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June 20, 2024  
INDIANA UTILITY  
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANA MICHIGAN )  
POWER COMPANY (I&M) FOR APPROVAL OF )  
RENEWABLE ENERGY PURCHASE )  
AGREEMENTS WITH THE HOOSIER LINE ) CAUSE NO. 46088  
SOLAR PROJECT AND THE MEADOW LAKE IV )  
WIND PROJECT (CLEAN ENERGY PPA )  
PROJECTS) AS CLEAN ENERGY PROJECTS )  
AND ASSOCIATED ACCOUNTING AND )  
RATEMAKING, INCLUDING TIMELY COST )  
RECOVERY, UNDER IND. CODE § 8-1-8.8-11. )

SUBMISSION OF DIRECT TESTIMONY OF DAVID A. LUCAS

Petitioner Indiana Michigan Power Company ("Petitioner" or "I&M"), by counsel,  
hereby submits the direct testimony of David A. Lucas.

IURC  
PETITIONER'S /  
EXHIBIT NO. 1  
9-20-24  
DATE REPORTER

Respectfully submitted,

  
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The undersigned hereby certifies that a copy of the foregoing was served this 20th day of June, 2024, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

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**INDIANA MICHIGAN POWER COMPANY**

**PRE-FILED VERIFIED DIRECT TESTIMONY**

**OF**

**DAVID A. LUCAS**

## **Contents**

<b>I.</b>	<b>Introduction of Witness .....</b>	<b>1</b>
<b>II.</b>	<b>Purpose of Testimony .....</b>	<b>3</b>
<b>III.</b>	<b>Overview of I&amp;M's System and Resources.....</b>	<b>4</b>
<b>IV.</b>	<b>I&amp;M's Vision for the Future .....</b>	<b>7</b>
<b>V.</b>	<b>Overview of the Projects .....</b>	<b>10</b>
<b>VI.</b>	<b>Overview of Relief Sought .....</b>	<b>11</b>
<b>VII.</b>	<b>Preferred Portfolio .....</b>	<b>12</b>
<b>VIII.</b>	<b>Competitive Procurement Process .....</b>	<b>14</b>
<b>IX.</b>	<b>Timeline .....</b>	<b>16</b>
<b>X.</b>	<b>Benefits of the Clean Energy Projects .....</b>	<b>16</b>
<b>XI.</b>	<b>Conclusion .....</b>	<b>18</b>

**DIRECT TESTIMONY OF DAVID A. LUCAS  
ON BEHALF OF  
INDIANA MICHIGAN POWER COMPANY**

**I. Introduction of Witness**

**Q1. Please state your name and business address.**

My name is David A. Lucas and my business address is Indiana Michigan Power Center, P.O. Box 60, Fort Wayne, IN 46801.

**Q2. By whom are you employed and in what capacity?**

I am employed by Indiana Michigan Power Company (I&M or Company) as Vice President – Regulatory and Finance.

**Q3. Briefly describe your educational background and professional experience.**

I have a Bachelor's Degree in Business Management and a Master of Business Administration Degree from Marshall University. I have completed the Program for Leadership Development at Harvard Business School and the American Electric Power (AEP) Leadership Development Program at The Ohio State University. I am a registered Project Management Professional (PMP).

Prior to joining AEP, I worked for more than 12 years in the heavy industrial construction industry. In my last position prior to joining AEP, I was an officer and Director of Business Operations for Williams Service Group, Inc. My responsibilities in this position included working with the executive management teams in multiple business units to develop strategic plans and manage the financial functions of the business units.

I joined the AEP Service Corporation in January 2005 as Manager – Financial Analysis & Budgeting SCR and Environmental. My primary roles at AEP Service

1 Corporation were in the areas of project management, budgeting, and project  
2 controls where I served as Manager – Project Cost Management and Director –  
3 Project Controls. I also held the position of Director – Environmental Retrofits  
4 from November 2010 – January 2013.

5 In April 2014, I was named I&M's Vice President of Finance. In November 2016,  
6 I was named I&M's Vice President Finance and Customer Experience. In  
7 January 2021, I began my current role as Vice President – Regulatory and  
8 Finance.

9 **Q4. Have you previously testified before any regulatory commissions?**

10 Yes. I have provided testimony in multiple I&M rate cases before the Indiana  
11 Utility Regulatory Commission (IURC or Commission) docketed as Cause Nos.  
12 45576, 45235 and 44967. I also provided testimony in I&M's generation filings  
13 docketed as Cause Nos. 45868, 45869, and 45245. Additionally, I have  
14 provided testimony in Michigan Public Service Commission (MPSC) Case Nos.  
15 U-20359, U-18370, U-21189, U-21377, and U-21461.

16 **Q5. What are your responsibilities as Vice President – Regulatory and**  
17 **Finance?**

18 I am responsible for managing the integrated financial plan and strategic  
19 planning process for all I&M business units – Fossil & Hydro Generation,  
20 Nuclear Generation, Transmission, and Utility Operations – which includes  
21 distribution, customer services and marketing, regulatory services, energy  
22 efficiency and demand side management, and other corporate support groups.

23 I am also responsible for managing the business operations, project controls,  
24 continuous improvement, energy efficiency strategy and regulatory services  
25 organizations.

## II. Purpose of Testimony

1     **Q6. What is the purpose of your testimony?**

2           My testimony provides an overview of the relief I&M is seeking in this  
3           proceeding and discusses the importance of a timely decision. I describe the  
4           Company and our work to meet our customers' ongoing needs and interests in  
5           reliable, affordable and sustainable generation resources through further  
6           diversification of our generation resources. I discuss the retirement of the  
7           Company's Rockport generating facility and the need to replace the capacity  
8           and energy to serve customers. I introduce the renewable projects requested for  
9           approval in this case (referred to herein as Clean Energy Projects) and how they  
10          align with the Five Pillars. I also discuss the benefits associated with the Clean  
11          Energy Projects and why the projects are reasonable and necessary and should  
12          be approved.

13     **Q7. Are you sponsoring any attachments?**

14           Yes, I am sponsoring I&M Attachment DAL-1 – Verified Petition, which also  
15           includes an index of witnesses as well as an index of the evidence regarding the  
16           Five Pillars. In addition, I am co-sponsoring a portion of Attachment BT-1, which  
17           provides the information required under General Administrative Order 2022-01.

18     **Q8. Were these attachments prepared or assembled by you or under your**  
19     **direction and supervision?**

20           Yes.

### III. Overview of I&M's System and Resources

**Q9. Please describe I&M and its organizational structure.**

I&M provides electric service to approximately 482,000 retail customers in northern and east-central Indiana and 133,000 retail customers in southwestern Michigan. I&M operates generation, transmission and distribution plant and equipment in Indiana and Michigan as an integrated system that provides electric service to its retail and wholesale customers in both states.

I&M is subject to the regulatory authority of the Indiana Utility Regulatory Commission (IURC), the Michigan Public Service Commission (MPSC), and the Federal Energy Regulatory Commission (FERC). I&M is a member of the PJM Interconnection, LLC, a regional transmission organization (RTO) serving the eastern portion of the country.

**Q10. Please describe the relationship between AEP and I&M.**

AEP owns electric operating companies, including I&M, located in the Midwestern and Central parts of the country. To effectively manage the costs of common activities, AEP Service Corporation (AEPSC) provides corporate support services to the operating companies, including generation-related services, project management, integrated planning, human resources, information technology, accounting, finance, and legal.

I&M as a member of PJM is located in the AEP System – East Zone (AEP East). AEP's operating companies, including I&M, are responsible for day-to-day operations and management of local business affairs, including responsibility and accountability for the operation of each operating company's generating plants.



1 **Q11. Please describe I&M's existing generation portfolio of resources.**

2 I&M's existing generation portfolio is currently comprised of two large central  
3 station resources, the Cook Nuclear Plant located in Bridgman, Michigan and  
4 the Rockport Plant, located in southern Indiana. In addition, I&M has purchase  
5 power agreements (PPA) with four wind farms and Ohio Valley Electric  
6 Corporation, and a suite of relatively small owned solar and run-of-river hydro  
7 resources. The specific resources are summarized in Table 5 on page 59 of the  
8 Company's Integrated Resource Planning (IRP) Report.<sup>1</sup>

9 **Q12. Please describe the Company's future plans for the Rockport facility.**

10 I&M has committed to retire Rockport Unit 1 and Unit 2 by the end of 2028. At  
11 this time, and for purposes of I&M's most recent IRP<sup>2</sup>, we assume Rockport Unit  
12 1 will operate through 2028. With respect to Unit 2, I&M's and American Electric  
13 Power Generating Company's (AEG) lease interests terminated on December 7,  
14 2022. I&M and AEG reacquired the unit in December 2022, as approved by  
15 FERC and allowed by a declination of jurisdiction order issued by the IURC in  
16 Cause No. 45546. Consistent with a settlement I&M reached with its Indiana  
17 stakeholders in that declination of jurisdiction proceeding, I&M used Rockport  
18 Unit 2 as a capacity-only resource for its Indiana customers from the end of the  
19 lease through May 31, 2024<sup>3</sup>, after which it transitioned fully to a "merchant"  
20 resource in the PJM wholesale market until it is retired.

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<sup>1</sup> Indiana Michigan Power, Integrated Resource Planning Report to the IURC, January 31, 2022 Volume 1. The Company's IRP is available on IURC website and is also included as an attachment to Company witness Becker's direct testimony.

<sup>2</sup> <https://www.indianamichiganpower.com/community/improving-our-community/projects/irp/or> IURC website.

<sup>3</sup> According to the terms of the Settlement Agreement approved in Cause No. 45546 (IURC Dec. 8, 2021).

1 **Q13. What steps has the Company taken to date to transition its generation**  
2 **portfolio?**

3 I&M began its generation transition in 2015 with the retirement of the Tanners  
4 Creek plant, a 995 MW four-unit coal facility that was located in Lawrenceburg,  
5 Indiana. As a result of the retirement of Tanners Creek and an increase in  
6 renewable resources, I&M's carbon emissions as an integrated system have  
7 declined by more than 90 percent since 2005. In 2021, I&M placed in-service its  
8 largest solar facility to date, the 20 MW (installed capacity or ICAP) St. Joseph  
9 solar facility. In 2023, more than 85 percent of I&M's energy used to serve  
10 customers was generated from carbon-free resources.

11 Looking forward, I&M has plans to replace the capacity and energy from  
12 Rockport through a responsible transition to a combination of intermittent  
13 renewable generation resources and natural gas resources. In 2023, the  
14 Commission approved I&M's future purchase or ownership of additional solar  
15 and natural gas capacity resources related to I&M's 2022 All-Source Request for  
16 Proposal (2022 RFP).<sup>4</sup>

17 **Q14. What is the status of the projects the Commission approved in Cause Nos.**  
18 **45868 and 45869?**

19 In Cause No. 45868, the Commission approved four solar facilities, comprised  
20 of two renewable energy Power Purchase Agreements (referred to as PPAs)  
21 totaling 280 MW (ICAP) and owned resources (purchase and sale agreements  
22 or PSAs) totaling 469 MW (ICAP). The 180 MW Sculpin Solar PPA terminated  
23 due to failure to obtain a local approval necessary to continue development.

24 [REDACTED]

25 [REDACTED]

26 [REDACTED] I&M will be seeking Commission  
27 approval of the revised Elkhart County Solar PPA in a separate proceeding.

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<sup>4</sup> Cause Nos. 45868 and 45869.

1 The PSA resources continue to move forward but the in-service dates have  
2 been delayed due to the PJM interconnection process. I&M advised the  
3 Commission of the PSA project status in the Company's initial Semi-Annual  
4 Progress Report (April 2024) in Cause No. 45245 (SPR-3).

5 In Cause No. 45869, the Commission approved a seven-year 210 MW capacity  
6 purchase agreement (CPA) with the existing Montpelier Electric Generating  
7 Station. This agreement will provide I&M's customers capacity beginning with  
8 PJM 2027/2028 Planning Year, or June 1, 2027.

#### IV. I&M's Vision for the Future

9 **Q15. Please provide an overview of I&M's ongoing efforts to meet the need for**  
10 **electric service to I&M's Indiana service territory.**

11 I&M is undergoing a major generation transformation as Rockport Unit 2 has  
12 fully transitioned to a merchant unit and Rockport Unit 1 will retire from service  
13 by the end of 2028. The retirement of these units provides a significant  
14 opportunity for I&M to further diversify its generation portfolio and reduce its  
15 carbon emissions.

16 I&M's vision for the future is an integrated approach to planning that will be used  
17 to develop resource solutions that provide a reliable and resilient electric power  
18 system. New resources, when combined with I&M's existing resources and the  
19 generation resources acquired from I&M's 2022 RFP, will provide a diversified  
20 and flexible portfolio of supply-side and demand-side resources that seek to  
21 support stable energy costs over time, stimulate economic development growth,  
22 reduce emissions, and take advantage of new technologies.

23 The Petition in this proceeding seeks approval of resources that are consistent  
24 with the Company's 2021 IRP, the planning tool the Company utilizes to  
25 determine how to meet the ongoing need for reliable and economic electric

1 demand in the Company's service area. The proposed Clean Energy Projects  
2 are consistent with the Preferred Portfolio that was the result of the IRP process  
3 and are an important step in replacing both the capacity and energy from the  
4 Rockport facility by the end of 2028.

5 **Q16. Is I&M's vision for the future and the proposals presented in this**  
6 **proceeding consistent with the "Five Pillars" as codified in Indiana Code**  
7 **8-1-2-0.6 and described in the Commission's General Administrative Order**  
8 **(GAO) issued on June 28, 2023?**

9 Yes. The Five Pillars include: 1) Reliability; 2) Affordability; 3) Resiliency; 4)  
10 Stability; and 5) Environmental Sustainability. The objectives and metrics that  
11 I&M used during the 2021 IRP process to determine the Preferred Portfolio were  
12 very closely aligned with the Five Pillars. I&M's primary objectives were  
13 Affordability, Sustainability, and Reliability and Resource Diversification. I&M's  
14 Preferred Portfolio additions, when combined with I&M's current generation  
15 resources, directly aligns with 21<sup>st</sup> Century Energy Policy Development Task  
16 Force findings used in developing the Five Pillars, by providing "a diverse  
17 resource mix that leverages the strengths of, and mitigates the weaknesses  
18 inherent in, each type of generation resources."<sup>5</sup> The Clean Energy Projects are  
19 a critical element in implementing I&M's Preferred Portfolio and supports the  
20 Five Pillars as described below.

- 21 • Reliability – The Clean Energy Projects are necessary to provide reliable  
22 capacity and energy to replace Rockport once it retires in 2028. As  
23 discussed by Company witness Becker, the Clean Energy Projects are  
24 consistent with the Preferred Portfolio from the Company's 2021 IRP,  
25 which included metrics for reliability.
- 26 • Affordability – The Clean Energy Projects were selected from the  
27 Company's 2023 All-Source Request for Proposal (RFP) as discussed by

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<sup>5</sup> 21<sup>st</sup> Century Energy Policy Development Task Force Report, October 19, 2022, page 9.

1 Company witness Dehan. Further, as discussed by Company witness  
2 Locigno, the overall estimated year one rate impact inclusive of the Clean  
3 Energy Projects, the Lawrenceburg CPA<sup>6</sup>, and the projects approved in  
4 Cause Nos. 45868<sup>7</sup> and 45869, combined with the cost reductions  
5 associated with the retirement of Rockport Units 1 and 2, results in a net  
6 savings for I&M's customers.

- 7 • Resiliency and Stability – As discussed further by Company witness  
8 Becker, the Clean Energy Projects allow I&M to further diversify its  
9 generation resource portfolio which includes a combination of  
10 dispatchable and intermittent resources of various technology types. A  
11 diverse set of generation resources, that will be in different locations  
12 throughout the state of Indiana, will provide the Company with optionality  
13 on how to manage the overall system in the event of disruptions or off-  
14 nominal events.
- 15 • Environmental Sustainability – The Clean Energy Projects will provide  
16 I&M with renewable energy generation. In addition, the renewable  
17 energy certificates (RECs) generated from the Clean Energy Projects will  
18 be available to be utilized through Commission approved programs to  
19 meet customers' interest in renewable energy.

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<sup>6</sup> I&M is seeking approval of the Lawrenceburg CPA in Cause No. 46083.

<sup>7</sup> With the exception of the 180 MW Sculpin project that was terminated.

## V. Overview of the Projects

### Q17. Please describe the Clean Energy Projects.

I&M proposes the following Clean Energy Projects as PPAs with the Company contracting for the capacity and energy from these facilities. I provide a summary of the projects which are discussed in detail by Company witness Gaul.

- The Hoosier Line Solar Project (Hoosier Line Project) will be located in White County in Indiana and will produce 180 MWs of solar generation. The developer for this project is Leeward Renewable Energy LLC. The project is expected to be operational in March 2027. The Hoosier Line Project will be capable of producing enough energy to power approximately 54,000 homes.
- The Meadow Lake IV Wind Project (Meadow Lake Project) is a repower of an existing wind facility located in White County in Indiana and will produce 100 MWs of wind generation. The developer for this project is EDP Renewables North America. The project is expected to be operational by December 31, 2025. As discussed by Company witness Gaul, I&M will purchase 76 MWs of a bundled product (energy and RECs) starting at the repower operation date, which will step up to 100 MWs starting in June 2032 when the Meadow Lake Project's separate offtake agreement for 24% of energy and RECs expires. I&M will be entitled to 100% of the accredited capacity from the Meadow Lake Project for the entire 20-year term of the PPA. The Meadow Lake Project will be capable of producing enough energy to power approximately 30,000 homes.

## VI. Overview of Relief Sought

**Q18. Please summarize the relief sought in this proceeding.**

I&M requests the Commission: (1) to find each of the Clean Energy Projects is reasonable and necessary; and (2) to encourage the development of each of the Clean Energy Projects by authorizing the timely recovery of costs and associated accounting and ratemaking treatment, as explained by Company witness Locigno.

**Q19. Is I&M's request for approval of the PPA Projects as "Clean Energy Projects" consistent with the statutory purpose of Indiana Code chapter 8-1-8.8?**

Yes. In particular, the statute (IC 8-1-8.8-1) states that:

(a)(2) The development of a robust and diverse portfolio of energy production or generating capacity, including... the use of renewable energy resources, is needed if Indiana is to continue to be successful in attracting new businesses and jobs. . . .

(b) The purpose of this chapter is to enhance Indiana's energy security and reliability by ensuring all of the following:

(1) Indiana's and the region's energy production or generating capacity continues to be adequate to provide for Indiana's current and future energy needs, including the support of the state's economic development efforts. . . .

I&M is an "energy utility" and thus is an "eligible business" under IC 8-1-8.8-6. Wind and solar energy are considered "clean energy resources" as defined in IC 8-1-37-4(a)(1) and (2). Thus, each of the proposed PPAs is a "renewable energy resource" as defined in IC 8-1-8.8-10 and thus a "Clean Energy Project" as defined in IC-8.8-2(2).

## VII. Preferred Portfolio

1     **Q20. Please briefly describe the Preferred Portfolio that supports the proposed**  
2     **Clean Energy Projects.**

3     As described in detail by Company witness Becker, I&M's 2021 IRP was the  
4     result of a comprehensive IRP process to evaluate the Company's load  
5     obligations and the resources that were necessary to fulfill those obligations  
6     based on the best information available at that time. The IRP process ultimately  
7     resulted in a Preferred Portfolio, which was the result of extensive modeling,  
8     analysis, and stakeholder engagement.

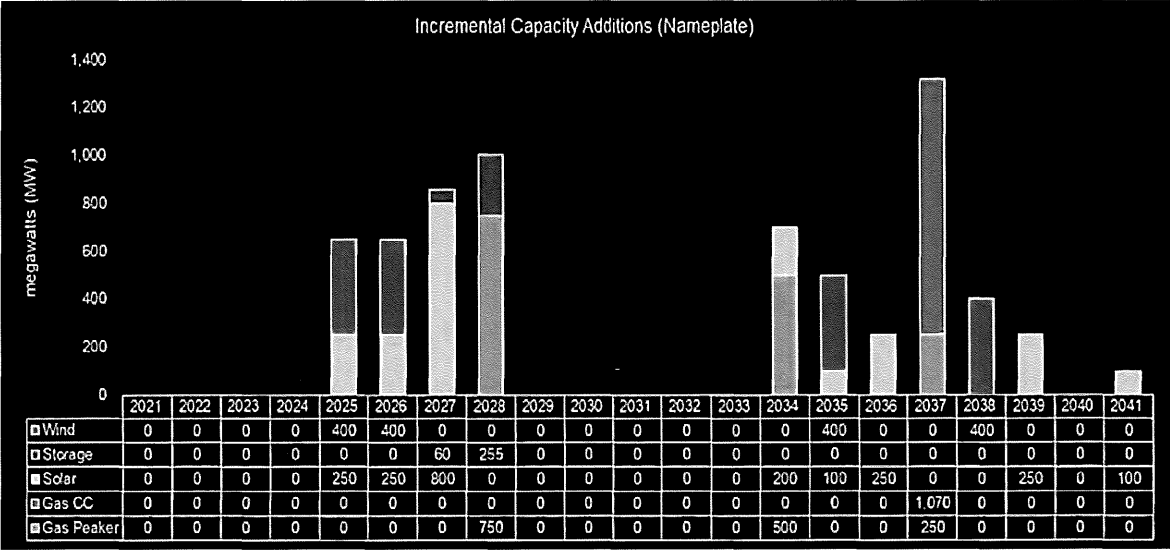
9     As recognized in the IRP, the Company has clearly identified a need for new  
10    supply-side and demand-side resources beginning in 2024 through 2028 to  
11    replace the capacity and energy associated with the retirement of the  
12    Company's Rockport facility by 2028.<sup>8</sup> The Company's Preferred Portfolio is a  
13    reasonable least cost plan, that best balances the Company's IRP objectives  
14    related to affordability, sustainability, reliability and resource diversification, while  
15    also limiting exposure to future market risks and providing the Company with  
16    needed flexibility for future decisions at our Cook Nuclear Plant. Figure DAL-1  
17    provides an overview of the incremental capacity additions (representing  
18    installed capacity ratings or ICAP) included in the Preferred Portfolio as further  
19    explained by Company witness Becker.

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<sup>8</sup> Indiana Michigan Power, Integrated Resource Planning Report to the IURC, updated September 29, 2023.



Figure DAL-1 – Preferred Portfolio Incremental Capacity Additions



1 **Q21. Has I&M experienced any notable changes that has caused variation in the**  
2 **resources I&M is able to acquire versus what the 2021 IRP modeled?**

3 Yes. There have been several notable changes that have influenced resource  
4 availability, pricing, and timing since I&M’s 2021 IRP. Company witness Gaul  
5 discusses several factors which have impacted the generation resource market  
6 and Company witness Burkholder discusses PJM changes that have also  
7 impacted both the Company’s capacity planning reserve margin requirements  
8 and accredited capacity construct for generation resources.

9 **Q22. Are the Clean Energy Projects proposed in this case consistent with the**  
10 **Preferred Portfolio from the 2021 IRP?**

11 Yes. The Preferred Portfolio clearly identifies a need for additional capacity  
12 starting in 2025 to replace the Rockport capacity. The Preferred Portfolio  
13 includes 2,100 MW (ICAP) of renewable capacity additions by the 2028/2029  
14 PJM Planning Year. The Clean Energy Projects requested in this proceeding

1 are needed to ensure the Company can meet its future customer load  
2 obligations as determined by PJM.

3 **Q23. Did the Company perform a Portfolio Optimization Analysis (POA) to**  
4 **confirm the Clean Energy Projects are consistent with the IRP and the**  
5 **appropriate resources to select from the responses to the Company's 2023**  
6 **All-Source RFP?**

7 Yes. As discussed further by Company witness Becker, the Company  
8 performed a POA to account for market changes since the 2021 IRP. The  
9 analysis provided further support for the selection of generation resources from  
10 the 2023 All-Source RFP by considering updates to PJM policy and changes in  
11 the Company's capacity needs, and the lack of wind generation available in  
12 PJM. As a result of the POA, the Clean Energy Projects were determined to  
13 best fulfill I&M's capacity needs consistent with the 2021 IRP.

## VIII. Competitive Procurement Process

14 **Q24. Did I&M utilize a Competitive Procurement Process to select the proposed**  
15 **Clean Energy Projects?**

16 Yes. I&M management worked closely with AEP's Regulated Infrastructure  
17 Development team and other internal stakeholders to structure the 2023 All-  
18 Source RFP in a manner that is consistent with competitive procurement best  
19 practices and in a manner that would encourage responses from the open  
20 market for resources in geographical locations that would provide value to I&M's  
21 customers within the current PJM construct. As discussed in detail by Company  
22 witness Dehan, the 2023 All Source RFP solicited responses from the market  
23 for capacity resource needs identified in the Company's Preferred Portfolio for  
24 the 2028/2029 PJM Planning Year. The 2023 All-Source RFP was designed in  
25 a way that allowed for an open, non-discriminatory competitive procurement

1 process that considered both third-party and utility ownership, resource types or  
2 combinations of resource types, various sizes and capacities within practical  
3 limits, ancillary services, and cost reducing benefits. The 2023 All-Source RFP  
4 was also structured to comply with the terms of the Settlement Agreement  
5 approved by the Commission in Cause No. 45546.

6 **Q25. Did the Company use an Independent Monitor as a part of the competitive**  
7 **procurement process?**

8 Yes. The Company utilized Charles River & Associates (CRA) to fulfill the role  
9 of Independent Monitor. In addition to the defined role of an Independent  
10 Monitor, CRA also managed the stakeholder process on behalf of the Company  
11 and ensured all stakeholder feedback was received by the Company and  
12 reasonably considered in the 2023 All-Source RFP process. Please see  
13 witness Koujak's testimony for more detailed information on the role of CRA and  
14 their report.

15 **Q26. Are the proposed Clean Energy Projects resulting from the Competitive**  
16 **Procurement Process consistent with Preferred Portfolio?**

17 Yes.

18 **Q27. Please explain.**

19 The IRP is a planning process to determine capacity requirements and the  
20 optimal resource selections based on modeling assumptions, resulting in a  
21 Preferred Portfolio. These assumptions utilize the best information available at  
22 the time relative to the supply, costs, and operating characteristics of each of the  
23 resource types.

24 The 2023 All Source RFP utilizes the results of the IRP planning process to  
25 determine the amount and types of capacity resources to target. It is the  
26 market, however, that ultimately determines what actual resources are available

1 at the time of the solicitation and the costs of specific resources. It is not  
2 unusual that what is available in the market at the point in time the RFP is  
3 issued may differ from the assumptions that are used in the IRP.

4 The Clean Energy Projects proposed in this case are the result of a Competitive  
5 Procurement Process and represent an optimal set of resources available in the  
6 market to fulfill the capacity need consistent with that identified through the IRP  
7 planning process.

## IX. Timeline

### 8 **Q28. Is a timely decision important?**

9 Yes. I&M asks the Commission to issue a decision 120 days after the date of  
10 the filing of the Joint Petition and supporting case-in-chief. The current  
11 generation procurement landscape is rapidly evolving and a timely decision in  
12 this proceeding is a significant milestone in being able to move the Clean  
13 Energy Projects forward.

## X. Benefits of the Clean Energy Projects

### 14 **Q29. Are the Company's proposed investments in the Clean Energy Projects** 15 **beneficial?**

16 Yes, the projects have many benefits for I&M's customers, including but not  
17 limited to:

- 18 • Economic development benefits – I&M has recently had multiple  
19 major announcements for economic development opportunities in our  
20 region. Transitioning to a cleaner energy portfolio is of significant  
21 interest to the companies seeking to locate in northeast Indiana.

1 Increasing the amount of renewable energy available to serve the  
2 Northeast Indiana region will benefit maintaining and attracting new  
3 investment and jobs to the region.

- 4 • Environmental benefits – I&M and AEP are committed to reducing  
5 carbon emissions and improving our overall environmental  
6 performance. AEP has a target to reduce full Scope 1 greenhouse  
7 gas (GHG) emissions by 80%, from a 2005 baseline, by 2030 and has  
8 a target of net-zero (Scopes 1 and 2) by 2045. The proposed Clean  
9 Energy Projects are consistent with these targets and will increase  
10 I&M renewable generation.

- 11 • Diversity of generation resources – As mentioned previously, I&M is at  
12 a point of transition in its mix of generating assets. With the Cook  
13 Nuclear facility as our anchor, the proposed Clean Energy Projects  
14 combined with our existing wind, solar, and hydro resources; the  
15 projects previously mentioned as currently under development; and  
16 the 697 MW natural gas CPA that Company is seeking approval of  
17 from the 2023 All-Source RFP in a separate case<sup>9</sup>, the Company is  
18 continuing its transition to a more diversified fleet of resources. The  
19 Clean Energy Projects will benefit customers by reducing risks  
20 associated with future fuel prices and environmental or regulatory  
21 policies that can impact specific types of generation resources. A  
22 diverse portfolio also provides operational flexibility as different  
23 resources have different operating characteristics.

- 24 • Renewable energy certificate benefits – The Clean Energy Projects  
25 will provide RECs that the Company can utilize through approved  
26 customer programs to meet customers' growing interests in renewable  
27 energy while also benefiting all customers as the value of any

---

<sup>9</sup> See Cause No. 46083.

1 monetized renewable energy credits can be passed back to  
2 customers to partially offset the cost of the Clean Energy Projects.

- 3 • Local economic benefits – The Clean Energy Projects will benefit the  
4 local communities by generating incremental investment in Indiana  
5 that will benefit Hoosier families, businesses, and industries.

## XI. Conclusion

### 6 **Q30. What is your conclusion and recommendation?**

7 I&M has clearly established a need for capacity and energy. The Clean Energy  
8 Projects proposed in this proceeding are consistent with the Five Pillars, the  
9 result of a competitive procurement process and represent a reasonable, least  
10 cost option for the Company to utilize in meeting its ongoing obligation to  
11 provide adequate and reliable service and facilities.

12 Therefore, I&M is requesting that the Commission find each of the Clean Energy  
13 Projects proposed in this proceeding to be reasonable and necessary, approve  
14 each of the Clean Energy Projects as a “clean energy resource”, and authorize  
15 the accounting and ratemaking sought by the Company.

### 16 **Q31. Does this conclude your pre-filed verified direct testimony?**

17 Yes, it does.

**VERIFICATION**

I, David A. Lucas, I&M Vice President – Regulatory and Finance, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Dated: June 20, 2024

A handwritten signature in cursive script that reads "DAVID A. Lucas". The signature is written in dark ink and is positioned above a horizontal line.

David A. Lucas

FILED  
June 20, 2024  
INDIANA UTILITY  
REGULATORY COMMISSION

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF INDIANA MICHIGAN )  
POWER COMPANY (I&M) FOR APPROVAL OF )  
RENEWABLE ENERGY PURCHASE )  
AGREEMENTS WITH THE HOOSIER LINE ) CAUSE NO. 46088  
SOLAR PROJECT AND THE MEADOW LAKE IV )  
WIND PROJECT (CLEAN ENERGY PPA )  
PROJECTS) AS CLEAN ENERGY PROJECTS )  
AND ASSOCIATED ACCOUNTING AND )  
RATEMAKING, INCLUDING TIMELY COST )  
RECOVERY, UNDER IND. CODE § 8-1-8.8-11. )**

**VERIFIED PETITION**

Indiana Michigan Power (I&M, Company, or Petitioner) respectfully petitions the Indiana Utility Regulatory Commission (Commission) for approval of renewable energy purchase agreements with the Hoosier Line Solar Project and the Meadow Lake IV Wind Project, and associated accounting and ratemaking, including timely cost recovery, under Ind. Code § 8-1-8.8-11. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission's Rules of Practice and Procedure, I&M submits the following information in support of this Petition.

**I&M's Corporate Status**

1. I&M, a wholly-owned subsidiary of American Electric Power Company, Inc. (AEP), is a corporation organized and existing under the laws of the State of Indiana, with its principal offices at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M is engaged in, among other things, rendering electric service in the States of Indiana and Michigan. I&M owns and operates generation, transmission, and distribution plant and equipment within the States of Indiana and Michigan that are in service and used and



useful in the furnishing of such electric service to the public. I&M has maintained and continues to maintain its properties in a reliable state of operating condition.

2. I&M supplies electric service to approximately 482,000 retail customers in northern and east-central Indiana and 133,000 retail customers in southwestern Michigan. I&M's Indiana service area covers approximately 3,200 square miles. In Indiana, I&M provides retail electric service to customers in the following Indiana counties: Adams, Allen, Blackford, DeKalb, Delaware, Elkhart, Grant, Hamilton, Henry, Howard, Huntington, Jay, LaPorte, Madison, Marshall, Miami, Noble, Randolph, St. Joseph, Steuben, Tipton, Wabash, Wells and Whitley. In addition, I&M serves wholesale customers in Indiana and Michigan.

**I&M's "Public Utility" Status**

3. I&M is a "public utility" under Ind. Code § 8-1-2-1. I&M is also an "eligible business" as that term is defined in Ind. Code § 8-1-8.8-6. I&M 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.

4. I&M is also subject to the jurisdiction of the Michigan Public Service Commission and the Federal Energy Regulatory Commission (FERC) as to electric service provided by I&M to retail customers in Michigan and to wholesale customers, respectively.

5. I&M's transmission system is under the functional control of PJM Interconnection, L.L.C., a FERC-approved regional transmission organization (RTO), and is used for the provision of open access non-discriminatory transmission service pursuant

to PJM's Open Access Transmission Tariff on file with the FERC. As a member of PJM, charges and credits are billed to AEP and allocated to I&M for functional operation of the transmission system, management of the PJM markets including the assurance of a reliable system, and general administration of the RTO. I&M must also adhere to the federal reliability standards developed and enforced by the North American Electric Reliability Corporation (NERC), which is the electric reliability organization certified by the FERC to establish and enforce reliability standards for the bulk power system. ReliabilityFirst (RF) is one of eight NERC Regional Entities and is responsible for overseeing regional reliability standard development and enforcing compliance. I&M's transmission facilities are wholly located within the RF region.

#### **I&M's Electric Utility System**

6. I&M renders electric service by means of electric production, transmission and distribution plant, as well as general property, equipment, and related facilities, including office buildings, service buildings and other property, all of which is used and useful in the generation, purchase, transmission, distribution and furnishing of electric energy for the convenience of the public. To continue to properly serve the public located in its service area and to discharge its duties as a public utility, I&M has and continues to make numerous additions, replacements, and improvements to its electric utility systems.

7. I&M's property is classified in accordance with the Uniform System of Accounts (USOA) as prescribed by the FERC and adopted by this Commission.

#### **Clean Energy PPA Projects**

8. The Hoosier Line Solar Project (Hoosier Line Project) will be located in

White County, Indiana and will produce 180 MWs of solar generation. The developer for this Project is Leeward Renewable Energy LLC. The Project is expected to be operational in March 2027. The renewable energy purchase agreement (referred to herein as PPA) provides that I&M will purchase all the renewable energy products (energy, capacity, and renewable energy certificates (RECs) by the facility for a term of 30 years. The Hoosier Line Project will be capable of producing enough energy to power approximately 54,000 homes.

9. The Meadow Lake IV Wind Project (Meadow Lake Project) is a repowering of an existing wind facility placed in service in 2010 and located in White County, Indiana. The developer for this Project is EDP Renewables North America. The Project is expected to be operational by December 31, 2025. I&M will initially purchase 76 MWs of a bundled product (energy and RECs) starting at the re-power operation and step up to 100 MWs starting in June 2032. I&M will be entitled to 100% of the accredited capacity from the Meadow Lake Project for the entire 20-year term of the PPA. The Meadow Lake Project will be capable of producing enough energy to power approximately 30,000 homes.

### **Requested Relief**

10. The Clean Energy Projects are reasonable and necessary. I&M requests Commission approval of each Project as a Clean Energy Project pursuant to Ind. Code § 8-1-8.8-11, authorize timely cost recovery and approve other accounting and ratemaking relief, including recovery of PPA development costs. The Company proposes to administer timely cost recovery for the Clean Energy PPA Projects through I&M's Fuel

Cost Adjustment Clause (FAC).<sup>1</sup> Timely cost recovery is consistent with Ind. Code § 8-1-8.8-11 and Ind. Code § 8-1-2-42(a).

### **Applicable Law**

11. I&M considers the provisions of the Public Service Commission Act, as amended, to be applicable to the subject matter of this Petition, including Ind. Code §§ 8-1-8.8-11, 8-1-2-10, 12, and 42(a), and 8-1-2-0.6.

### **I&M's Integrated Resource Plan and All-Source Request For Proposals.**

12. Indiana's utility regulatory framework requires I&M to submit an Integrated Resource Plan (IRP) to the Commission every three years. Ind. Code § 8-1-8.5-3(e)(2); 170 Indiana Administrative Code (IAC) 4-7-2.

The IRPs are subject to a rigorous stakeholder process. IRPs describe how the utility plans to deliver safe, reliable, and efficient electricity at just and reasonable rates. Further, these plans must be in the public interest and consistent with state energy and environmental policies. Each utility's IRP explains how it will use existing and future resources to meet customer demand. When selecting these resources, the utility must consider a broad range of potential future conditions and variables and select a combination that would provide reliable service in an efficient and cost-effective manner.<sup>2</sup>

13. I&M's most recent IRP was submitted to the Commission on January 31, 2022 ("2021 IRP").<sup>3</sup> The study period for I&M's 2021 IRP is 2022-2041.

14. I&M is undergoing a major generation transformation as Rockport Unit 2 has fully transitioned to a merchant Unit and Rockport Unit 1 will retire from service by

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<sup>1</sup> This proposed cost recovery mechanism is consistent with cost recovery for the PPAs approved in Indiana Michigan Power Company, Cause No. 45868 (IURC 10/18/2023) at 27-30, 32, 33 .

<sup>2</sup> <https://www.in.gov/iurc/energy-division/electricity-industry/integrated-resource-plans/>.

<sup>3</sup> *Id.*

the end of 2028. The retirement of these units provides a significant opportunity for I&M to further diversify I&M's generation portfolio and reduce its carbon emissions.

15. In accordance with the Commission's rules, I&M's 2021 IRP includes a Preferred Portfolio. I&M has prepared the Preferred Portfolio with a near-term plan, 2022–2028, and a long-term indicative plan, 2029–2041. The near-term plan addresses resource needs through 2028 and is inclusive of the Company's Short-Term Action Plan. The long-term-indicative plan includes the resource decisions that the Company will need to make from 2029 through the end of the planning period in 2041.<sup>4</sup>

16. I&M issued an All Source Request for Proposal on March 31, 2023. I&M contracted Charles River Associates (CRA) to serve as an independent monitor. CRA also managed the stakeholder process on behalf of the Company and ensured stakeholder feedback was received by the Company and reasonably considered in the RFP process.

17. I&M ultimately entered into the Clean Energy Project PPAs, which are an important step in replacing the capacity and energy from the Rockport facility by the end of 2028.

### **Procedural and Other Matters**

18. I&M is filing its case-in-chief contemporaneous with its Petition, including direct testimony, attachments, and workpapers. Per Commission General Administrative Order (GAO) 2020-05 and GAO 2023-04 an index of the filing is attached to this Petition

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<sup>4</sup> I&M 2021 IRP Report at 6.

as Exhibit A.

19. A Motion for Protective Order and supporting affidavits are being filed contemporaneous with this Petition to protect certain confidential, proprietary, competitively sensitive, and/or trade secret information included with I&M's filing from public disclosure.

20. I&M seeks a final Commission order within 120 days consistent with Ind. Code § 8-1-8.8-11. The current generation procurement landscape is rapidly evolving and a timely decision in this proceeding is a significant milestone in being able to move the Clean Energy Projects forward.

21. In accordance with 170 IAC 1-1.1-9(a)(8), I&M will work with the Indiana Office of Utility Consumer Counselor (OUCC) and any intervenors to come to agreement on a proposed procedural schedule and associated terms and will file any such agreement in this Cause. I&M contemplates the following schedule:

Day 0	Thurs. June 20, 2024	I&M Petition & Filing of Case in Chief.
Day 55	Wed. Aug. 14, 2024	OUCC and Intervenors Filing of Case in Chief.
Day 71 (15 days)	Fri. Aug. 30, 2024	I&M's Rebuttal/OUCC & intervenors Cross Answering, if any.
Day 83-85 (12-14 days)	Sept. 11-13, 2024 (one day)	Evidentiary hearing.
Day 92 (7 days)	Fri. Sept. 20, 2024	I&M proposed order/post hearing brief.
Day 99 (7 days)	Fri. Sept. 27, 2024	OUCC and any intervenor proposed order/brief.
Day 106 (7 days)	Fri. Oct. 4, 2024	I&M Reply.
Day 120 (14 days)	Fri. Oct. 18, 2024	Statutory Order Date (IC 8-1-8.8-11)

**Other Terms:**

**Service:** The parties will provide same day service of filings via email, hand delivery or large file transfer.

**Discovery:** Discovery is available to all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten calendar days of the receipt of such request until August 14, 2024. Thereafter, any response or objection to a discovery request shall be made within five calendar days of the receipt of such request. Any discovery communication received after noon on a Friday or state holiday, or after 5:00 pm on any other day shall be deemed to have been received on the following business day. There will be blackout dates for discovery from August 31, 2024 through Monday, September 2, 2024. Dates designated as "blackout dates" shall not be included in determining the number of days provided for responding to a discovery request.

The parties may conduct discovery through electronic means. The parties agree to serve all parties with discovery requests and responses.

**Workpapers:** When prefiling technical evidence with the Commission, each party shall file copies of the work papers used to produce that evidence within two business days after the prefiling of such technical evidence. Copies of the same shall also be served on the other parties to this Cause.

**Number of Copies/Corrections:** Filings with the Commission shall comply with General Administrative Order 2016-2. Any corrections to prefiled testimony shall be made in writing as soon as possible after discovery of the need to make such corrections.

**Objections to Prefiled Testimony and Attachments:** Any objections to the admissibility of prefiled testimony or attachments shall be filed with the Commission and served on all parties of record not less than five business days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record.

**Petitioner's Authorized Representatives**

22. The names and address of I&M's attorneys in this matter who are duly authorized to accept service of papers in this Cause on behalf of I&M are:

Teresa Morton Nyhart (Atty. No. 14044-49)  
Jeffrey M. Peabody (Atty. No. 28000-53)  
TAFT STETTINIUS & HOLLISTER LLP  
One Indiana Square, Suite 3500

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Tammara D. Avant (Atty. No. 31466-49)  
AMERICAN ELECTRIC POWER SERVICE CORPORATION  
101 W. Ohio St., Suite 1320  
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Phone: (317) 508-9262  
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With courtesy copies to:  
Edward J. Locigno  
AMERICAN ELECTRIC POWER SERVICE CORPORATION  
Email: ejlocigno@aep.com

Austin R. DeNeff  
INDIANA MICHIGAN POWER COMPANY  
Email: ardeneff@aep.com

WHEREFORE, I&M respectfully requests the Commission to promptly publish notice, make such investigation and hold such hearings as are necessary and advisable, and thereafter make and enter an order in this Cause:

- (i) approving the PPA with the Hoosier Line Solar Project as a Clean Energy Project;
- (ii) approving the PPA with the Meadow Lake IV Wind Project as a Clean Energy Project;
- (iii) authorizing, for both Clean Energy Projects, associated accounting and ratemaking, including timely cost recovery as proposed by I&M; and
- (iv) granting to I&M such other and further relief in the premises as may be

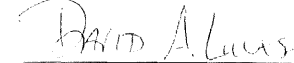


appropriate and proper.

Dated this 20th day of June, 2024.

Respectfully submitted,

INDIANA MICHIGAN POWER COMPANY



David A. Lucas  
Vice President – Regulatory and Finance  
Indiana Michigan Power Company




Teresa Morton Nyhart (Atty. No. 14044-49)  
Jeffrey M. Peabody (Atty. No. 28000-53)  
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Attorneys for INDIANA MICHIGAN POWER  
COMPANY

**VERIFICATION**

I, David A. Lucas, I&M Vice President – Regulatory and Finance, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.


Dated: June 20, 2024

  
\_\_\_\_\_  
David A. Lucas

**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing was served this 20th day of June, 2024, by electronic transmission or United States Mail, first class, postage prepaid on:

William Fine  
Carol Sparks Drake  
Abby Gray  
Indiana Office of Utility Consumer Counselor  
Office of Utility Consumer Counselor  
115 West Washington Street  
Suite 1500 South  
Indianapolis, Indiana 46204  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)  
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[CaDrake@oucc.IN.gov](mailto:CaDrake@oucc.IN.gov)  
[agray@oucc.in.gov](mailto:agray@oucc.in.gov)

  
\_\_\_\_\_  
Jeffrey M. Peabody

Teresa Morton Nyhart (Atty. No. 14044-49)  
Jeffrey M. Peabody (Atty. No. 28000-53)  
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Attorneys for INDIANA MICHIGAN POWER COMPANY

**Indiana Michigan Power Company**  
**Index of Issues, Requests, and Supporting Witnesses<sup>1</sup>**

The Petition seeks approval of two purchase power agreements (PPAs) under Ind. Code 8-1-8.8-11 and associated accounting and ratemaking, including timely recovery of costs through the Resource Adequacy Rider or successor rate adjustment mechanism in accordance with Ind. Code § 8-1-2-42(a). The following Index of Issues, Requests, and Supporting Witnesses is being provided in accordance with General Administrative Order (GAO) 2020-05.

**I. Supporting Witnesses**

<b>I&amp;M Witnesses</b>		
<b>Name</b>	<b>Position</b>	<b>Major Subject Area</b>
David A. Lucas	Vice President – Regulatory and Finance, Indiana Michigan Power Company (I&M or Company).	<ul style="list-style-type: none"> <li>▪ Provides an overview of the relief I&amp;M is seeking in this proceeding.</li> <li>▪ Discusses importance of a timely decision.</li> <li>▪ Describes the Company and its work to meet customers' ongoing needs and interests in reliable, affordable and sustainable generation resources through further diversification of generation resources.</li> <li>▪ Discusses the retirement of the Company's Rockport generating facility and the need to replace this capacity and energy to serve customers.</li> <li>▪ Introduces the renewable projects requested for approval in this case (referred to herein as Clean Energy Projects) and how they align with the Five Pillars.</li> <li>▪ Discusses the Five Pillars and benefits associated with the Clean Energy Projects.</li> </ul>

<sup>1</sup> This Index of the Company's case-in-chief is intended to highlight issues and is not an exhaustive list of the Company's requests in this proceeding. A complete account of the Company's requested relief can be found in the Company's filing in this Cause, including the petition, case-in-chief, and workpapers.

Indiana Michigan Power Company Petition  
Exhibit A

I&M Witnesses (cont'd)		
Name	Position	Major Subject Area
Mark A. Becker	Managing Director of Resource Planning and Operational Analysis, American Electric Power Service Corporation (AEPSC).	<ul style="list-style-type: none"> <li>Provides an overview of I&amp;M's 2021 Integrated Resource Plan (IRP) process and resulting Preferred Portfolio and Short-Term Action plan.</li> <li>Presents the results of the Portfolio Optimization Analysis (POA) used to support the final selection of projects.</li> <li>Discusses what conclusions can be drawn from the POA's selection of the Clean Energy Projects.</li> <li>Describes the Company's consideration of IRP resource alternatives.</li> </ul>
Timothy B. Gaul	Director – Regulated Infrastructure Development, AEPSC.	<ul style="list-style-type: none"> <li>Discusses market factors.</li> <li>Discusses project offers received and integrated into the RFP process.</li> <li>Reviews the structure and terms of the executed PPAs, including price.</li> <li>Outlines due diligence.</li> </ul>
D. Dean Koujak	Principal, Charles River Associates.	<ul style="list-style-type: none"> <li>Introduces and describes CRA's role and conclusions as the Independent Monitor for I&amp;M's procurement process under the 2023 All Source RFP.</li> <li>Discusses the post short-list negotiation process.</li> <li>Presents Independent Monitor's Report.</li> </ul>

(cont'd on next page)

Indiana Michigan Power Company Petition  
Exhibit A

I&M Witnesses (cont'd)		
Name	Position	Major Subject Area
Justin T. Dehan	Manager, Regulated Infrastructure Development, AEPSC	<ul style="list-style-type: none"> <li>Provides overview of 2023 All Source RFP.</li> <li>Reviews RFP development and issuance process and engagement of Independent Monitor.</li> <li>Describes review and scoring/ranking of proposals, bid confirmation process, and selection of a shortlist.</li> </ul>
Joshua Burkholder	Managing Director of RTO Strategy and Policy, AEPSC	<ul style="list-style-type: none"> <li>Explains capacity market changes regarding accreditation and risk modeling that in turn affects the planning reserve margin that have taken place in PJM resulting in updated assumptions in the POA presented by Company witness Becker.</li> <li>Addresses changes in the generation interconnection process within PJM and how the new generation interconnection process is designed, which had an impact on the short-listing process in the 2023 All Source RFP described by Company witnesses Dehan and Gaul.</li> </ul>
Bartley Taberner	Transmission Planning Manager for East Transmission Planning in AEPSC's Grid Solutions.	<ul style="list-style-type: none"> <li>Presents response to Commission's GAO 2022-01 in Attachment BT-1 (which is co-sponsored by Company witnesses Becker, Lucas and Gaul as indicated on the attachment).</li> <li>Explains the transmission interconnection to the PJM RTO and cost estimates for the Clean Energy Projects.</li> </ul>

(cont'd on next page)

Indiana Michigan Power Company Petition  
Exhibit A

I&M Witnesses (cont'd)		
Name	Position	Major Subject Area
Edward J. Locigno	Manager Regulatory Analysis & Case, AEPSC.	<ul style="list-style-type: none"> <li>▪ Addresses the accounting and ratemaking associated with the Clean Energy Projects.</li> <li>▪ Discusses request for timely cost recovery to be administered through I&amp;M's FAC for the costs incurred under the PPAs.</li> <li>▪ Supports the recovery of development costs associated with the PPAs.</li> <li>▪ Provides an estimate of the overall incremental rate impact of the PPAs to I&amp;M's customers.</li> <li>▪ Explains how I&amp;M plans to utilize the renewable energy certificates (RECs) from the Clean Energy Projects to benefit customers.</li> </ul>

Indiana Michigan Power Company Petition  
Exhibit A

**II. Index of Issues and Requests**

<b>Subject</b>	<b>General</b>	<b>Witness/Other Reference</b>
Statutory Framework	<ul style="list-style-type: none"> <li>• IC 8-1-8.8-11 (Clean Energy Project and timely cost recovery).</li> <li>• IC 8-1-2-10, 12, 42 (Other Accounting &amp; Ratemaking Authority).</li> <li>• IC 8-1-2-0.6 (Five Pillars).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Petition, ¶¶11.</li> </ul>
Case Timeline	<ul style="list-style-type: none"> <li>• 120 Days.</li> </ul>	<ul style="list-style-type: none"> <li>▪ IC 8-1-8.8-11(d).</li> <li>▪ Petition, ¶¶20.</li> <li>▪ Lucas, Q/A 28.</li> </ul>
I&M characteristics	<ul style="list-style-type: none"> <li>• Service area.</li> <li>• Generating Resource Portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Petition, ¶¶2.</li> <li>▪ Lucas, Q/As 9, 10-14.</li> </ul>
<b>Project Description</b>		
Hoosier Line PPA  Meadow Lake IV PPA	<ul style="list-style-type: none"> <li>• The Hoosier Line Solar Project (Hoosier Line Project) will be located in White County, Indiana and will produce 180 MWs of solar generation. The developer for this project is Leeward Renewable Energy LLC. The Project is expected to be operational in March 2027. The renewable energy purchase agreement (referred to herein as PPA) provides that I&amp;M will purchase all the renewable energy products (energy, capacity, and renewable energy certificates (RECs)) by the facility for a term of 30 years. The Hoosier Line Project will be capable of producing enough energy to power approximately 54,000 homes.</li> <li>• The Meadow Lake IV Wind Project (Meadow Lake Project) is a repowering of an existing wind facility placed in service in 2010 and located in White County, Indiana. The developer for this project is EDP Renewables North America. The project is expected to be operational by December 31, 2025. I&amp;M will initially purchase 76 MWs of a bundled product (energy and RECs) starting at the re-power operation and step up to 100 MWs starting in June 2032. I&amp;M will be entitled to 100% of the accredited capacity from the Meadow Lake Project for the entire 20-year term of the PPA. The Meadow Lake Project will be capable of producing enough energy to power approximately 30,000 homes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Petition, ¶¶8-9.</li> <li>▪ Lucas, QA 17.</li> <li>▪ Gaul, Q/A 14-19.</li> </ul>



Indiana Michigan Power Company Petition  
Exhibit A

	Index of Issues and Requests (cont'd)	
	Relief Requested	
I&M request	<ul style="list-style-type: none"> <li>The Clean Energy Projects are reasonable and necessary. I&amp;M requests Commission approval of each Project as a Clean Energy Project pursuant to Ind. Code § 8-1-8.8-11, authorize timely cost recovery and approve other accounting and ratemaking relief, including recovery of PPA development costs.</li> <li>The Company proposes to administer timely cost recovery for the Clean Energy PPA Projects through I&amp;M's FAC. Timely cost recovery is consistent with Ind. Code § 8-1-8.8-11 and Ind. Code § 8-1-2-42(a).</li> <li>I&amp;M will begin including the costs associated with the PPAs in I&amp;M's monthly over- / under-accounting when I&amp;M begins incurring such costs.</li> </ul>	<ul style="list-style-type: none"> <li>Petition, ¶¶10.</li> <li>Lucas, Q/A 18-19.</li> <li>Locigno, Q/A 11-13.</li> </ul>
IC 8-1-8.8-6	<ul style="list-style-type: none"> <li>I&amp;M is an "eligible business."</li> </ul>	<ul style="list-style-type: none"> <li>Petition, ¶¶3.</li> <li>Lucas, Q/A 19.</li> </ul>
IC 8-1-8.8-2, 10	<ul style="list-style-type: none"> <li>The Projects are within the definition of "Clean Energy Project."</li> </ul>	<ul style="list-style-type: none"> <li>Lucas, Q/A 19.</li> </ul>
IC 8-1-8.8-11	<ul style="list-style-type: none"> <li>Each PPA is reasonable and necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Petition, ¶¶10.</li> <li>Lucas, Q/As 17, 20-23, 29-30.</li> <li>Gaul, Q/As 9-21.</li> <li>Becker, Sections III-VIII.</li> </ul>
IC 8-1-8.8-11 (a)(1), (4) & (5)	<ul style="list-style-type: none"> <li>Project Costs.</li> <li>Project Development Costs.</li> <li>Accounting and Ratemaking, including timely cost recovery.</li> </ul>	<ul style="list-style-type: none"> <li>Gaul, Section IV.</li> <li>Taberner, Q/A 17.</li> <li>Locigno, Section IV.</li> </ul>

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Indiana Michigan Power Company Petition  
Exhibit A

	Index of Issues and Requests (cont'd)	
	IRP, All Source RFP and Project Evaluation/Selection	
IRP and All Source Solicitation Process	<ul style="list-style-type: none"> <li>I&amp;M is undergoing a major generation transformation as Rockport Unit 2 has fully transitioned to a merchant unit and Rockport Unit 1 will retire from service by the end of 2028.</li> <li>The PPAs are consistent with the Company's 2021 IRP and POA.</li> <li>I&amp;M's IRP process and POA have clearly established a need for capacity.</li> <li>The Clean Energy Projects requested in this proceeding are needed to ensure the Company can meet its future customer load obligations as determined by PJM.</li> <li>The Company conducted an All-Source RFP to solicit responses from the market for capacity resource needs identified in the Company's Preferred Portfolio for the 2028/2029 PJM Planning Year due to the retirement of the Rockport Plant.</li> <li>The Company performed a POA to account for market changes since the 2021 IRP. The analysis provided further support for the selection of generation resources from the 2023 All Source RFP by considering updates to PJM policy and changes in the Company's capacity needs, and the lack of wind generation available in PJM. As a result of the POA, the Clean Energy Projects were determined to best fulfill I&amp;M's capacity needs consistent with the 2021 IRP.</li> </ul>	<ul style="list-style-type: none"> <li>Lucas, Sections IV and VII.</li> <li>Becker Sections – III-VIII.</li> <li>Dehan, Sections III-V.</li> <li>Koujak, Sections 3-6.</li> </ul>
Project Evaluation/Selection	<ul style="list-style-type: none"> <li>The proposal review and project selection process involved the following general steps: <ul style="list-style-type: none"> <li>-Proposal Clarification and Eligibility &amp; Threshold (E&amp;T) Review</li> <li>-Detailed Analysis &amp; Due Diligence</li> <li>-Phase 1 Ranking: Top Ranked Proposals by Type Advance to Bid Confirmation</li> <li>-Bid Confirmation: Verification of Key Terms, Bid Assumptions, and Price</li> <li>-Phase 2 Ranking: Top Ranked Proposals Overall Advance to Shortlist</li> <li>-Selection to Shortlist</li> <li>-POA</li> <li>-Project Selection</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Dehan, Section V.</li> <li>Gaul, Sections II-III.</li> <li>Becker, Section V.</li> </ul>

Indiana Michigan Power Company Petition  
Exhibit A

	<b>Index of Issues and Requests (cont'd)</b>	
	<b>IRP, All Source RFP and Project Evaluation/Selection (cont'd)</b>	
Project Evaluation/Selection	<ul style="list-style-type: none"> <li>The proposal review and project selection process involved the following general steps: <ul style="list-style-type: none"> <li>-Proposal Clarification and Eligibility &amp; Threshold (E&amp;T) Review</li> <li>-Detailed Analysis &amp; Due Diligence</li> <li>-Phase 1 Ranking: Top Ranked Proposals by Type Advance to Bid Confirmation</li> <li>-Bid Confirmation: Verification of Key Terms, Bid Assumptions, and Price</li> <li>-Phase 2 Ranking: Top Ranked Proposals Overall Advance to Shortlist</li> <li>-Selection to Shortlist</li> <li>-POA</li> <li>-Project Selection</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Dehan, Section V.</li> <li>Gaul, Sections II-III.</li> <li>Becker, Section V.</li> </ul>
Consideration of resource alternatives	<ul style="list-style-type: none"> <li>The Company considered a number of options in the IRP process including conventional thermal generation, renewable energy, energy storage, several types of demand-side management including demand response, load management, conservation, conservation voltage reduction and cogeneration.</li> </ul>	<ul style="list-style-type: none"> <li>Becker, Section VII.</li> <li>Dehan, Section III.</li> </ul>
	<b>GAO 2022-01</b>	
RTO	<ul style="list-style-type: none"> <li>The information requested by GAO 2022-01 as it applies to the Clean Energy Projects is provided in Attachment BT-1.</li> </ul>	<ul style="list-style-type: none"> <li>Taberner (and co-sponsored by witnesses, Becker, Lucas, and Gaul as indicated on the attachment).</li> </ul>

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Indiana Michigan Power Company Petition  
Exhibit A

Index of Issues and Requests (cont'd)		
Five Pillars and Benefits		
IC 8-1-2-0.6	<ul style="list-style-type: none"> <li>The objectives and metrics that I&amp;M used during the 2021 IRP process to determine the Preferred Portfolio were very closely aligned with the Five Pillars.</li> <li>The Clean Energy Projects are a critical element in implementing I&amp;M's Preferred Portfolio and supports the Five Pillars as described below:</li> <li>Reliability – The Clean Energy Projects are necessary to provide reliable capacity and energy to replace Rockport once it retires in 2028. As discussed by Company witness Becker, the Clean Energy Projects are consistent with the Preferred Portfolio from the Company's 2021 IRP, which included metrics for reliability.</li> <li>Affordability – The Clean Energy Projects were selected from the Company's 2023 All-Source Request for Proposal (RFP) using both price (60%) and non-price (40%) scoring as discussed by Company witness Dehan. Further, as discussed by Company witness Locigno, the overall estimated year one rate impact inclusive of the Clean Energy Projects, the Lawrenceburg CPA6, and the projects approved in Cause Nos. 458687 and 45869, combined with the cost reductions associated with the retirement of Rockport Units 1 and 2, results in a net savings for I&amp;M's customers.</li> <li>Resiliency and Stability – As discussed further by Company witness Becker, the Clean Energy Projects allow I&amp;M to further diversify its generation resource portfolio which includes a combination of dispatchable and intermittent resources of various technology types. A diverse set of generation resources, that will be in different locations throughout the state of Indiana and southwest Michigan, will provide the Company with optionality on how to manage the overall system in the event of disruptions or off-nominal events.</li> <li>Environmental Sustainability – The Clean Energy Projects will provide emission free energy to serve I&amp;M's customers. The renewable energy certificates (RECs) that will be generated from the Clean Energy Projects will be utilized through Commission approved programs to meet customers' interest in renewable energy.</li> <li>The Clean Energy Project have many benefits for I&amp;M's customers, including economic development benefits, environmental benefits, diversity of generation resources, renewable energy certificate benefits, and local economic benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Lucas Q/As 16, 29.</li> <li>Becker, Attachment MAB-1 IRP Report, pp. 10-13, 15-19, 138, 148-155.</li> <li>Locigno, Section V; Attachments ELJ-1, EL-2, and ELJ-2C.</li> </ul>