

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF INDIANAPOLIS )  
POWER & LIGHT COMPANY D/B/A AES )  
INDIANA (“AES INDIANA”) FOR (1) )  
ISSUANCE OF CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
REPOWER PETERSBURG GENERATING )  
UNITS 3 & 4 TO OPERATE ON NATURAL )  
GAS (“PETERSBURG REPOWERING )  
PROJECT”); (2) APPROVAL OF )  
PETERSBURG REPOWERING PROJECT AS )  
A CLEAN ENERGY PROJECT; AND (3) )  
ASSOCIATED ACCOUNTING AND )  
RATEMAKING, INCLUDING RECOVERY OF )  
PROJECT COSTS, PROJECT )  
DEVELOPMENT COSTS, FGD )  
DEWATERING AND RELATED COSTS, THE )  
REMAINING NET BOOK VALUE OF )  
PETERSBURG UNITS 3 AND 4 RETIRED )  
ASSETS, AND CERTAIN MATERIALS AND )  
SUPPLIES INVENTORY )**

**CAUSE NO. 46022**

**PUBLIC’S EXHIBIT NO. 2**

**TESTIMONY OF ROOPALI SANKA**

**ON BEHALF OF**

**THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

**June 5, 2024**

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the *Public's Exhibit No. 2 Testimony of Roopali Sanka on behalf of the OUCC* has been served upon the following captioned proceeding by electronic service June 5, 2024.

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**TESTIMONY OF OUCC WITNESS ROOPALI SANKA  
CAUSE NO. 46022  
INDIANAPOLIS POWER AND LIGHT COMPANY D/B/A AES INDIANA**

**I. INTRODUCTION**

1 **Q: Please state your name and business address.**

2 A: My name is Roopali Sanka, and my business address is 115 West Washington  
3 Street, Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed as a Utility Analyst in the Indiana Office of Utility Consumer  
6 Counselor's ("OUCC") Electric Division. A summary of my educational  
7 background and experience is included in Appendix A attached to my testimony.

8 **Q: What is the purpose of your testimony?**

9 A: I evaluate the best estimate of Indianapolis Power & Light Company d/b/a AES  
10 Indiana's ("AES Indiana" or "Petitioner") proposed repowering of Petersburg Units  
11 3 and 4 to operate using natural gas ("Petersburg Repowering Project" or  
12 "Project"). Also, in addressing the "Five Pillars of Electric Utility Service" under  
13 Ind. Code § 8-1-2-0.6, I discuss how the Project meets the attributes of reliability,  
14 resiliency, and stability. OUCC Witness Brian Latham addresses the attributes of  
15 affordability and environmental sustainability referenced in Ind. Code § 8-1-2-0.6.  
16 Based on this evaluation, I have no issues with the Project costs at this time and do  
17 not oppose its approval as proposed.

18 **Q: Please describe the review and analysis you conducted to prepare your**  
19 **testimony.**

20 A: I reviewed AES Indiana's verified petition, direct testimony, exhibits, and  
21 attachments relative to my analysis. I also reviewed AES Indiana's responses to

1 data requests.

2 **Q: To the extent you do not address a specific item in your testimony, should it be**  
3 **construed to mean you agree with AES Indiana's proposal?**

4 A: No. The exclusion from my testimony of any topics, issues, or items AES Indiana  
5 proposes does not indicate my approval of those topics, issues, or items. Rather, the  
6 scope of my testimony is limited to the specific items addressed herein. Petersburg  
7 repowering project's best estimate.

8 **Q: What costs are included in AES Indiana's Project's best cost estimate?**

9 A: The costs associated with repowering Petersburg Units 3 and 4 to burn natural gas  
10 instead of coal include Engineering, Procurement and Construction cost, owner's  
11 cost, contingency, and the gas lateral pipeline cost. The total cost of these  
12 components, excluding Allowance for Funds Used During Construction, equals  
13 \$293.2 million.<sup>1</sup> The owner's cost includes the preliminary study, contract  
14 engineering and construction Services, owner's direct cost (management team and  
15 staff), and other owner's costs (pre-outage testing, field office expenses,  
16 preparation work, independent testing, legal expenses, and safety costs).<sup>2</sup>

17 **Q: What is your evaluation of the Project's contingency and owner's costs?**

18 A: Based on my evaluation, I find Petitioner's proposed contingency and owners' costs  
19 are not unreasonable for the Project.

20 **Q: Please explain your evaluation of AES Indiana's contingency and owner's**  
21 **costs.**

22 A: I reviewed the testimony and supporting documents concerning the contingency,  
23 owner's cost, and escalation costs for any irregularities.

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<sup>1</sup> Direct Testimony of John Bigalbal, p. 22, Table 1: Petersburg Repowering Project Best Estimate.

<sup>2</sup> Bigalbal Direct, p. 24, Table 2: Owner's Costs Estimate.

1 **Q: Does the OUCC take issue with the Project's best estimate at this time?**

2 A: No. AES Indiana provided information in its testimony and in responses to the  
3 OUCC's data request questions related to the different bids, budgetary quotes, and  
4 requested cost estimate breakdowns. Based on the information provided by  
5 Petitioner, I have not identified issues or discrepancies with the best estimate.<sup>3</sup>

## II. RELIABILITY, STABILITY, AND RESILIENCY

6 **Q: How does Petitioner's case in chief consider the attributes of reliability,  
7 resiliency, and stability for the Project?**

8 A: AES Indiana states the Project meets these three pillars in several ways. First, by  
9 utilizing existing infrastructure at the Petersburg Generating Station, including  
10 Midwestern Gas Transmission's pipeline, the Project avoids \$929 million, in  
11 present value, in reliability upgrades over 20 years.<sup>4</sup> Second, the Project reduces  
12 the risk compared to building a new facility and accessing an offsite interstate  
13 natural gas pipeline.<sup>5</sup> Third, the units are expected to maintain firm dispatchable  
14 capacity near or above 90% accreditation year-round under MISO's seasonal  
15 resource adequacy construct when operating on natural gas.<sup>6</sup> AES Indiana's IRP  
16 Scorecard process also evaluated candidate portfolios across 17 different metrics  
17 that address the Five Pillars and more. The reliability analysis scores revealed that  
18 converting Petersburg Units 3 and 4 to natural gas is as reliable as continuing to use  
19 coal and more reliable than replacing the fuel with wind, solar, and storage.<sup>7</sup>

20 **Q: Does the project comport to the reliability, resiliency, and stability attributes**

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<sup>3</sup> Attachment RS-1: Response to OUCC Data Request 1-Q8 and 1-Q11.

<sup>4</sup> Direct Testimony of Erik K. Miller, p. 31, Figure 10.

<sup>5</sup> Bigalbal Direct, p. 33, lines 7-11.

<sup>6</sup> Miller Direct, p. 11, lines 12-14.

<sup>7</sup> Miller Direct, p. 32, Figure 11: Updated Production Cost Analysis Environmental Sustainability Results.

1           **of the “Five Pillars?”**

2    A:    Yes. Keeping this substantial, dispatchable generation facility in operation supports  
3           reliability, stability, and resiliency for AES Indiana and its customers.

### **III. RECOMMENDATIONS**

4    **Q:    Please summarize your conclusion in this cause.**

5    A:    The OUCC does not oppose AES Indiana's Project as proposed at this time.

6    **Q:    Does this conclude your testimony?**

7    A:    Yes.

**APPENDIX A**  
**TO TESTIMONY OF**  
**OUCW WITNESS ROOPALI SANKA**

1 **Q: Please describe your educational background and experience.**

2 A: I hold a bachelor's degree in Energy Engineering from Indiana University Purdue  
3 University of Indianapolis. In August 2022, I began my employment with the  
4 OUCW as a Utility Analyst II in the electric division and work on demand side  
5 management ("DSM"); evaluation, measurement, & verification ("EM&V");  
6 certificates of public convenience and necessity ("CPCN"). Additionally, I attended  
7 Scott Hempling's 'Fundamentals of Utility Law' course in the first quarter of 2023,  
8 and I attended the 2022 Indiana Energy Conference in October 2022, which focused  
9 on the current and future challenges facing the energy market.

10 **Q: Have you previously testified before the Indiana Utility Regulatory**  
11 **Commission?**

12 A: Yes.



**AFFIRMATION**

I affirm the representations I made in the foregoing testimony are true to the best of my knowledge, information, and belief.

*Roopali Sanka*

By: Roopali Sanks  
Cause No. 46022  
Office of Utility Consumer Counselor (OUCC)

Date: June 3, 2024

### **Data Request OUCC DR 1 - Q8**

Please provide specifications for each repower unit, including each unit's respective output capacity and efficiency ratings. If this information has already been provided, please identify the testimony, attachment(s), workpaper(s), or other documentation where this information is set forth.

#### **Objection:**

AES Indiana objects to the Request on the grounds and to the extent the Request solicits information that is confidential, proprietary, competitively sensitive and/or trade secret. Subject to and without waiver of the foregoing objections, AES Indiana provides the following response with the confidential information provided pursuant to the nondisclosure agreement between the parties.

#### **Response:**

As stated in AES Indiana witness Miller's Direct Testimony at Q/A 16, the conversion of Petersburg Units 3 and 4 will result in a near one-for-one capacity change with the Units going from a total installed capacity ("ICAP") of 1,040 MW on coal to 1,052 MW on natural gas. The repowered Petersburg Units 3 and 4's maximum output capacities are approximately equal with each being 526 MW. Please see OUCC DR 1-8 Confidential Attachment 1 for the estimated efficiency ratings for the repowered Petersburg Units 3 and 4. Additionally, Appendix A of the Engineering, Procurement, and Construction ("EPC") Agreement, attached to AES Indiana witness Bigalbal's Direct Testimony as AES Indiana Confidential Attachment JB-1C, contains performance guarantees that describe the minimum specifications that the repowered units are expected to achieve (see pp. 159-160).

## **Data Request OUCC DR 1 - Q11**

Please provide all bids, quotations or budgetary quotes in their entirety associated with thermal projects submitted into any of AES's RFPs or bid events since completion of AES' 2022 IRP. Please include associated \$/kW costs and any O&M estimates associated with the bids. Please also provide any documentation of bid comparisons or evaluations with the associated bids.

**Objection:** AES Indiana objects to the request on the grounds and to the extent it is overly broad and unduly burdensome, particularly to the extent the request solicits "all bids, quotations or budgetary quotes in their entirety." AES Indiana objects to the Request on the grounds and to the extent the Request solicits information that is confidential, proprietary, competitively sensitive, trade secret and/or Critical Energy Infrastructure Information ("CEII"). Such CEII is highly sensitive and the disclosure of which could endanger the public welfare and security. Subject to and without waiver of the foregoing objections, AES Indiana provides the following response with the confidential information provided pursuant to the nondisclosure agreement between the parties.

### **Response:**

AES Indiana issued an All-Source RFP for capacity and energy resources on April 7, 2023 and received responses to this RFP on June 30, 2023. The responses included one thermal project with the remainder being for wind, solar, storage, and solar + storage resources. The thermal project was a Power Purchase Agreement for a 288 MW simple cycle gas turbine with an estimated commercial operation date ("COD") of 2028. OUCC DR 1-11 Confidential Attachment 1 - AES Indiana 2023 All Source RFP-PF23-1461-06-30-23 and OUCC DR 1-11 Confidential Attachment 2 - Proposal Data Forms provide the details for this project. This project was rejected in Phase 1 of the RFP evaluation because the project COD of 2028 was outside of the requested timeframe for projects initially stated in the RFP request of 2025 - 2027.

Additionally, as explained by AES Indiana witness Bigalbal in his Direct Testimony (Q/As 25-26), AES Indiana issued a Repowering RFP in March of 2023, which was divided into two Packages. Package 1 was for the design and material for the boiler conversion and Package 2 was for the design and material for balance of plant, construction, and testing. Responses were submitted in June of 2023 for Package 1 and July of 2023 for Package 2. Three proposals were received. AES Indiana then performed due diligence, which included technical reviews and site visits of facilities that underwent similar coal to gas conversions performed by the bidders. Technical and commercial contract negotiations were conducted with all three bidders. All bidders met AES Indiana's technical specifications and had successful experience of coal to natural gas conversions. The EPC award ultimately went to the bidder with the best negotiated commercial terms and price. Please see OUCC DR 1-11 Confidential Attachment 3 for confidential discussion regarding the Petersburg Repowering RFP and subsequent negotiation process. The available bid

Indianapolis Power & Light Company  
d/b/a AES Indiana  
Cause No. 46022  
AES Indiana Responses to OUCG DR Set 1

information provided in the Petersburg Repowering RFP and subsequent negotiations can be found in OUCG DR 1-11 Confidential Attachment 4.

As explained in AES Indiana witness Bigalbal's direct testimony at Q/A 25, the Repowering RFP was issued in March of 2023 and was divided into two Packages. Package 1 was for the design and material for the boiler conversion and Package 2 was for the design and material for balance of plant, construction, and testing. Initial responses were submitted in June of 2023 for Package 1 and July of 2023 for Package 2. After the initial proposals were provided by the bidders, both packages were combined into a single EPC price.

OUCG DR 1-11 Confidential Attachment 4 contains bid information for the Petersburg Repowering Project, including Package 1 and 2, from Babcock & Wilcox Company. This includes price breakdowns, optional prices, price validity, completion guarantees, performance guarantees, reliability guarantees, liquidated damages, and liquidated damages caps for each bid submitted by Babcock & Wilcox Company. Please note that only the total price identified in each Form 1A was a firm offer from Babcock & Wilcox Company; all estimates for each subcomponent of the total price were only provided to AES Indiana at the request of AES Indiana for internal planning and comparison purposes.

Pursuant to non-disclosure agreements that AES Indiana executed with bidders to its Petersburg Repowering RFP, AES Indiana must inform all bidders that it plans to disclose confidential information contained in their respective bids prior to disclosing such information to third parties. AES Indiana is currently awaiting a response from one of these bidders regarding the potential disclosure of relevant bid information. AES Indiana will supplement its response to OUCG DR 1-11 upon receipt of final communication from the bidder regarding the potential disclosure of this information.