

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY LLC FOR APPROVAL)
PURSUANT TO IND. CODE §§ 8-1-2-42(a), 8-1-8.8-11) CAUSE NO. 45403
OF TWO RENEWABLE ENERGY POWER)
PURCHASE AGREEMENTS, INCLUDING TIMELY)
COST RECOVERY.)

VERIFIED PETITION

Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) for approval and associated cost recovery of (1) a Solar Energy Purchase Agreement between NIPSCO and Brickyard Solar, LLC (“Brickyard”) dated June 30, 2020 (“Brickyard PPA”), and (2) a Solar Generation and Energy Storage Energy Purchase Agreement between NIPSCO and Greensboro Solar Center, LLC (“Greensboro”) dated June 30, 2020 (“Greensboro PPA”), collectively referred to as the “Solar PPAs.” In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission’s Rules of Practice and Procedure, Petitioner submits the following information in support of this petition.

1. **NIPSCO’s Corporate Status.** NIPSCO is a limited liability company organized and existing under the laws of the State of Indiana with its

principal office and place of business at 801 East 86th Avenue, Merrillville, Indiana. NIPSCO is a wholly-owned subsidiary of NiSource Inc., an energy holding company whose stock is listed on the New York Stock Exchange.

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

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

installed capacity of 2,825 megawatts (“MW”) and consist of six (6) separate generation sites, including two (2) hydroelectric generating plants. NIPSCO’s transmission system, with voltages from 69,000 to 765,000 volts, consists of approximately 2,802 circuit miles. NIPSCO is interconnected with six (6) neighboring electric utilities. Pursuant to the Commission’s Order dated September 24, 2003 in Cause No. 42349, NIPSCO has transferred functional control of its transmission facilities to the Midcontinent Independent System Operator, Inc. (“MISO”), a regional transmission organization (“RTO”) operated under the authority of FERC, which administers the use of NIPSCO’s transmission system and the economic dispatching of NIPSCO’s generating units pursuant to MISO’s FERC-approved tariff provisions. NIPSCO also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

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

proposals, one for wind resources, one for solar resources and one for thermal/other capacity resources (“Phase II RFPs”) to identify additional projects required to meet its resource requirements as identified in the 2018 IRP. Responses were due on November 20, 2019. More than 40 bidders submitted proposals supported by approximately 93 individual projects.¹ Each proposal was evaluated and scored independently from NIPSCO by a third party. The projects scoring the highest were short-listed and proceeded to negotiations of definitive agreements. The Solar Projects were both included in the short-listed projects.

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

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

terms and conditions of the Brickyard PPA are included in Petitioner's evidence submitted herewith.

6. **Greensboro Project and PPA.** The Greensboro Project is being developed in Henry County, Indiana. The Greensboro Project has an installed capacity of approximately 100 megawatts ("MW") (nameplate capacity) and approximately 30 MW of battery capacity. The Greensboro PPA provides NIPSCO with 100% of the electrical output of the Greensboro Project, and any environmental attributes associated with the project, for a term of 20 years beginning at the Commercial Operation Date. The purchase is a bundled product consisting of the solar energy project's production, capacity, and environmental attributes, and the purchase price reflects the benefits associated with the ITCs. The terms and conditions of the Greensboro PPA are included in Petitioner's evidence submitted herewith.

7. **Solar PPAs Capacity.** The expected capacity attributable to the Solar PPAs is a reasonable and necessary resource in providing capacity and diversity of supply, as well as maintaining adequate reserve margins, for NIPSCO. The Solar PPAs have been modeled by NIPSCO giving appropriate consideration to alternatives such as conservation, demand-side management, load management, customer-specific contracts, cogeneration, and the purchase of

power. NIPSCO submits that the Solar PPAs are reasonable additions to a portfolio of capacity resources that in the aggregate serve to mitigate risk through diversification and foster an economic mix of capacity resources. Commission approval of the Solar PPAs and associated relief sought herein is in the public interest, will enhance or maintain the reliability and efficiency of service provided by NIPSCO, and is otherwise consistent with Ind. Code § 8-1-8.8-11. The Solar PPAs fit into NIPSCO's 2018 IRP and are an economic choice for helping to meet NIPSCO's Indiana retail electric load.

8. **NIPSCO's Request for Cost Recovery.** The Solar PPAs contain reasonable pricing and terms that are economic over the long-term. NIPSCO requests the Commission approve the Solar PPAs and authorize NIPSCO to recover the costs associated with the Solar PPAs throughout the full 20-year term of the agreement via a rate adjustment mechanism in accordance with Ind. Code §§ 8-1-2-42(a) and 8-1-8.8-11. For administrative efficiency and simplicity, NIPSCO proposes that timely cost recovery be administered through NIPSCO's Fuel Adjustment Clause ("FAC") proceedings (or successor mechanism).² Although NIPSCO is proposing to have the cost recovery administered through its FAC, this cost recovery shall not be subject to the Section 42(d)(1) test or any

² This is consistent with the request NIPSCO made and the Commission approved in Cause Nos. 45195 and 45196.

other FAC benchmarks. Rather, NIPSCO requests that the Commission make a definitive finding in this Cause that the Solar PPAs, and associated costs, are reasonable and necessary so that NIPSCO will be authorized to recover those costs over the full term of the Solar PPAs.

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

10. **Statutory Authority.** NIPSCO considers Ind. Code ch. 8-1-8.8 *et seq.*, and Ind. Code § 8-1-2-42(a), among others, to be applicable to this Cause and to provide the basis for Commission approval of this Verified Petition. In particular, NIPSCO's commitment to the Solar PPAs will develop a clean energy resource under Ind. Code § 8-1-37-4(a)(1), which is therefore a renewable energy resource under Ind. Code § 8-1-8.8-10 and a clean energy project under Ind. Code § 8-1-8.8-2 eligible for timely recovery of costs in accordance with Ind. Code § 8-1-8.8-11.

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

Counsel of Record:

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12. **Procedural Matters.** In accordance with 170 IAC 1-1.1-15(b) of the Commission's Rules of Practice and Procedure, NIPSCO requests that a prehearing conference be promptly set by the Commission as soon as practical for the purpose of addressing procedural matters, including setting a procedural schedule in this proceeding that will allow completion of this proceeding by November 14, 2020. NIPSCO is working with the Indiana Office of Utility Consumer Counselor to develop an agreed procedural schedule, which will be separately filed as provided in 170 IAC 1-1.1-15(e).

WHEREFORE, Northern Indiana Public Service Company LLC respectfully requests that the Commission promptly publish notice, make such other investigation, and hold such hearings as are necessary or advisable and thereafter, make and enter appropriate orders in this Cause:

- (a) Finding that the Solar PPAs are reasonable and necessary;

- (b) Authorizing NIPSCO to enter into the Solar PPAs and determining the Solar Projects to be eligible Clean Energy Projects for purposes of Ind. Code § 8-1-8.8-11;
- (c) Authorizing the full and certain recovery of the retail jurisdictional portions of the power purchase costs on an accrual basis under the Solar PPAs from retail customers through NIPSCO's fuel adjustment clause proceedings, or successor mechanism, over the entire 20-year term of the agreements;
- (d) Approving confidential treatment of the Solar PPAs' pricing and other negotiated commercial terms and related confidential information; and
- (e) Granting to NIPSCO such additional and further relief as may be deemed or appropriate.

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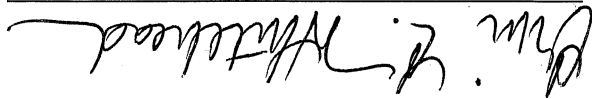
Dated: July 17, 2020.

true to the best of my knowledge, information, and belief.

I affirm under penalties for perjury that the foregoing representations are

Verification

Erin E. Whitehead
Vice President
Regulatory and Major Accounts



Northern Indiana Public Service Company LLC


Dated this 17th of July, 2020.

CERTIFICATE OF SERVICE

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

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Dated this 17th of July, 2020.



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