

Cause No. 45403

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VERIFIED DIRECT TESTIMONY OF ANDREW S. CAMPBELL

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1 **Q1. Please state your name, business address and title.**

2 A1. My name is Andrew S. Campbell. I am the Director of Regulatory Support  
3 & Planning for Northern Indiana Public Service Company LLC  
4 ("NIPSCO"). My business address is 1500 165th Street, Hammond, Indiana  
5 46320.

6 **Q2. Please describe your educational and employment background.**

7 A2. I graduated from Purdue University Calumet with a Bachelor of Science in  
8 Mechanical Engineering and graduate studies in Interdisciplinary  
9 Engineering. Additionally, I graduated with a Master of Business  
10 Administration from the University of Notre Dame. I began my  
11 employment with NIPSCO in June of 2009 as an Operations Analysis  
12 Engineer. In September of 2011, I was promoted to the Manager of  
13 Operations & Market Support and, in May of 2013, assumed the role of  
14 Manager of Planning & Regulatory Support. In September of 2017, I was  
15 promoted to my current role as Director of Regulatory Support & Planning.  
16 Prior to joining NIPSCO, I worked as an engineer for an industrial

1 manufacturing company that specialized in engine attachments for marine  
2 and small power generation applications. I am also a veteran of the Army  
3 National Guard.

4 **Q3. What are your responsibilities as Director of Regulatory Support &**  
5 **Planning?**

6 A3. As the Director of Regulatory Support & Planning, I am responsible for  
7 leading the regulatory support and financial planning functions for the  
8 Energy Supply & Optimization ("ES&O") department within NIPSCO,  
9 whereby my team supports NIPSCO's operations within the electric and  
10 natural gas markets. More specifically, my team is responsible for leading  
11 all electric and natural gas rate case related support activities for the ES&O  
12 department, supporting the forecast and reconciliation of NIPSCO's Fuel  
13 Adjustment Clause ("FAC"), Regional Transmission Organization ("RTO")  
14 Adjustment, Resource Adequacy ("RA") Adjustment, Green Power Rider  
15 ("GPR"), Gas Cost Adjustment ("GCA"), leading the development of  
16 NIPSCO's natural gas and electric hedging programs, and supporting  
17 NIPSCO's financial and business planning cadence. Most recently, I have  
18 been leading the commercial execution of NIPSCO's generation strategy  
19 outlined within its 2018 Integrated Resource Plan ("2018 IRP").

1 **Q4. Have you previously testified before this or any other regulatory**  
2 **commission?**

3 A4. Yes. Most recently, I submitted testimony before the Indiana Utility  
4 Regulatory Commission ("Commission") in NIPSCO's request for a  
5 certificate of public convenience and necessity ("CPCN") to purchase and  
6 acquire (indirectly through a joint venture structure) a (1) 102 megawatt  
7 ("MW") wind farm (Rosewater Project) in Cause No. 45194, and (2) 302 MW  
8 wind farm (Crossroads Project) in Cause No. 45310; NIPSCO's request for  
9 approval and associated cost recovery of a wind purchased power  
10 agreement with (1) Jordan Creek Wind Farm LLC in Cause No. 45195, and  
11 (2) Roaming Bison Wind Farm LLC in Cause No. 45196. I previously  
12 submitted testimony in NIPSCO's electric rate case in Cause No. 45159;  
13 NIPSCO's gas rate case in Cause No. 44988; NIPSCO's request for approval  
14 of its 2018 Hedging Plan, 2019 Hedging Plan, and 2020 Hedging Plan  
15 (Cause Nos. 38706-FAC-118, 38706-FAC-122, and 38706-FAC-126);  
16 NIPSCO's request for approval of an amendment to NIPSCO's 2017-2018  
17 financing authority (Cause No. 45020); and in some of the following tracker  
18 filings: GCA tracker filings (Cause No. 43629-GCA-XX), FAC tracker filings  
19 (Cause No. 38706-FAC-XX), RA Adjustment tracker filings (Cause No.

1 44155-RA-XX), and RTO Adjustment tracker filings (Cause No. 44156-RTO-  
2 XX).

3 **Q5. What is the purpose of your direct testimony in this proceeding?**

4 A5. The purpose of my direct testimony is to support NIPSCO's request for  
5 approval of a (1) Solar Energy Purchase Agreement between NIPSCO and  
6 Brickyard Solar, LLC ("Brickyard") dated June 30, 2020 ("Brickyard Solar  
7 PPA"), and (2) Solar Generation and Energy Storage Energy Purchase  
8 Agreement between NIPSCO and Greensboro Solar Center, LLC  
9 ("Greensboro") dated June 30, 2020 ("Greensboro Solar PPA"), collectively  
10 referred to as the "Solar PPAs." Brickyard and Greensboro are indirect,  
11 wholly-owned subsidiaries of NextEra Energy Resources, LLC. The  
12 Brickyard Project is being developed in Boone County, Indiana and has an  
13 installed capacity of approximately 200 MW (nameplate capacity,  
14 alternating current). The Brickyard PPA provides NIPSCO with 100% of  
15 the electrical output of the Brickyard Project and any environmental  
16 attributes associated with the project for a term of 20 years beginning at the  
17 Commercial Operation Date ("COD"). The Greensboro Project is being  
18 developed in Henry County, Indiana and has an installed capacity of  
19 approximately 100 MW (nameplate capacity, alternating current), as well

1 as an attached battery with installed capacity of approximately 30 MW  
2 (nameplate capacity, alternating current).<sup>1</sup>

3 I describe the process NIPSCO followed that led to the execution of the  
4 Solar PPAs and discuss how NIPSCO will integrate the Solar PPAs into  
5 NIPSCO's and the Midcontinent Independent System Operator, Inc.'s  
6 ("MISO") operations. I also discuss the viability of solar energy resources  
7 generally, and the terms of the Solar PPAs outlining NIPSCO's rights to the  
8 solar energy project's production, capacity, and environmental attributes  
9 and the related benefits in the form of Renewable Energy Credits ("RECs").  
10 I also discuss NIPSCO's proposal for recovering the costs associated with  
11 the Solar PPAs.

12 **Q6. Are you sponsoring any attachments to your direct testimony?**

13 A6. Yes. I am sponsoring the following attachments, all of which were prepared  
14 by me or under my direction and supervision.

Attachment 1-A	Verified Petition
Confidential Attachment 1-B	Brickyard PPA
Confidential Attachment 1-C	Greensboro PPA

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<sup>1</sup> All nameplate capacity MW values in my testimony are stated in alternating current. In various exhibits to the PPAs, MW values may be referenced in direct current which will appear higher than the alternating current equivalent.

1   **Q7. Are the Solar PPAs clean energy projects for purposes of Ind. Code § 8-1-**  
2       **8.8-2 and therefore eligible for financial incentives under Ind. Code § 8-**  
3       **1-8.8-11?**

4   A7. Yes. The Solar PPAs are for products generated from a solar energy project  
5       – a clean energy resource under Ind. Code § 8-1-37-4, a renewable energy  
6       resource under Ind. Code § 8-1-8.8-10, and a clean energy project under Ind.  
7       Code § 8-1-8.8-2(2). NIPSCO is a public utility engaged in the production,  
8       transmission, delivery or furnishing of heat, light or power, an energy  
9       utility under Ind. Code § 8-1-2.5-2, and an eligible business under Ind. Code  
10      § 8-1-8.8-6.

11   **Q8. Please describe the process by which NIPSCO came to execute the Solar**  
12      **PPAs.**

13   A8. In the fourth quarter of 2019, NIPSCO retained CRA International d/b/a  
14      Charles River Associates, Inc. ("CRA") to assist in the design,  
15      administration and bid evaluation of three separate requests for proposals,  
16      one for wind resources, one for solar resources and one for thermal/other  
17      capacity resources, collectively referred to as Phase II RFPs. The purpose  
18      of the Phase II RFPs was to solicit bids for energy and capacity for many  
19      types of resources, including solar, storage, wind, and thermal plants. The

1 Phase II RFPs included a specific target for solar and solar plus storage  
2 resources based on the conclusions of the 2018 IRP and the Short-Term  
3 Action Plan. Through the process, NIPSCO received bids supported by  
4 renewable facilities, fossil resources, and energy storage options. Bids for  
5 both standalone assets and integrated facilities comprised of different  
6 resource types or supported by energy storage were submitted. Bidders  
7 offered power purchase agreements ("PPAs") for the output of existing and  
8 proposed assets and assets for sale. NIPSCO Witness Augustine discusses  
9 the preferred portfolio from NIPSCO's 2018 IRP and how the assumptions  
10 associated with the resource options modeled in the 2018 IRP compare with  
11 the cost of the Solar PPAs. NIPSCO Witness Lee explains the analysis  
12 NIPSCO used to evaluate its various options for energy and why the Solar  
13 PPAs are an economic choice for helping meet NIPSCO's retail electric load.

14 **Q9. What role did you have in the Phase II RFPs process?**

15 A9. My involvement in the Phase II RFPs process was to ensure the process  
16 conformed to NIPSCO's intent to competitively bid and secure additional  
17 electric energy and capacity in the amount needed to serve NIPSCO's retail  
18 customers in the future, and to assure that CRA conducted the process in a  
19 fair and transparent manner.

1 **Q10. Is solar energy a viable energy resource?**

2 A10. Yes. Solar is a renewable, indigenous, and clean energy source. Solar  
3 energy projects do not use fossil or nuclear fuel in operation, which means  
4 no mining or drilling for fuel, no radioactive or hazardous wastes, no use  
5 of water for steam or cooling, and no emissions of greenhouse gases or  
6 other pollutants. The absence of fossil or nuclear fuel also means the price  
7 of solar power is not impacted by the volatility of commodities.

8 Due to meteorological and resource diversity, the location of solar projects  
9 influences the capacity accreditation and available solar energy. Both the  
10 Brickyard and Greensboro Projects are located in Indiana and are expected  
11 to have production levels consistent with their respective geographic  
12 location. In a general sense, within the continental United States, solar  
13 production improves the further south and west a project is located.  
14 However, with advances in solar technology in areas such as solar panel  
15 availability, capacity factor, efficiency, and design and size, solar energy has  
16 become a viable source of renewable energy resources on a per megawatt-  
17 hour ("MWh") basis in the Midwest.



1 **Q11. Once the preferred portfolio within the 2018 IRP was chosen, how did**  
2 **NIPSCO proceed?**

3 A11. First, in 2018, NIPSCO, in conjunction with CRA, issued an All-Source RFP.  
4 The results of the All-Source RFP led NIPSCO to negotiate with developers  
5 of the four most viable projects, which in that instance were wind energy  
6 projects. After negotiations were complete, NIPSCO executed four wind  
7 agreements for a total purchase of approximately 1,100 MW of nameplate  
8 wind power. NIPSCO received approval from the Commission for the four  
9 wind agreements in Cause Nos. 45194, 45195, 45196,<sup>2</sup> and 45310.

10 **Q12. Once the Phase II RFPs results were reviewed, how did NIPSCO**  
11 **proceed?**

12 A12. NIPSCO, again in conjunction with CRA, negotiated with developers of the  
13 most viable energy projects with preferred or "short-listed" projects being  
14 identified from the scoring of the Phase II RFPs. During the course of  
15 negotiations, NIPSCO and CRA engaged in due diligence and negotiations

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<sup>2</sup> Following approval by the Commission, on February 25, 2020, NIPSCO filed a Notice with the Commission that, due to unresolved local zoning issues, Roaming Bison Wind, LLC was unable to meet its deadline associated with the acquisition of property. Thus, NIPSCO provided notice to Roaming Bison Wind, LLC that the Wind Energy Purchase Agreement dated January 18, 2019 was being terminated due to Roaming Bison's inability to perform its obligations under the agreement.

1 for the short-listed projects. After completion of negotiations over the  
2 terms, conditions and price, NIPSCO executed two PPAs for a total  
3 purchase of approximately 300 MWs of nameplate solar power and 30 MWs  
4 of battery storage. The size of each project may change slightly as  
5 engineering and technical specifications are finalized. The two agreements  
6 presented in this proceeding are the first agreements of many being  
7 contemplated from the Phase II RFPs to round out the portfolio that  
8 supports the retirement of the coal generation at the R.M. Schahfer  
9 Generating Station in 2023. At this time, NIPSCO expects to finalize  
10 additional agreements (to include additional asset purchases through joint  
11 venture structures and additional PPAs) over the balance of 2020 and will  
12 present those projects for Commission approval subsequent to finalizing  
13 the agreements. To the extent possible, NIPSCO, and its wholly-controlled  
14 joint venture subsidiaries, will seek to consolidate regulatory filings for  
15 Commission approval. The inclusion of two PPAs in this proceeding is the  
16 first of such efforts that endeavor to drive efficiencies for stakeholders and  
17 the Commission.

18 **Q13. Please briefly describe Brickyard and Greensboro.**

1 A13. Brickyard and Greensboro are both Delaware limited liability companies  
2 with their principal place of business in Juno Beach, Florida. They are both  
3 also an indirect, wholly owned subsidiary of NextEra Energy Resources,  
4 LLC ("NextEra"), which is the renewable energy subsidiary of NextEra  
5 Energy, Inc.

6 NextEra, together with its affiliated entities, is a clean energy leader and is  
7 one of the largest wholesale generators of electric power, with more than  
8 21,000 megawatts of generating capacity in the United States and Canada  
9 as of year-end 2018. NextEra is the world's largest operator of renewable  
10 energy from the wind and sun. The business operates clean, emissions-free  
11 nuclear power generation facilities in New Hampshire, Iowa and Wisconsin  
12 as part of the NextEra Energy nuclear fleet, which is one of the largest in  
13 the United States.<sup>3</sup>

14 **Q14. What experience does NextEra have in the renewable generation**  
15 **business?**

16 A14. One of NextEra's primary business objectives is the development,  
17 construction and operation of renewable generation facilities. NextEra has

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<sup>3</sup> [www.NextEraEnergyResources.com](http://www.NextEraEnergyResources.com).

1       been generating clean energy for more than 25 years and currently owns  
2       and operates approximately 15% of the installed base of U.S. wind power  
3       production capacity and 9% of the installed base of U.S. solar power  
4       production capacity.<sup>4</sup> NextEra is also the parent company for the Jordan  
5       Creek Wind Energy Project, for which NIPSCO entered into a PPA that was  
6       approved by the Commission in Cause No. 45195.

7       **Q15. Do Brickyard or Greensboro have authority from the Commission to**  
8       **construct the respective projects, or has the Commission declined to**  
9       **exercise jurisdiction over the projects?**

10      A15. No. As outlined in the executed PPAs, Brickyard and Greensboro are  
11      contractually obligated to file with the Commission their respective  
12      declination filings within 60 days of the agreement execution, or by August  
13      31, 2020.

14      **Q16. What due diligence did NIPSCO conduct when evaluating the**  
15      **creditworthiness of potential counterparties?**

16      A16. As part of NIPSCO's due diligence, when evaluating the creditworthiness  
17      of potential counterparties, NIPSCO gathered and reviewed credit

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<sup>4</sup> Information obtained from NextEra's response to the Phase II RFPs.

1 information during the pre-qualification process in the Phase II RFPs.  
2 Counterparties that were investment grade based on their unsecured senior  
3 debt rating met the credit requirements. If a bidder did not meet the debt  
4 rating requirement or did not have a rating, they were required to post  
5 collateral upon executing a definitive agreement. Both Brickyard and  
6 Greensboro satisfy this collateral posting requirement. The financial ability  
7 to complete construction of the solar projects, along with the ability to  
8 continue successful operation of the projects during the term of the Solar  
9 PPAs, is key to NIPSCO. NIPSCO has taken this into consideration by  
10 including performance security provisions in the Solar PPAs. The Solar  
11 PPAs require Brickyard and Greensboro to provide to NIPSCO such  
12 performance security, no later than 30 days after NIPSCO receives state  
13 regulatory approval of the respective PPA, in the form of either: (1) a  
14 guaranty from a qualified guarantor; (2) a letter of credit from a qualified  
15 financial institution; or (3) cash (collectively "Security Fund"). In the event  
16 Brickyard or Greensboro are in default of any obligation under the  
17 respective PPA or NIPSCO is otherwise entitled to indemnification or  
18 damages under the PPA, NIPSCO has a right to access the Security Fund  
19 directly to reimburse NIPSCO for any damages or costs incurred as a result

1 of Brickyard's or Greensboro's failure to comply with their obligations  
2 under the respective PPA.

3 **Q17. Please describe the Brickyard Project.**

4 A17. Brickyard expects to construct, own, and operate a 200 MW solar energy  
5 project in Boone County, Indiana that will interconnect via a line tap to the  
6 230 kV New London—Frankfort transmission line owned by Wabash  
7 Valley Power Association and operated by Duke Energy Indiana. The  
8 Brickyard Project will be within the footprint of MISO. During the  
9 Definitive Planning Phase of the MISO Generation Interconnection process,  
10 MISO performed system impact studies and Facility Studies to determine  
11 whether transmission upgrades would be necessary. MISO completed  
12 these analyses in 2018. In sum, MISO determined that the energy generated  
13 by Brickyard would be deliverable to the point of interconnection.

14 **Q18. Please describe the Greensboro Project.**

15 A18. Greensboro expects to construct, own, and operate a 100 MW solar energy  
16 project, paired with a 30 MW battery storage project, in Henry County,  
17 Indiana that will interconnect to Duke Energy Indiana's Cayuga 138 kV  
18 Greensboro substation. The Greensboro Project will also be within the

1 footprint of MISO. During the Definitive Planning Phase of the MISO  
2 Generation Interconnection process, MISO performed system impact  
3 studies and Facility Studies to determine whether transmission upgrades  
4 would be necessary. MISO completed these analyses in 2017. In sum, MISO  
5 determined that the energy generated by Greensboro would be deliverable  
6 to the point of interconnection.

7 **Q19. How were congestion risks assessed?**

8 A19. Congestion risks were assessed using MISO's future year ProMod models,  
9 which are capable of simulating hourly market operations for a given study  
10 year. The output was then used to determine the expected curtailments,  
11 total revenue, congestion, and loss charges for each site under  
12 consideration. Sites with greater congestion risk have been appropriately  
13 discounted in NIPSCO's site analysis. Consistent with the All-Source RFP  
14 project evaluations, CRA has incorporated expected congestion impacts  
15 (positive or negative) to the Locational Marginal Price (LMP) of the Phase  
16 II projects into the Levelized Cost of Energy (LCOE) calculations supported  
17 by Witness Augustine.

18 **Q20. How will reliability be maintained when the sun is not shining?**

1 A20. NIPSCO will continue to dispatch its steam and gas fleet and available wind  
2 generation, as well as purchase power from MISO to meet customer  
3 demand and reliability needs throughout the term of the Solar PPAs. This  
4 ensures that when the sun is not shining customers will continue to receive  
5 reliable service every hour of every day.

6 **Q21. How will NIPSCO protect customers against curtailed (non-**  
7 **compensable) energy charges?**

8 A21. NIPSCO and both Brickyard and Greensboro have agreed to (1) [REDACTED]  
9 [REDACTED], (2) work  
10 together through an on-going operating committee process to establish  
11 Automatic Generation Control set points that attempt to minimize any  
12 charges, and (3) collaborate on any disputes prior to any formal legal  
13 process.

14 **Q22. Please describe the Brickyard PPA.**

15 A22. The Brickyard PPA is attached hereto as Confidential Attachment 1-B.  
16 Under the Brickyard PPA, Brickyard commits to provide NIPSCO energy  
17 generated from approximately 200 MW of installed solar panel capacity at  
18 a [REDACTED] over a term of 20 years beginning at the COD



1 in late 2022. The price includes the energy and all RECs associated with the  
2 energy generated by the Brickyard Project and metered at the point of  
3 delivery. Brickyard will receive and retain existing and future tax credits  
4 or tax benefits as the owner and operator of the solar energy project. The  
5 Brickyard PPA provides that if cost recovery is not approved by the  
6 Commission, then either NIPSCO or Brickyard may terminate the PPA.

7 **Q23. Please describe the Greensboro PPA.**

8 A23. The Greensboro PPA is attached hereto as Confidential Attachment 1-C.  
9 Under the Greensboro PPA, Greensboro commits to provide NIPSCO  
10 energy generated from (a) approximately 100 MW of installed solar panel  
11 capacity at a [REDACTED] over a term of 20 years beginning  
12 at the COD in late 2022 and (b) approximately 30 MW of installed battery  
13 storage capacity at a [REDACTED] also over a term of 20  
14 years beginning at the COD in late 2022. The price includes the energy and  
15 all RECs associated with the energy generated by the Greensboro Project  
16 and metered at the point of delivery. Greensboro will receive and retain  
17 existing and future tax credits or tax benefits as the owner and operator of  
18 the solar energy project. The Greensboro PPA provides that if cost recovery

1 is not approved by the Commission, then either NIPSCO or Greensboro  
2 may terminate the PPA.

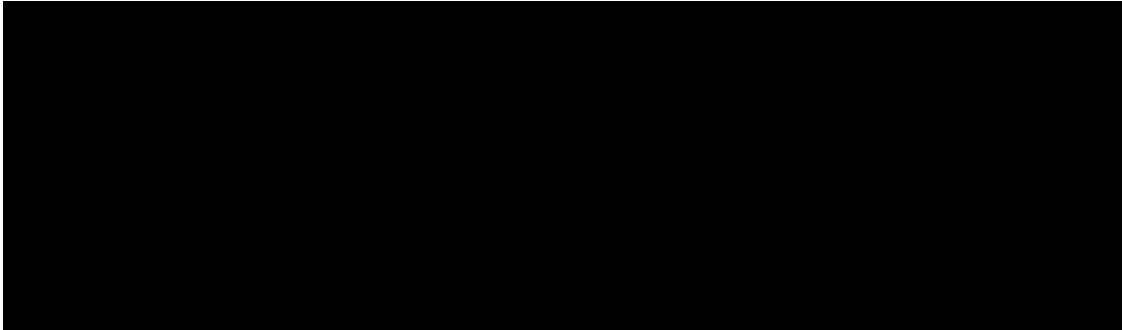
3 **Q24. How is the battery storage component intended to be used by NIPSCO?**

4 A24. As outlined in the Greensboro PPA, the battery storage component is  
5 intended to bolster energy production during peak periods as identified by  
6 MISO (currently the summer months). Also, as a part of NextEra's  
7 operations & maintenance of the facility, a battery augmentation schedule  
8 will be maintained to ensure the battery storage component maintains  
9 availability for the duration of the Greensboro PPA.

10 **Q25. What will be the general timeline for construction of the Brickyard and**  
11 **Greensboro Projects?**

12 A25. Similar to NIPSCO's current wind projects, pre-construction activities will  
13 be ongoing until the third or fourth quarter in the year prior to the COD.  
14 At that point, project construction will begin and continue until winter fully  
15 sets in. The following spring, construction ramps up quickly, with the  
16 majority of the construction activity occurring over the late spring, summer,  
17 and early fall. Generally, projects are expected to be complete in the fourth  
18 quarter of the year. [REDACTED]

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4



5 **Q26. Please describe the environmental attributes that NIPSCO will obtain in**  
6 **conjunction with the Solar Projects.**

7 A26. As used in the Solar PPAs, the phrase "environmental or renewable  
8 characteristics or attributes" is contained within the definition of the term  
9 RECs and is intended to capture any changes to governmental rules,  
10 regulations or law, or changes to registration systems put in place over the  
11 term of the PPAs. I refer to the environmental attributes acquired pursuant  
12 to the Solar PPAs as RECs, which are tradable credits corresponding to each  
13 MWh of electricity generated by a renewable-fueled or environmentally  
14 friendly source. NIPSCO anticipates the RECs it receives pursuant to the  
15 Solar PPAs will be tracked through the Midwest Renewable Energy  
16 Tracking System ("M-RETS"). M-RETS is a database that tracks relevant  
17 information about renewable energy produced and delivered in the Upper  
18 Midwest, including the MISO footprint, to verify for subscribers in states  
19 with mandatory or voluntary renewable portfolio standards, or for utility

1 and other participants, the RECs made available to them through REC  
2 purchases and sales. M-RETS tracks the ownership of RECs and generation  
3 attributes that result from the generation of renewable electricity.

4 **Q27. Please describe the expected value of the RECs and how NIPSCO intends**  
5 **to pass that value back to its customers.**

6 A27. The qualitative versus quantitative value of the RECs associated with the  
7 energy delivered is discussed by NIPSCO Witness Lee. NIPSCO will  
8 monitor and evaluate the marketability for the RECs. Any proceeds from  
9 the sale of the RECs NIPSCO chooses to sell will be passed back to  
10 NIPSCO's customers in NIPSCO's FAC proceedings.

11 **Q28. Why did NIPSCO decide to contract for the 300 MW of solar energy and**  
12 **30 MW of battery energy made available through the Solar PPAs in 2023?**

13 A28. NIPSCO Witness Augustine explains NIPSCO's 2018 IRP process and the  
14 demonstrated need for additional electric supplies to maintain adequate  
15 electric reserves beginning in 2023. The decision to contract for the solar  
16 and battery energy was based upon NIPSCO's and CRA's analysis through  
17 the 2018 IRP that concluded that NIPSCO's customers would realize  
18 significant savings by retiring coal capacity in 2023 and replacing the

1 capacity and energy with renewable resources. The Solar PPAs play a role  
2 in satisfying NIPSCO's electric planning goals and objectives from the 2018  
3 IRP, and their ability to take advantage of the full 30% investment tax credit  
4 ("ITC") is a significant driver of their cost-effectiveness.

5 **Q29. Please briefly explain the ITC and its declining value.**

6 A29. Federal tax incentives are currently in place for solar and paired solar plus  
7 storage resources. Resources are eligible for an ITC, which provides a  
8 dollar-for-dollar reduction in the federal income taxes that a company  
9 claiming the credit would otherwise pay. The ITC is based on the amount  
10 of investment in solar or paired storage property. To qualify for the ITC,  
11 projects need to "commence construction" by a certain date and be put into  
12 service by a certain date. The start of construction deadline can be met as  
13 long as certain equipment purchases and development costs have been  
14 "safe harbored" by federal tax authorities. The safe harbor for beginning of  
15 construction is investment of at least 5% of the total project cost on or before  
16 the specified date. Safe harbored projects that commenced construction in  
17 2019 are eligible for a 30% ITC, with a step-down over time according to the  
18 table below. Both Brickyard and Greensboro are expected to qualify for the  
19 30% ITC.

**Petitioner’s Confidential Exhibit No. 1  
Northern Indiana Public Service Company LLC  
Page 22**

1           The chart below reflects the reduction schedule:

Year During Which Construction Begins	Last Year Project Can be Placed in Service	Credit Percentage
2019	2023	30
2020	2023	26
2021	2023	22
2022 +	2022 +	10

2

3   **Q30. How will NIPSCO account for the energy provided by the Solar PPAs?**

4   A30. NIPSCO will take delivery of the energy from Brickyard and Greensboro at  
5       specified metering points. NIPSCO will be the Market Participant and will  
6       make the energy available in the MISO energy market. NIPSCO will pay  
7       Brickyard and Greensboro the contract price per MWh and count this  
8       energy as used in the NIPSCO system. NIPSCO will “settle” the sale price  
9       for the energy sold into MISO against the price paid for the energy.  
10      NIPSCO offers its generation and bids its load into the MISO energy and  
11      ancillary services markets daily, along with other sales and purchases, in  
12      the end “settling” the costs against revenues. MISO treats these types of  
13      solar and solar plus battery storage projects as dispatchable intermittent  
14      resources. As such, both Brickyard and Greensboro will be subject to real-  
15      time Revenue Sufficiency Guarantee and Uninstructed Deviation charges

1           assessed under the Open Access Transmission, Energy and Operating  
2           Reserve Markets Tariff ("MISO Tariff").

3   **Q31. Will NIPSCO be able to designate the Solar PPAs as network resources**  
4   **under the MISO Tariff?**

5   A31. Yes. The MISO generator interconnection agreements related to the  
6   Greensboro and Brickyard Projects will have network resource  
7   interconnection service ("NRIS") available for their full injection once any  
8   required transmission system upgrades at their respective points of  
9   interconnection are complete. Having NRIS will allow NIPSCO to  
10   designate each generation facility as a network resource to receive Network  
11   Integration Transmission Service (NITS) without further study.

12   **Q32. Do the Solar PPAs described herein represent prudent, valuable, and**  
13   **reasonably priced renewable energy resources for NIPSCO?**

14   A32. Yes. The Solar PPAs described herein will provide NIPSCO's customers  
15   with more affordable and cleaner energy resources. This is supported by  
16   the analysis performed in NIPSCO's 2018 IRP.

17   **Q33. How will the costs of the Solar PPAs be recovered?**

1 A33. NIPSCO is proposing to recover the Solar PPA costs throughout the full 20-  
2 year term of the agreements through a rate adjustment mechanism  
3 pursuant to Ind. Code §§ 8-1-2-42(a) and 8-1-8.8.11. For administrative  
4 efficiency and simplicity, NIPSCO proposes the timely cost recovery be  
5 administered through NIPSCO's FAC proceedings (or successor  
6 mechanism). Furthermore, NIPSCO is seeking approval of power  
7 purchases pursuant to the Solar PPAs as reasonable throughout the entire  
8 term of the agreement and therefore also seeking confirmation that the costs  
9 thereof are recoverable through the FAC proceedings (or successor  
10 mechanism) without regard to the Ind. Code § 8-1-42(d)(1) test or any other  
11 FAC benchmarks.

12 **Q34. Is NIPSCO willing to provide performance data for the Solar PPAs to the**  
13 **OUC as part of NIPSCO's quarterly FAC filings?**

14 A34. Yes. Consistent with the commitment made in my rebuttal testimony in  
15 Cause Nos. 45195 and 45196, which related to two separate wind PPAs,  
16 NIPSCO is willing to provide performance information and data for the  
17 Solar PPAs to the OUC as part of the standard OUC audit package in  
18 NIPSCO's quarterly FAC filings for the duration of the Solar PPAs.

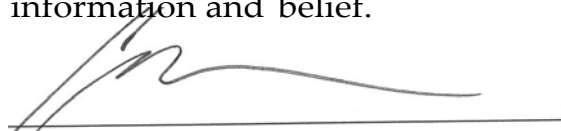


1 Q35. Does this conclude your prefiled direct testimony?

2 A35. Yes.

**VERIFICATION**

I, Andrew S. Campbell, Director of Regulatory Support & Planning for Northern Indiana Public Service Company LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



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Andrew S. Campbell

Date: July 17, 2020

**Attachment 1-A**

**[Verified Petition – Not duplicated herein]**

**Confidential Attachment 1-B (Redacted)**

**[Brickyard PPA]**

**Confidential Attachment 1-C (Redacted)**

**[Greensboro PPA]**