indiana's need for capacity that was identified in Cause No. 45591 continues to exist.

B. **Status of Petersburg Energy Center.** The status of the Petersburg Project is described in the ongoing review progress reports and Mr. Cooper's testimony. As explained in Petitioner's evidence, the original target COD of May 1, 2024 cannot be achieved and has been extended to December 31, 2025. A limited notice to proceed has been issued to start engineering and procurement of long lead time items (substation transformer and breakers). Critical site studies (such as geotechnical and environmental surveys) have been completed, and their results have been included in the development of the Project schedule. NextEra has completed key state and federal permits and authorizations. Mr. Cooper testified the Project's relatively advanced stage of development reduces risk overall as compared to earlier-stage development proposals received in response to the 2022 All-Source RFP.

The OUCC's witnesses did not challenge the status of the Project, nor did they address AES Indiana's evidence regarding the cost of alternative resource options. As discussed above, the evidence of record demonstrates the updated Petersburg Project remains preferable compared to the other resource options. Such alternatives would come at a higher cost with a later COD.

C. **Updated Best Estimate.** Mr. Cooper presented AES Indiana's updated Best Estimate for the cost of the Petersburg Project, which is confidential and set forth in Petitioner's Exhibit 1 in Table GAC-3. The updated Best Estimate presented in this Cause includes the same components as the Best Estimate approved in Cause No. 45591. The record reflects that individual cost components have changed, but the Best Estimate for the overall Project remains approximately the same as the Best Estimate approved in Cause No. 45591 because cost increases are offset by an increase in the ITC under the recently enacted IRA and the associated increase in the tax equity investment component of the Best Estimate. The changes to the MIPA and EPC pricing are the product of arms' length negotiations. AES Indiana also presented evidence showing the changes in the Best Estimate are attributable to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign-sourced materials, or change in law or regulation.

The generic cost estimate for a comparable solar project with battery energy storage at the Petersburg location, the S&L review of NextEra's costs, and the PVRR analysis presented by AES Indiana support the Commission's conclusion that the Project remains competitively priced and a reasonable least cost option for AES Indiana to utilize in meeting its ongoing obligation to provide adequate and reliable electric service and facilities.

Mr. Krieger took issue with AES Indiana's method of justifying cost increases, contended the evidence shows that AES took insufficient steps to moderate price increases, and argued Mr. Cooper's testimony regarding the interconnection cost reflected in the Best Estimate is misleading. These issues are discussed further below.

i. <u>Petitioner's Method of Justifying Cost Increases</u>. Mr. Krieger contended the characterization of S&L as an independent engineer is inaccurate. However, there is no dispute that S&L is a separate entity not affiliated with AES Indiana. There was also no challenge to S&L's credentials or the methodology used to perform the analyses presented in this Cause. Mr. Cooper and Mr. Daou clarified S&L's role in the RFP process and demonstrated that AES Indiana selected the projects that advanced to Phase 3 of the RFP evaluation process. Petitioner's evidence also reflects that S&L did not recommend specific projects that AES Indiana should purchase or contract with.

The OUCC also argued that AES Indiana misrepresented the analysis S&L performed as an estimate for a comparable-sized generic solar project. AES Indiana's evidence reflects that S&L presented two separate analyses. First, it provided a generic estimate of the cost of a project with the same alternating current/direct current capacity, same location, and COD in December 2025, given the current market conditions of equipment and labor costs. The objective of this analysis was to have a reference of the current market price for a project under updated conditions. After this generic cost estimate was completed, and as part of the mutual conditions agreed to under Amendment No. 1 to the MIPA, AES Indiana and NextEra jointly engaged S&L to review the actual cost structure for the Project and determine, based on market conditions, if the cost increase was aligned to the new market conditions. This approach assessed how updated conditions of the market would affect the new conditions for such agreements and, therefore, the overall Project cost increase. The S&L analysis also reviewed the updated Project schedule and changes in Project scope considering current market conditions to capture this change in applying the escalation indices and therefore the cost impact increase.

Mr. Krieger also opined that the unprecedented pandemic-induced cost escalation has now dramatically declined, but has not been adjusted out of the economics. This contention focused on freight and logistics costs, but did not challenge the rising costs for labor, equipment, and commodities. Mr. Daou's testimony demonstrated that labor cost increases are primarily attributable to increases in craft wage rates driven by significant labor demand, shortages in supply of labor, and elevated rates of market inflation and that labor rates will not necessarily decrease after pandemic-induced volatility decreases. Mr. Daou's analysis (AES Indiana Attachments PSD-1 and PSD-1(C)) illustrated that common industry practice incorporates logistics and freight in the scope of work of the equipment or commodity supplier and that relevant equipment and commodity prices from 2019 to 2022 have increased between 2.78% and 64.61% as tracked by the BLS.

As noted above, the OUCC's witnesses did not challenge the PVRR analysis which was also used by AES Indiana to assess the updated Petersburg Project.

Based on the evidence of record, we find that the issues raised by the OUCC do not warrant the rejection of the S&L analyses or the methodology used by AES Indiana to justify its proposed cost increases. The Commission further finds that the assessments presented by AES Indiana provide a reasonable basis for its decision-making and the Commission's review.

ii. <u>Moderation of Price Increases</u>. Mr. Krieger contended that the evidence shows AES Indiana took insufficient steps to moderate price increases. He also argued that AES Indiana and its EPC contractor should be able to control Project management, administration, installation, and common civil other costs with diligent project oversight.

In response, Mr. Daou opined that this assertion fails to consider the increases to labor, equipment, and commodity costs associated with Project management, administration, installation, and common civil other costs. He explained the increases in these cost categories are primarily attributable to increases in labor costs and commodity costs. He stated that AES Indiana and its EPC contractor have no control over the prevailing wage rate for craft labor or control over commodity costs which are driven by global market demand. Mr. Krieger offered no explanation or reasoning as to why the OUCC would accept the cost increases for solar modules, converters, and collectors but reject the cost increases for Project management, administration, installation, and common civil other costs notwithstanding Mr. Daou's testimony demonstrating that current costs for project equipment, materials, and labor have increased substantially.

The evidence of record reflects that AES Indiana considered its alternatives and ultimately decided the reasonable path forward was to proceed with the revised Project and new Project schedule presented in this proceeding. As a result, the civil engineering, procurement, construction, installation, and project administration effort will occur over an extended period and at a point in time that is later than what was contemplated under the original Project schedule and will therefore reflect the prevailing cost at the time the work is performed. The Project must comply with prevailing wages and apprenticeship requirements imposed by the IRA to be eligible for maximum federal ITCs, which is a change in law that occurred after the Project was awarded to NextEra and approved by the Commission. As noted by Mr. Cooper, diligent project oversight and management cannot eliminate the cost impact of inflation and resource demand. The contractors who will supply the labor, rent the equipment, and procure materials for the Project will necessarily incur the prevailing cost of these items. Further, the OUCC did not challenge the PVRR analysis, which showed substitute capacity could not be developed within the same timeframe that the Project can be completed and would likely come at a higher cost. Therefore, we reject the contention that AES Indiana took insufficient steps to moderate price increases.

Based on the evidence of record, we find that AES Indiana's updated Best Estimate is reasonable and approve the same.

D. <u>Interconnection Cost Component of Best Estimate</u>. Mr. Krieger opined that Mr. Cooper's testimony on the interconnection cost reflected in the Best Estimate was misleading because Mr. Cooper's direct testimony stated that the interconnection component of the Best Estimate remains unchanged. The evidence shows that the amount on the line item labeled interconnection costs did not change. In his direct testimony, Mr. Cooper distinguished this unchanged line item from the interconnection costs included in the Project purchase price.

He also stated that the developer and contractor cost to procure and build the facility have increased significantly due to industry-wide supply chain disruptions, inflation, force majeure, unforeseeable conditions at the site, and change in the law and regulation. Mr. Daou discussed Project-specific costs, including the interconnection cost issue Mr. Krieger identified, and AES Indiana provided additional information to the OUCC through discovery.

We find that AES Indiana has supported its evidence on interconnection costs with substantial evidence, and we disagree with the OUCC that it is misleading or inaccurate. We also disagree with Mr. Krieger's contention that Mr. Cooper's testimony on interconnection costs in this Cause is inconsistent with his testimony in Cause No. 45591. As discussed above, the prior testimony identified by Mr. Krieger addressed real property matters, not the cost of generation tie line materials and labor. Mr. Cooper testified that the acquisition of real property interests discussed in Cause No. 45591 was intended to allow for multiple routes, but the actual site conditions could not be determined prior to local studies and work being conducted. In addition, these facilities will be constructed at a later point in time during a period of higher labor and materials costs due to the delay in the Project schedule caused by the supply chain disruption and other factors beyond AES Indiana's control.

We find the claims asserted in the OUCC's testimony regarding interconnection costs lack merit and are not grounds to reject the relief sought by AES Indiana in this Cause. We further find substantial evidence supports AES Indiana's position that these costs are attributable to unforeseeable conditions at the site, supply chain disruption, and other factors beyond AES Indiana's control.

E. <u>Recoverability of Updated Best Estimate Costs Under the 45591 Order</u>. The 45591 Order approved AES Indiana's proposal to establish a cap on cost recovery and associated 50/50 sharing, subject to the ability of AES Indiana to seek approval of cost increases due to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign sourced materials, and change in law or regulation. 45591 Order at 9, 10. The terms of this proposal are set forth in Mr. Blakley's testimony in this Cause (Pub. Ex. 1 at 8) and are summarized below (with confidential information redacted):

1. Net Project Capital Cost Increases:

> a. Up to $XX.X million (calculated as X% over Best Estimate of $XXXM Net AES Indiana Investment excluding Carrying Charges): will be recoverable through rates with AES Indiana splitting the cost 50% AES Indiana/50% recoverable except as provided in Section 2. The 50% recoverable costs under this Section will be added to the regulatory asset created for AES Indiana's investment in the Petersburg Energy Center.
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> . . .
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> 2. Project cost increases due to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign sourced materials, such as panels, racks, inverters, transformers, and batteries, and change in law or regulation, including changes in tax law, net of any

> insurance proceeds, may be presented to the Commission as part of the ongoing review process for determination whether cost recovery shall be allowed. The OUCC and Intervenor reserve the right to oppose any proposed cost increases sought under this Section. Cost increases under this Section approved for recovery by the Commission will be added to the regulatory asset created for AES Indiana's investment in the Petersburg Energy Center Project.

Mr. Cooper explained that the 50/50 cost sharing mechanism addresses costs that exceed the total Best Estimate approved in Cause No. 45591. This view is supported by the language quoted above and the confidential terms. The confidential dollar amount of the Best Estimate reflected in the agreed term is the total of all components of the Best Estimate approved in Cause No. 45591, which includes netting of the tax equity contribution. Therefore, the Commission finds the 50/50 sharing mechanism applies to costs in excess of the Best Estimate of net AES Indiana investment; this sharing mechanism does not apply to each line item that makes up the Best Estimate. In addition, Project cost increases due to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign sourced materials, and change in law or regulation are excluded from the 50/50 cost sharing mechanism and may be presented to the Commission as part of the ongoing review process for determination whether cost recovery shall be allowed.

The precise difference between the Best Estimate approved in Cause No. 45591 and the updated Best Estimate is a confidential amount shown in Mr. Cooper's direct testimony (Table GAC-3). The public record reflects that the two Best Estimates are approximately the same. *See* Pet. Ex. 1 at 17-19.

The OUCC recommended that the Commission reduce the MIPA and EPC contract costs by a confidential amount which includes amounts Mr. Krieger argued are not a result of force majeure, unforeseen site conditions, or had fixed prices. Mr. Cooper testified that, while the OUCC did not flow its recommendation through to the Best Estimate, it appears the OUCC's recommendation was that the Commission reduce the MIPA and EPC contract costs by the amount identified in the OUCC's confidential testimony and retain all the benefits of the tax equity contribution included in AES Indiana's Best Estimate. This would reduce the recoverable Best Estimate to an amount that is below the Best Estimate previously approved by the Commission in this Cause. Mr. Krieger also argued that the fixed pricing in the original EPC agreement should have precluded certain cost increases.

On rebuttal, Mr. Salatto noted that the OUCC's recommendation retains 100% of the ITC and tax equity contribution benefits. Because the ITC is based on the amount of investment, he opined that customers should not receive any benefit related to costs that are not included in amounts approved by the Commission for cost recovery through rates.

The Commission finds that the difference between the Best Estimate approved in Cause No. 45591 and the updated Best Estimate is the confidential amount shown in Mr. Cooper's direct testimony (Table GAC-3). The Commission further finds that substantial evidence demonstrates that this amount is attributable to the cost exceptions to the sharing mechanism, namely due to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign sourced materials, or change in law or regulation.

The Commission further finds that substantial evidence shows the updated MIPA and EPC contract costs are also attributable to force majeure, unforeseeable conditions at the site, supply chain disruptions that impact the import of foreign sourced materials, and change in law or regulation. This evidence shows the challenges to the Project economics and delay in the Project schedule and associated costs are the direct result of supply chain disruption and change in law and regulation. Because of the delay in the Project schedule, work and procurement will be undertaken at a later point in time and will necessarily reflect the prevailing cost at the time the work is performed. Consequently, all the costs are the result of force majeure, unforeseen site conditions, supply chain disruptions, or changes in law and regulation.

Based on the evidence of record, the Commission rejects the OUCC's contention that the 45591 Order precludes recovery of the changes in the Project costs and finds all such costs are recoverable under exceptions approved in the 45591 Order.

F. Updated Schedule. As reflected in the summary of evidence above, the original project COD of May 1, 2024 cannot be achieved due to supply chain disruptions, other force majeure, and changes in law and regulation. The updated COD is December 31, 2025. This change was supported by the testimony of Messrs. Cooper and Daou. The OUCC's witnesses did not challenge the reasonableness of the new COD. Mr. Krieger mentioned certain matters as driving changes to the Project timeline and costs, the effects of which on the Project scope are unclear. In his rebuttal, Mr. Cooper clarified that Mr. Krieger's testimony refers to the inverter testing. Mr. Cooper explained the purpose of the testing and said this additional work is not substantial and these requirements do not impose a material cost increase on the Project. Based on the evidence of record, the Commission finds the updated Project schedule is reasonable and it is approved.

G. Public Convenience and Necessity. The record demonstrates that AES Indiana has reasonably managed the industry-wide challenges discussed above. AES Indiana continues to have an identified need for additional capacity, and substantial evidence demonstrates that the development of the Petersburg Project remains a reasonable, least-cost option for AES Indiana to utilize in meeting its ongoing obligation to provide adequate and reliable electric service and facilities. Because the Project is a renewable solar energy resource, it will further diversify AES Indiana's resource mix and benefit the environment by providing a new source of clean energy located in Indiana. While the industry-wide challenges have delayed the Project and altered costs, the Petersburg Project is the product of arms' length negotiations and remains competitively priced as discussed above. The energy and capacity from the Project are also reasonably priced, and this emissions-free project provides other customer benefits. The proposed Joint Venture with a tax equity partner enables the effective use of the ITC to reduce the overall cost of the Project for the benefit of AES Indiana's customers, such that the Best Estimate for the overall Project remains approximately the same as the amount approved in Cause No. 45591.

The location of the Petersburg Project in Pike County, Indiana will benefit AES Indiana's customers, the local community, and the state. This location allows the Project to take advantage of the existing MISO interconnection, which benefits all AES Indiana customers. The development of this new solar energy generation and battery energy storage system is consistent with the public's increasing interest in being served by clean energy. Locating facilities in

Indiana grows business development in the state, provides income to landowners, and generates tax revenue to support local government projects. AES Indiana's rates are comparatively low, and the addition of Petersburg Energy Center Project will not significantly impact them. The PVRR analysis comparing the Petersburg Energy Center to alternatives also supports the ongoing development and construction of the Project.

Therefore, the Commission finds that the updated Petersburg Project is reasonable and necessary, and the public interest and convenience continues to require the facility under construction.

H. Ongoing Review and Reports. Mr. Cooper presented the previously filed progress reports with his testimony and explained AES Indiana's proposal to continue the ongoing review reporting process consistent with the 45591 Order. As discussed above, the identified reports reasonably inform the Commission of the Project's progress and challenges and were supplemented by AES Indiana's testimony in this Cause. The OUCC's witnesses did not object to Mr. Cooper's proposal regarding the reports and ongoing review, which the Commission finds to be reasonable. Accordingly, the reports and Project's progress under review herein are approved. Ongoing review shall continue as proposed by Mr. Cooper.

I. Other Matters.

i. Updated Project Development Costs and Cost Recovery. The 45591 Order approved AES Indiana's request to defer (without carrying charges) and subsequently recover Project Development Costs through the ratemaking process. 45591 Order at 7, 14, 15, 17. Project Development Costs were estimated to be approximately $4 million in Cause No. 45591. In that case and this Cause, Mr. Rogers explained the deferral and associated cost recovery proposal were necessary because AES Indiana is not able to capitalize these costs due to the joint venture structure. In this Cause, Mr. Rogers testified that estimated Project Development Costs increased by $400,000 to a total of approximately $4.4 million. He stated that the updated estimate reflects the additional outside costs incurred for MIPA and EPC amendments, the cost of analyses performed by S&L and Concentric, and project development and management costs that would have otherwise been capitalized if the Project were directly owned by the utility.

The OUCC's witnesses did not challenge AES Indiana's updated estimate or proposal to defer and recover the additional costs in accordance with the 45591 Order. The record shows the costs were reasonably identified and have been or will be reasonably incurred. Therefore, the updated Project Development Costs as presented by Mr. Rogers's direct testimony and his Confidential Attachment CAR-2(C) are approved. AES Indiana is authorized to continue to use the deferred accounting and associated cost recovery authorized by the 45591 Order for these additional costs.

ii. Updated Carrying Charges. Mr. Rogers also updated the estimated carrying charges on the Project and explained the accrual and recovery of these costs. Mr. Blakley agreed that the accounting and ratemaking approved in Cause No. 45591 should continue, including the calculation of the carrying charge rate at the lower of AES Indiana's WACC and AFUDC rate. Mr. Rogers stated that the ratemaking authorized in the 45591 Order included AES Indiana's agreement to calculate the carrying charges at the lower of the AES Indiana's WACC or AFUDC rate and explained that AES Indiana intends to continue that ratemaking. Thus, the Commission approves Mr. Blakley's recommendation that AES Indiana continue to use the carrying charge rate approved in Cause No. 45591, which was the lower of AES Indiana's WACC rate and the AFUDC rate, in the calculation of carrying charges on the Petersburg Energy Center Project regulatory asset.

7. **Customer Rate Impact.** For a residential customer using 1,000 kWh per month, the updated Project cost would result in a bill increase of approximately $1.84 per month, an increase over current base rates of approximately 1.6%, lower than the originally estimated increase of $2.18 per month.

8. **Confidentiality.** On December 22, 2022, AES Indiana filed its Motion for Protection and Nondisclosure of Confidential and Proprietary Information ("Motion"), seeking a determination that designated confidential information involved in this proceeding be exempt from public disclosure under Ind. Code § 8-1-2-29 and Ind. Code ch. 5-14-3. The request was supported by an affidavit showing certain documents to be admitted into evidence contained trade secret information within the scope of Ind. Code § 5-14-3-4(a)(4) and Ind. Code § 24-2-3-2. On January 5, 2023, the Presiding Officers issued a docket entry finding such information confidential on a preliminary basis. On January 6 and March 10, 2023, AES Indiana submitted its designated confidential information. On February 24, 2023, the OUCC submitted designated confidential information.

After reviewing the designated confidential information, we find all such information qualifies as confidential trade secret information pursuant to Ind. Code § 5-14-3-4 and Ind. Code § 24-2-3-2. This information has independent economic value from not being generally known or readily ascertainable by proper means. AES Indiana takes reasonable steps to maintain the secrecy of the information, and disclosure of such information would cause harm to AES Indiana. Therefore, we find that this information should be exempted from the public access requirements contained in Ind. Code ch. 5-14-3 and Ind. Code § 8-1-2-29 and held confidential and protected from public disclosure by this Commission.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The updated Best Estimate of the cost of the Petersburg Project set forth in Petitioner's Exhibit 1, Table GAC-3, is approved.

2. AES Indiana's request pursuant to the 45591 Order for recovery of the full amount of the updated Best Estimate of the cost of the Petersburg Project is approved.

3. The revised Project schedule is approved.

4. Amendment No. 1 to MIPA and Amendment No. 1 to EPC Contract are approved.

5. AES Indiana's request to defer and recover the updated Project Development Costs in accordance with the accounting and ratemaking approved in the 45591 Order is approved.

6. AES Indiana's ongoing review reports for the Petersburg Project and Project progress under review are approved.

7. The CPCN issued in Cause No. 45591 shall remain in full force and effect.

8. AES Indiana's request to continue ongoing review is approved.

9. The information filed in this Cause pursuant to AES Indiana's Motion is deemed confidential pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29, is exempt from public access and disclosure by Indiana law, and shall be held confidential and protected from public access and disclosure by the Commission.

10. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, VELETA, AND ZIEGNER CONCUR:

APPROVED: MAY 03 2023

I hereby certify that the above is a true and correct copy of the Order as approved.

Dana Kosco Digitally signed by Dana Kosco Date: 2023.05.03 10:25:22 -04'00'

Dana Kosco
Secretary of the Commission