

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF RICHMOND,)
INDIANA, BY AND THROUGH ITS MUNICIPAL)
ELECTRIC UTILITY, RICHMOND POWER AND)
LIGHT, FOR APPROVAL OF A NEW SCHEDULE)
OF RATES AND CHARGES FOR ELECTRIC)
SERVICE AND APPROVAL OF AN)
AMENDMENT TO ITS ENERGY COST)
ADJUSTMENT PROCEDURES)

CAUSE NO. 45361

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

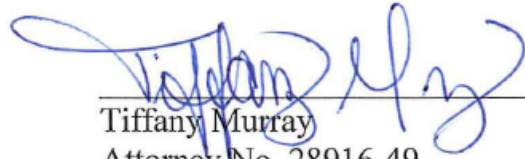
PUBLIC'S EXHIBIT NO. 4

TESTIMONY OF OUCC WITNESS

LAUREN M. AGUILAR

JULY 2, 2020

Respectfully submitted,



Tiffany Murray
Attorney No. 28916-49
Deputy Consumer Counselor

TESTIMONY OF OUCC WITNESS LAUREN M. AGUILAR
CAUSE NO. 45361
RICHMOND POWER AND LIGHT

I. INTRODUCTION

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

2 A: My name is Lauren M. Aguilar, and my business address is 115 W. Washington St.,
3 Suite 1500 South, Indianapolis, IN, 46204.

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

5 A: I am employed as a Utility Analyst in the Electric Division for the Indiana Office of
6 Utility Consumer Counselor ("OUCC"). Appendix A is a summary of my
7 qualifications.

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

9 A: I present my analysis of Richmond Power and Light ("RP&L") proposals related to:

10 (1) Electric vehicles; and

11 (2) Coal Combustion Residual closure costs.

12 **Q: What have you done to evaluate RP&L's request in this Cause?**

13 A: I reviewed testimony and exhibits submitted in RP&L's case-in-chief regarding the
14 proposals listed above. I generated discovery requests and reviewed RP&L's responses,
15 and I participated in teleconference meetings with RP&L. All RP&L discovery
16 responses pertinent to my testimony are attached as LMA-1. I also reviewed prior
17 relevant Indiana Utility Regulatory Commission ("Commission") orders, and
18 applicable Federal and Indiana laws and regulations.

1 **Q: To the extent you do not address a specific item or adjustment, should it be**
2 **construed to mean you agree with RP&L's proposal?**

3 A: No. Excluding any specific adjustments or amounts RP&L proposes does not indicate
4 my approval of those adjustments or amounts. Rather, the scope of my testimony is
5 limited to the specific items addressed herein.

II. ELECTRIC VEHICLE ("EV") PROGRAM

6 **Q: Please summarize RP&L's EV request.**

7 A: RP&L is requesting to add a tariff for an EV rate, which will be used at a publicly-
8 available charging station in RP&L service territory. Any person who uses the publicly
9 available charging station will be charged this rate.¹

10 **Q: Did RP&L's filing clearly explain its EV program?**

11 A: No. After reviewing RP&L's case-in-chief, the OUCC could not verify whether RP&L
12 was requesting Commission approval to implement the attached tariff as a permanent
13 EV rate, or if RP&L was attempting to conduct an EV pilot program.² The term "pilot"
14 appeared in some places within RP&L's filing, but not others. For instance, the term
15 "pilot" appears in the title of the tariff in RP&L's Attachment JAM-4. However,
16 RP&L's pre-filed testimony provided no information explaining how a pilot would be
17 conducted or how it would ensure nonparticipating ratepayers who receive no benefits
18 are not subsidizing the program. RP&L's witnesses explained only how the rates within
19 the new tariff would be determined.³ RP&L further included \$70,000 in the 2020

¹ Attachment JAM-4, pp. 40-41.

² *Id.*

³ Attachment AJR-3 provides the methodology used to calculate the recommended EV-PP rate.

1 budget for an “Electrical Vehicle Charging Stations Pilot” without any further
2 explanation of the details of what pilot program was being implemented.⁴

3 **Q: Did the OUCC contact RP&L to better understand its request?**

4 A: Yes. The OUCC held a teleconference with RP&L on Friday, May 1, 2020. The OUCC
5 sent RP&L informal questions in advance of the teleconference, and RP&L provided
6 its responses prior to the teleconference. The OUCC also issued formal discovery for
7 further information about RP&L’s intentions regarding the program.⁵

8 **Q: After receiving additional details and clarifications from RP&L regarding its EV**
9 **program, what is the OUCC’s understanding?**

10 A: Although RP&L may have contemplated an EV Pilot at one time, the EV program filed
11 in this Cause is not a pilot. Further, RP&L stated in response to discovery that EV costs
12 should not have been included in the proposed operating budget, and indicated it would
13 remove them from its filing.⁶ The rate RP&L included in its testimony is what will be
14 charged at the public EV charging station, and it is designed to represent cost of
15 delivery.⁷ Any other costs associated with the public charging station will be treated
16 below the line and not included in customer rates.⁸

17 **Q: Should RP&L provide progress reports on its EV program?**

18 A: Yes. Even though the program is not structured as a pilot, EV usage within Indiana is
19 in its infancy; annual reporting on the program will help interested stakeholders and
20 the Commission understand EV usage within the State. The Commission has

⁴ RP&L’s Exhibit 2, Attachment LAT-2, FY 2019 and FY 2020 Budgeted Capital Expenditures LAT WP-16, tab LAT WP 16 Capital Plan, page 32 of 45, Line 32.

⁵ See Attachment LMA-1 RP&L Responses to OUCC DR 14.1, 14.2, and 14.3.

⁶ See Attachment LMA-1 RP&L Responses to OUCC DR 14.2 and 14.3.

⁷ See Attachment LMA-1 RP&L Responses to OUCC DR 14.2 and 14.1(c).

⁸ See Attachment LMA-1 RP&L Responses to OUCC DR 14.2 and 14.2.

1 previously required EV pilot program reporting, acknowledging the importance of
2 collecting data from this accelerating market. In the recent Cause No. 45235 Indiana
3 Michigan Power Company rate case, the Commission used strong language in
4 discussing the importance of reporting: “[t]he Commission further finds it is *crucial*
5 I&M harvest and report[.]” (Emphasis added). While I&M’s program is a pilot and
6 RP&L’s is not, Indiana-specific EV data is not yet widely available and the
7 Commission and interested parties would benefit from data gathered from RP&L’s
8 experience.

9 **Q: What EV data would be useful for the Commission and other interested**
10 **stakeholders?**

11 A: While the OUCC acknowledges it is impractical for RP&L to gather and report all data
12 the Commission required in I&M’s rate case, it is reasonable for RP&L to annually
13 report basic information. The OUCC recommends RP&L provide reports on public
14 charging station usage and performance, and adoption of EVs in RP&L’s service
15 territory, as follows:

- 16 (1) Number of customers in RP&L’s service territory who drove an EV
17 prior to the program’s launch, and yearly thereafter;
- 18 (2) Number of customers using the RP&L’s public station each day;
- 19 (3) Duration of each charge;
- 20 (4) kWh of each charge;
- 21 (5) Time of day the charges occurred (at a minimum, off-peak vs. on-
22 peak);
- 23 (6) General location of customer (local or out of state); and
- 24 (7) The battery level of the EV before the charge and the ending charge
25 level (i.e. was the car empty when it started and full when it left).

1 **Q: What does the OUCC recommend regarding RP&L's EV program in this Cause?**

2 A: The OUCC recommends the Commission approve RP&L's EV Tariff presented in
3 Attachment JAM-4, pp. 40-41, deleting the word "pilot" from the title. The
4 Commission should prohibit RP&L from using the term "pilot" in association with the
5 EV program and require removing \$70,000 from the operating budget as RP&L
6 previously agreed to do. The OUCC further recommends the Commission require
7 RP&L provide annual reports about the EV program, as described in my testimony.

III. COAL COMBUSTION RESIDUALS ("CCR") CLOSURE COSTS

8 **Q: RP&L identified an environmental liability related to its CCR pond, otherwise**
9 **known as an impoundment. What is a CCR impoundment?**

10 A: Per the Code of Federal Regulations ("CFR"), "*Coal combustion residuals (CCR)*
11 means fly ash, bottom ash, boiler slag, and flue gas desulfurization materials generated
12 from burning coal for the purpose of generating electricity by electric utilities and
13 independent power producers." The CFR further states, "[a] *CCR surface impoundment*
14 *or impoundment* means a natural topographic depression, man-made excavation, or
15 diked area, which is designed to hold an accumulation of CCR and liquids, and the unit
16 treats, stores, or disposes of CCR."⁹ CCR impoundments are commonly referred to as
17 CCR ponds or CCR units.

18 **Q: Under what legal authority does the U.S. Environmental Protection Agency**
19 **("EPA") and Indiana Department of Environmental Management ("IDEM")**
20 **regulate CCR ponds?**

21 A: IDEM incorporated the federal rules of the U.S. EPA, 40 C.F.R. 257, Subpart D, into
22 the Indiana Administrative code at 329 Ind. Admin. Code 10.

⁹ 40 CFR §257.53.

1 **Q: What are the requirements for a CCR pond closure?**

2 A: 329 I.A.C. 10-9-1(c) states:

3 For a coal combustion residuals impoundment subject to 40 CFR 257,
4 Subpart D, final disposal of solid waste in the impoundment at the end
5 of the operation of the impoundment is subject to approval by the
6 commissioner [of IDEM], based on the requirements for coal
7 combustion residuals impoundments in 40 CFR 257.50 through 40 CFR
8 257.106* and on other management practices that are protective of
9 human health and the environment.

10 I will refer to these requirements in my testimony as the CCR rule.

11 **Q: When do CCR ponds need to be closed?**

12 A: The timing for closing an impoundment depends upon many factors, including the size
13 of the pond and the method of closure (either closure by removing the CCR material or
14 a closure in place, where CCR material is dewatered and covered). Federal regulations
15 at 40 CFR § 257.102 dictate the “[c]riteria for conducting the closure or retrofit of CCR
16 units” and lay out the available compliance extensions. Some extensions are self-
17 implementing, while others must be granted by the permitting authority (either the EPA
18 or IDEM). If a surface impoundment were afforded all plausible extensions, it is
19 possible closure may not be required to be completed until 2028.

20 **Q: Please provide some important facts about RP&L’s CCR pond at Whitewater**
21 **Valley Generating Station (“WWVS”).**

22 A: The WWVS contains a pond once used for storing CCR materials generated by the
23 plant.¹⁰ RP&L stopped disposing its CCR waste in the pond decades ago: “WWVS has
24 disposed and transported its CCR to offsite third party facilities since the mid-1970s.”¹¹

¹⁰ Direct Testimony of R. Baker, RP&L’s Exhibit 1 Attachment RWB-6 page 4 of 34.

¹¹ *Id.*, page 18 at lines 8-9.

1 The CCR waste remains, and RP&L had no plan to close the pond. After further inquiry
2 from the OUCC, RP&L explained:

3 The impoundment has not been 'dewatered'. Sluicing of CCR material
4 into the pond ended by 1980. Until 2015, the impoundment received
5 bottom ash hydrobin overflow and drain water. In 2019, the 'coal
6 runoff' pond constructed by IMPA became operational, redirecting
7 surface water runoff from the coal pile that used to discharge into the
8 impoundment away from the impoundment. Surface water runoff has
9 not been directed towards the impoundment since that time. RP&L has
10 seen a decrease in visible standing water as a result of this project. [...]
11 the approximate storage capacity of the Surface Impoundment is
12 441,900 cubic yards. No water is directed into the impoundment aside
13 from direct rainfall.¹²

14 **Q: What is RP&L proposing regarding CCR pond closure costs?**

15 A: RP&L categorized this closure cost as an environmental liability. Even though RP&L
16 ceased operation of the pond in the 1970s, it did not begin planning the pond's closure
17 until now. RP&L requests including \$13,401,105 in rates to fund a full engineering
18 study and closure activities related to the CCR pond.¹³

19 **Q: What are some of the OUCC's concerns with RP&L's request?**

20 A: RP&L has not filed a request for a closure permit with IDEM,¹⁴ and does not know
21 when IDEM will approve the permit if and when RP&L files a request.¹⁵ Also, in terms
22 of appropriateness for inclusion in rates, this CCR closure project is expected to occur
23 in the future, and is not a prior expense within the historical test year RP&L used as a
24 basis to determine its requested rates. RP&L's actual project completion date could be
25 anywhere from 2025 to 2028, based on allowable extensions within the CCR rule.

¹² See Attachment LMA – 1 RP&L response to OUCC DR 5.1

¹³ Tomczyk p. 19, lines 17-23.

¹⁴ See Attachment LMA – 1 RP&L Response to OUCC DR 9.5f.

¹⁵ See Attachment LMA – 1 RP&L Response to OUCC DR 9.5h.

1 **Q: Please provide an overview of the IDEM permit approval process and its timing.**

2 A: IDEM will likely have several meetings with RP&L to review the permit application
3 and provide informal feedback. IDEM may also visit the site to physically inspect the
4 property. The process can take months before a final permit is issued. Once a permit is
5 issued, there is a period in which affected stakeholders can appeal the permit as issued,
6 and this can add even more time to the process.¹⁶ Public meetings also need to occur in
7 accordance with IDEM guidance.¹⁷

8 **Q: Could RP&L have closed the pond sooner?**

9 A: Yes. If RP&L started remediation when it stopped using the pond in the 1970s, the
10 project could have cost significantly less. RP&L indicated it was not required to close
11 the pond until the promulgation of 40 CFR 257 subpart D, but as with any asset owned
12 by a utility, retirement is always contemplated as an eventuality. RP&L's prompt pond
13 closure could have avoided the significant costs it is now facing and would have also
14 followed the basic principal of ratemaking by allocating costs to the cost-causers.
15 Waiting over 30 years to start closure activity is placing the costs of closure upon
16 customers who very likely did not benefit from the asset when it was used and useful.

17 **Q: Please explain why it is important RP&L be required to close the pond?**

18 A: Proper closure of a CCR pond is imperative for protecting human health and the
19 environment. CCR pond spills can have disastrous effects and cost millions of dollars
20 in clean-up and regulatory penalty fees. Two such incidents have been widely reported
21 by public news stations. First, the State of Tennessee assessed an \$11.5 million penalty

¹⁶ <https://www.in.gov/idem/legal/2329.htm>.

¹⁷ https://www.in.gov/idem/waste/files/permits_ccr_public_involv_surf_impound_clos.pdf

1 against the Tennessee Valley Authority for the December 2008 coal ash spill at its
2 Kingston plant.¹⁸ Even though the spill happened over 10 years ago, TVA is still
3 subjected to numerous lawsuits surrounding its cleanup¹⁹ and is claiming it will spend
4 in the billions dealing with the cleanup over the next 20 years.²⁰ Second, Duke Energy
5 was ultimately criminally prosecuted for the February 2014 spill of approximately
6 39,000 tons of coal ash into the Dan River in Eden, North Carolina. Duke was originally
7 fined \$6.6 million by the North Carolina Environmental Protection Agency.²¹ The
8 criminal prosecution resulted in Duke Energy being required to pay approximately
9 \$102 million for cleanup and restitution.²²

10 **Q: Is RP&L's requested \$13,401,105 a conservative estimate of the total cost to close**
11 **the CCR pond?**

12 A. Yes. Without a full engineering study and an approved permit to dictate the method of
13 closure, the amount RP&L requests is extremely conservative, which RP&L also
14 states.²³ However, RP&L did not seek a different amount and the OUCC must rely on
15 the evidence provided. This is one of many reasons the OUCC is advocating, as
16 explained by OUCC witness Caleb R. Loveman, the environmental liability funds be
17 placed into a restricted account.

¹⁸[https://www.cnn.com/2010/US/06/14/tennessee.sludge.spill/index.html#:~:text=Three%20homes%2C%20including%20this%20one,in%20the%20coal%20ash%20spill.&text=\(CNN\)%20%2D%2D%20Tennessee%20state%20officials,sludge%20spill%20in%20December%202008](https://www.cnn.com/2010/US/06/14/tennessee.sludge.spill/index.html#:~:text=Three%20homes%2C%20including%20this%20one,in%20the%20coal%20ash%20spill.&text=(CNN)%20%2D%2D%20Tennessee%20state%20officials,sludge%20spill%20in%20December%202008).

¹⁹ <https://www.wbir.com/article/news/local/new-federal-lawsuit-filed-against-tva-cleanup-contractor-over-coal-ash-disaster/51-4b95d15c-c67e-44a6-ae11-c94cd7bce95e>.

²⁰ <https://www.timesfreepress.com/news/business/aroundregion/story/2019/sep/14/tva-coal-ash-cleanup-cost/503399/>.

²¹ <https://www.charlotteobserver.com/news/local/article59277098.html>.

²² <https://www.cbsnews.com/news/duke-energy-fined-102-million-in-coal-ash-spill/>.

²³ See Attachment LMA – 1 RP&L Response to OUCC DR 1.3.

1 **Q: Why is the closure completion date important?**

2 A: The CCR pond's final closure date should be used to establish the amortization period,
3 as discussed by Mr. Loveman. Given that RP&L has yet to receive an approved permit
4 from IDEM (as it has yet to apply to IDEM for a permit), it cannot state with certainty
5 which closure method will be required and how long closure will take. Therefore, using
6 the longest plausible closure period is reasonable and in the best interests of ratepayers.
7 See the testimony of Mr. Loveman for discussion of the amortization period.

8 **Q: What does the OUCC recommend?**

9 A: Despite issues with RP&L's request and past actions, the OUCC recognizes RP&L is
10 a municipal utility subject to the local government of the City of Richmond, Indiana,
11 with limited funding resources. As a municipal utility, the OUCC's analysis in this case
12 is therefore distinguishable from the OUCC's position regarding cost recovery by
13 investor-owned utilities for CCR pond closure costs. As a result, the OUCC
14 recommends approving RP&L's requested project amount with the changes
15 recommended by Mr. Loveman. As Mr. Loveman explains, the OUCC is requesting
16 RP&L place the funds annually into a restricted account. Having an environmental
17 liability fund for the CCR project ensures RP&L will make progress towards having
18 adequate funds available to close the CCR pond by the required closure date. As I
19 explained above, under the CCR rule, the closure completion date may be October
20 2028. Given this likely completion date, Mr. Loveman is also requesting the
21 amortization period be extended to 2028.

IV. RECOMMENDATIONS

1 **Q: What does the OUCC recommend?**

2 A: The OUCC recommends the Commission:

3 (1) Approve RP&L's EV tariff, however:

4 a. Delete the word "pilot" from the tariff.

5 b. Prohibit RP&L from representing this project as a pilot and require the
6 removal of the \$70,000 EV pilot funds from the operating budget as
7 RP&L has previously agreed to do.

8 c. Require annual reporting about the EV project as explained in my
9 testimony.

10 (2) Approve RP&L's requested \$13,401,105 for the Environmental Liability,
11 however:

12 a. Require RP&L to deposit the funds annually into a restricted fund, as
13 explained by Mr. Loveman.

14 b. Require RP&L to amortize CCR pond remediation costs over eight
15 years instead of the requested five years, as explained by Mr. Loveman.

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

17 A. Yes.

APPENDIX A

1 **Q: Summarize your professional background and experience.**

2 A: I graduated from Michigan State University in 2008 with a Bachelor of Science degree
3 in Environmental Science and Management. I graduated from Florida State University
4 College of Law in May 2011 with a Juris Doctorate and Environmental Law certificate.
5 I spent over two years while in law school as a certified legal intern, providing pro bono
6 legal services to poverty level residents of Tallahassee, FL. I worked in the legal
7 department of Depuy Synthes, a Johnson & Johnson Company, where I assisted with
8 patent filings and nondisclosure agreements. Starting in 2013, I worked for the Indiana
9 Department of Environmental Management as a rule writer, in which I worked
10 extensively with the public at large, special interests groups, and affected regulated
11 entities to understand the rulemaking process and to respond to their comments on
12 ongoing environmental rules. I joined the OUCC in July of 2017.

13 **Q: Describe some of your duties at the OUCC.**

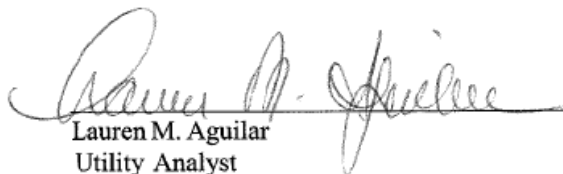
14 A: I review and analyze utilities' requests and file recommendations on behalf of
15 consumers in utility proceedings. As applicable, my duties may also include analyzing
16 state and federal regulations, evaluating rate design and tariffs, examining books and
17 records, inspecting facilities, and preparing various studies. Most of my expertise is in
18 environmental science, environmental state and federal regulation, and state agency
19 administration.

1 **Q: Have you testified before the Indiana Utility Regulatory Commission?**

2 A: Yes. I have previously testified in Cause Nos. 42170 ECR -30, 44340 FMCA-9, 44340
3 FMCA-10, 44340 FMCA-11, 44340 FMCA-12, 44340 FMCA-13, 44963, 44978,
4 44981, 44998, 45010, 45047, 45052, 45071, 45235, 45253, and 45253 S1.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.

A handwritten signature in cursive script, appearing to read "Lauren M. Aguilar", is written over a horizontal line.

Lauren M. Aguilar
Utility Analyst

Indiana Office of Utility Consumer Counselor

Cause No. 45361
Richmond Power & Light

July 2, 2020

Date

Q 1.3. Is the closure estimate referenced on page 19, lines 11-12, of Ms. Tomczyk's testimony the same estimate provided by Witness Randall Baker as Attachment RWB-11?

Response: No. The closure estimate referenced in Witness Tomczyk's testimony refers to the draft estimate in Attachment DR 1.2 ("Draft Closure Cost Comparison-January 2019"). This estimate was used in determining the Environmental Remediation Liability on RP&L's balance sheet. The estimate provided by Witness Baker as Attachment RWB-11 is the final estimate. The draft estimate of \$13,665,877 used in Witness Tomczyk's sources and uses of cash analysis is significantly more conservative than the final estimate of \$18,250,000 as shown in Attachment RWB-11.

In 2016, RP&L recorded an initial Environmental Remediation Liability in the amount of \$13,034,000. In 2018, an additional \$631,877 was added such that the total was equal to the draft GAI Consultants' estimate of \$13,665,877 as referred to in Witness Tomczyk's pre-filed direct testimony ($\$13,034,000 + \$631,877 = \$13,665,877$).

The following Table DR 1.3 shows how the historical balances for the Environmental Remediation Liability on RP&L's balance sheet were determined:

Table DR 1.3

Historical RP&L Environmental Remediation Liability Balances		
FY 2016		
Beginning Balance	\$	-
Recorded Liability	\$	13,034,000
Ending Balance	\$	13,034,000
FY 2017		
Beginning Balance	\$	13,034,000
Expenditures		(463,919)
Ending Balance	\$	12,570,081
First 3 Qtrs of 2018 (1/1/2018 thru 9/30/2018)		
Beginning Balance	\$	12,570,081
Expenditures	\$	(753,897)
Ending Balance	\$	11,816,184
Test Year (10/1/2018 thru 9/30/2019)		
Beginning Balance	\$	11,816,184
Additional Recorded Liability	\$	631,877
Expenditures	\$	(77,215)
Ending Balance	\$	12,370,846
Summary		
Total Gross Liability	\$	13,665,877
Total Expenditures	\$	(1,295,031)
Total Net Liability	\$	12,370,846

Q 9.5: Referring to the environmental remediation liability amortization discussed by Witness Baker and Tomczyk, please answer the following questions:

- a. Please provide the date RP&L expects to begin removing the Coal Combustion Residual (CCR).**

Response: As representatives of RP&L's environmental consultant, GAI Consulting, explained in the informal call on CCR issues with the OUCC on April 30, 2020, GAI concluded in April 2020 that the WWVS site failed the groundwater requirement in 40 CFR §257.60 that an existing CCR surface impoundment must be constructed with a base that is located no less than five feet above the upper limit of the uppermost aquifer. Therefore, this failure "starts the five year clock" for the impoundment to close by 2025. These findings are detailed in the GAI report on RP&L's CCR section of its website at:

https://www.rp-l.com/RPL%20Impoundment%20CCR%20Location%20Restrictions%204_15_20.pdf

- b. Please provide the date RP&L expects to complete the removal of the CCR.**

Response: Please see Response to Q 9.5a above.

- c. Per the current standards and rules, please provide the date, without extension and with extension, by which RP&L needs to complete the removal of CCR.**

Response: Please see Response to Q 9.5a above.

- d. If the Commission permits the amortization of this liability, will RP&L commit to deposit the annual amount recovered through rates into the restricted fund? If no, please explain why. If yes, please provide copies of all documentation, including ordinances, related to the establishment and/or intended use of this fund. If fund has not been established, please explain why not and when it will be established.**

Response: Given that current rates do not accommodate recovery of revenues for CCR compliance, no such fund has been established. If the Commission approves a revenue requirement for RP&L that includes the proposed amortization of this liability, RP&L management will work the Richmond Common Council to establish the fund pursuant to the requirements of the Commission's order and Indiana law. RP&L is not aware of any statutory requirement that an environmental compliance liability amortization be created as a restricted fund. RP&L is willing to discuss depositing the annual amounts recovered through rates for the CCR environmental liability into a restricted fund as part of settlement discussions with the OUCC, which of course would be subject to Commission and Richmond Common Council approval. RP&L will commit to deposit the annual amount described in Witness Tomczyk's testimony into that fund at the end of each fiscal year, regardless of whether it is established as a reserve or restricted fund.

- e. **Please provide RP&L's estimated cost of an engineering study for the CCR Environmental Remediation Plan for WWVS.**

Response: RP&L estimates an additional \$75,000 will be needed to complete the closure plan for IDEM. This amount does not include money already spent on plans and evaluations completed for compliance with the Federal CCR Rule, preparation of a draft IDEM Closure Plan, installation and monitoring of the Facility's groundwater monitoring system, or engineering of a potential groundwater remediation system. Costs for 2020 groundwater support are estimated to be \$296,400 based on GAI Consulting's proposal dated April 23, 2020 (see Attachment DR 9.5e). Note the April 23, 2020 proposal has not been executed by RP&L yet, and does not include detailed design for a groundwater corrective measure/remediation system—RP&L won't know that cost until it select the groundwater corrective measure.

- f. **When does RP&L expect to complete its engineering study for the CCR Environmental Remediation Plan for WWVS?**

Response: RP&L expects that GAI will complete its engineering study for the WWVS CCR Environmental Remediation Plan in time to submit a closure plan to IDEM for review and approval by October 31, 2020.

- g. **When does RP&L expect to file its request with IDEM for approval of its CCR Remediation Plan for WWVS?**

Response: Please see Response to Q 9.5f. above.

- h. **When does RP&L expect to receive approval from IDEM of its CCR Remediation Plan for WWVS?**

Response: RP&L cannot predict the amount of time it will take IDEM to review and/or approve the CCR Remediation Plan/Closure Plan, as it is an independent state government agency.

Q 5.1: Referring to the Coal Combustion Residual (“CCR”) photos submitted to the OUCC on Tuesday, May 5, 2020 entitled, “RP&L WWVS CCR Photos for OUCC,” please respond to the following:

- a. In PDF pages 7 and 8 it appears the surface impoundment has been dewatered. Has the surface impoundment been dewatered?

Response: The impoundment has not been “dewatered”. Sluicing of CCR material into the pond ended by 1980. Until 2015, the impoundment received bottom ash hydrobin overflow and drain water. In 2019, the “coal runoff” pond constructed by IMPA became operational, redirecting surface water runoff from the coal pile that used to discharge into the impoundment away from the impoundment. Surface water runoff has not been directed towards the impoundment since that time. RP&L has seen a decrease in visible standing water as a result of this project.

- b. If the impoundment has been dewatered, when was the impoundment dewatered?

Response: Please see the response to 5.1a. above.

- c. Please state approximately how many gallons of water is contained in the surface impoundment at this time.

Response: The July 2017 Annual Report by GAI Consultants (on RP&L's compliance website referenced in Mr. Baker's direct testimony and other data request responses), indicated that based on GAI's review of the boring logs and topography of the surface impoundment, the approximate storage capacity of the Surface Impoundment is 441,900 cubic yards. No water is directed into the impoundment aside from direct rainfall.

- d. Does the impoundment have any type of natural cover? If yes, what is the cover composed of?

Response: From the time the impoundment was abandoned in the 1970s to 2017, the impoundment returned to a natural state. Trees, grasses, shrubs, etc. grew over that period as a natural cover. In 2017, the site was cleared of trees and brush in accordance with the CCR Rule requirement that woody vegetation be removed (Section 257.73).

- e. Were these same photos (“RP&L WWVS CCR Photos for OUCC”) provided to IDEM? If yes, when?

Response: The photos provided by RP&L are simply screenshots from the community's publicly accessible GIS site created in response to the OUCC's informal request. IDEM has been provided the technical maps/drawings prepared by GAI.

Q 14.1: Please refer to the document sent via email to the OUCC on Wednesday, April 29, 2020, titled, “RP&L Proposed EV Program Overview” to address the following:

- a. On PDF page 1 RP&L states: “As described in RP&L's proposed new tariff (Attachment JAM-4, pp. 40-41), here are the components of the new Electric Vehicle program, and an additional description of what RP&L is considering”. Did RP&L intend for this three PDF page document along with the tariff to describe the entire program and all of its associated costs?

Response: That document (Attachment DR 14.1) was intended to supplement the testimony of Mr. Reger and Mr. Mancinelli on the Electric Vehicle Program. As noted in that document, the third party EV charging station agreement with ChargePoint has not been executed, so of course as a third party ChargePoint is not bound until that agreement is signed. Absent any changes from ChargePoint, RP&L expects that the testimony and Attachment DR 14.1a comprise the entirety of the program and its associated costs.

- b. On PDF page 1 RP&L states: “Charge Point will pay the costs of installation and maintenance of the charging station in return for a fixed, flat fee of \$2400 per year for five years”. Does RP&L intend to include the flat fee in rates? If answered affirmatively, please indicate the revenue adjustment that reflects the inclusion.

Response: The flat fee was not included in the EV rate structure, it is an energy-only rate, as described in Mr. Reger’s testimony.

- c. On PDF page 2 RP&L states: “the EV rate, as proposed, does not include any subsidies from other customer classes, and reflects RPL's cost of delivery.” Please define RP&L’s understanding of “does not include any subsidies from other customer classes.”

Response: RP&L has proposed an EV rate which, as described in Mr. Reger’s testimony, was structured to be based on the GP rate, while assuming a relatively low load factor as described in Mr. Reger’s testimony. A lower load factor was assumed to mitigate the risk of under-recovering costs of providing public EV charging service, and because today, there is not widespread adoption of EVs locally in Richmond, or across Indiana more broadly. Also as described in Mr. Reger’s testimony, if actual EV charging were to occur at a substantially higher load factor than that assumed in developing the EV rate, RP&L would revisit and potentially revise the EV rate design through the 30-day filing process to

better align the rate with EV charging's cost of service. The proposal is intended to result in electric vehicle users paying their full cost of service through the EV rate, because customers without electric vehicles would not benefit from that service.

Q 14.2: On Friday, May 1, 2020, the OUCC and RP&L held a teleconference to discuss RP&L's EV program. On the call the OUCC understood that the costs of RP&L's EV program were going to be below the line, that is, RP&L's requested revenue requirement in this Cause does not include any costs associated with installing and maintaining the proposed public EV charging station.

a. Can RP&L confirm the OUCC's understanding is correct?

Response: That is correct.

b. If the OUCC's understanding is not correct, please explain what EV program costs are included in RP&L's requested revenue requirement and provide any case-in-chief support for this request.

Response: Please see Response to Q 14.2a above.

Q 14.3: Please refer to Petitioner's Exhibit 2, Attachment LAT-2, FY 2019 and FY 2020 Budgeted Capital Expenditures LAT WP-16, tab LAT WP 16 Capital Plan, page 32 of 45. Line 32 indicates \$70,000 in the 2020 budget for "Electrical Vehicle Charging Stations Pilot." Please respond to the following:

- a. Explain what capital expenditure this \$70,000 is for and provide any documentation to support your answer.**

Response: The 2020 Budget was prepared in the summer/fall of 2019, months prior to the filing of this rate case. RP&L is not presently proposing an EV pilot program, rather its case-in-chief is proposing a permanent EV Rate. RP&L will remove this line item from the calculation of the Revenue Requirement, since it developed an EV rate instead of the pilot that had been envisioned during the budget process.

- b. Does this \$70,000 represent EV program costs? If so, does that mean RP&L is seeking to recover EV program costs from customers through its requested revenue requirement?**

Response: Please see Response to Q 14.3a above.

- c. Is the \$70,000 for capital costs associated with the EV program? Please explain whether this amount is for costs RP&L would consider utility plant.**

Response: Please see Response to Q 14.3a above.

RP&L Proposed EV Program Overview

As described in RP&L's proposed new tariff (Attachment JAM-4, pp. 40-41), here are the components of the new Electric Vehicle program, and an additional description of what RP&L is considering:

- The charging stations will be in public location and made available to the general public. While RPL will begin with just one public location, the tariff is designed such that those public locations can be expanded in the future.
 - No installations at private homes or businesses.
 - Available to any residential, commercial, industrial or government customer looking to charge an electric vehicle in a public location.
- The EV charging equipment to which electric service is provided under this rate may be owned, operated, and maintained by either the Utility or a third-party. Since RP&L doesn't have an approved EV rate yet, it has not finalized any plans for charging station development. However, RP&L has been discussing the project with Charge Point, and that third-party proposal is attached. The benefit of a third-party agreement is that Charge Point will pay the costs of installation and maintenance of the charging station in return for a fixed, flat fee of \$2400 per year for five years. RP&L is interested in the OUCC's feedback on this proposal and the third-party ownership construct.
 - The Level 2 station would be installed in the Meijer supermarket (I-70 and Route 27 exit) parking lot. RP&L believes that existing electric infrastructure at that location is already built up to the point that it would not require much additional expense from the Utility to connect a charging station.
 - Meijer has offered the space for the stations at \$1 per year. Meijer has indicated it is interested in fostering an "EV charging park" at this location, and thus the low cost for the use of their parking lot space is reflective of their desire.
 - The idea on the Level 2 station is primarily to measure use along the I-70 corridor. According to charging station maps, currently, it would be the only public charging station between Indianapolis and Dayton.
- EV charging service will be paid for by the Customer at the point of service prior to charging by means of credit, debit, or pre-paid cards, at rates specified in the EV rate schedule. The charging service will be metered separately, and if owned by a third party, will be billed at this rate using the Utility's standard terms and practices.
 - The EV rate design is based on anticipated usage, and does not include any installation or maintenance costs. RP&L anticipates that if any charging station did require an extension of facilities, the majority of that cost would be borne by the property owner or party requesting the public charging station.

- The EV rate design was based off of the new proposed GP rate, which in its early phase accommodates low load factor users as electric vehicle charging is expected to be in early years. Over the phase-in period, the GP rate and the EV charging rate transition to better align with full cost of service over time.
- RPL believes the EV rate, as proposed, does not include any subsidies from other customer classes, and reflects RPL's cost of delivery. It is phased-in over time, as the rest of the customer classes are phased-in.
- RPL Currently 90% of EV charging is done in the home, so this pilot promises to be an inexpensive way to gauge trends, load growth, etc. for EV travelers as well as real world experience for RP&L staff as this technology becomes more mainstream.
 - In October of 2019, Mr. Baker attended an EV Charging Workshop being sponsored by IDEM at the Indianapolis Government Center (agenda attached). His belief is that while use in the Richmond area is relatively small now, growth of this mode of transportation will be a part of the energy sector in the near future.
 - Likely Level 2 chargers 240VAC Charge (12A – 80A) Level 2 is the most common installation for both public and private use. Level 2 takes between 3 to 26.5 hours for a full charge, depends on vehicle make and model and charger used.
 - Level 1 is generally for residential applications and is a slower charge.
 - Level 1 & 2 uses a standard J-1772 Socket (Tesla provides an adapter for this)
 - Level 3 uses three different socket types and not all vehicles are equipped for Level 3 charging
 - While RP&L is happy to discuss the OUCC's request for reporting on the EV program, RP&L would like to note that its EV proposal is very different than I&M's. Not only that, but I&M likely has staff dedicated to their EV program, and RP&L's service territory and staff resources are much smaller in comparison. RP&L is happy to share data from the charging stations with the OUCC; however, that data may not be in the same form as I&M's program. Here is what the Commission required I&M to report (after the first year of the program), and RP&L's thoughts for each one:
 - Number of participants enrolled, by pilot subset - RP&L doesn't have a program in which customers enroll—the charging station will be in a public location (or locations) available to all customers to use.
 - Aggregated participant on-peak and off-peak PEV usage (kWh) - RP&L isn't proposing a time-differentiated rate design.
 - Identify what time pilot participants are charging and the average duration for the (a) residential and the (b) small business customer subsets - RP&L could report the

charging times, but we won't likely know whether the vehicle is owned by a residential or business customer.

- Number of incentives by pilot subset - RP&L isn't proposing any customer incentives.
- Number of customers choosing a five-year revenue credit by pilot subset - RP&L isn't proposing a revenue credit.
- For each pilot subset, identify and report whether the rebate and/or revenue credit influenced the customer's (a) PEV decision and (b) decision to participate in the pilot program - RP&L isn't proposing a rebate or credit.
- Expenditures and cumulative expenditures by pilot subset - RP&L could track costs cumulatively associated with EV, but cannot differentiate between customer subsets. Note also that if a third-party installer is used, the installation and maintenance costs of the charging station would be incurred by the developer/installer.
- The amount/level of interest I&M receives in siting EV site installations at (a) multi-unit dwellings and at (b) workplaces - RP&L is not proposing to install EVs at private Customer locations, but rather at a location or locations that are accessible to the entire community (per the Availability terms of the proposed tariff).
- Such other pilot related information as the Commission's Energy Division may request in writing to prospectively evaluate transportation electrification and/or develop best practices - If the Commission asks us for something, of course RP&L would respond.

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Electric Vehicle Charging Infrastructure Workshop
Hosted by the Indiana Volkswagen Environmental Mitigation Trust Committee
Tuesday, October 8, 2019
Indiana Government Center South
Main Auditorium

9:00 a.m.	Welcome & Introduction Beverly Gard, Chairwoman, Indiana Volkswagen Environmental Mitigation Trust Fund Committee <i>(Chair Gard will introduce the committee to the audience)</i>
9:10 a.m.	Event Overview (Facilitator for the day) Carl Lisek, Executive Director, South Shore Clean Cities <i>(Discuss public and private businesses that have expressed interest in implementing charging infrastructure and purchasing EVs, address the “chicken and egg” issue with EVs and charging stations, including data and stats)</i>
9:15 a.m.	Electric Vehicles 101 Joann Zhou, Group Manager, Vehicle & Energy Technology & Mobility Analyst, Argonne National Laboratory <i>(Discuss light-duty vehicles and briefly discuss medium-duty trucks, historical updates on vehicles currently on the market and what vehicles are coming out within the next five years with an emphasis on the Indiana market)</i>
9:35 a.m.	Electrify America, LLC Updates – via Webinar Andrew Dick, State Government Affairs & Public Policy Manager, Electrify America <i>(Provide overview of VW plans for infrastructure and coordination with the State of Indiana)</i>
10:00 a.m.	Morning Panel Discussion – Electric Vehicle Automakers Moderator: Shawn Seals, Senior Environmental Manager, IDEM Mike Lambregtse, Fleet Account Executive, General Motors Scott Brand, Senior Vice President, Administration & Quality Control, Subaru of Indiana Automotive Andrew Penca, Executive Director of Battery, Supply Chain & Customer Support, Cummins Inc. <i>(Plans for marketing EVs, suggestions on charging station needs, fast charging and destination charging infrastructure locations)</i>
11:00 a.m.	Morning Panel Discussion – Midwestern VW EV Implementation Strategies Moderator: Carl Lisek, Executive Director, South Shore Clean Cities Ryan Lisek, Project Manager, South Shore Clean Cities Alauddin Alauddin, Assistant Chief, Ohio EPA’s Office of Environmental Education Marcy Rood, Principal Environmental Analyst, Argonne National Laboratory <i>(Electric vehicle implementation strategies in other Midwestern states with success stories, case studies, lessons learned and challenges faced)</i>
12:00 p.m.	Preview of afternoon sessions and logistics for lunch
12:05 p.m.	Break for lunch
1:00 p.m.	Afternoon Panel Discussion – National Charging Infrastructure & Lessons Learned

	<p>Moderator: Allison Mihalich, Senior Program Director of Sustainability, University of Notre Dame</p> <p>David Schatz, National Director, ChargePoint</p> <p>Thomas Ashley, Vice President of Policy, GreenLots</p> <p>Adam Wason, Director of Public Works, City of Bloomington</p> <p><i>(Focus on how infrastructure companies define a successful project and how diversification of charging types comes into play along with lessons learned from municipal and university users)</i></p>
2:00 p.m.	<p>Afternoon Panel Discussion – Infrastructure Development & Destination Charging in Indiana</p> <p>Moderator: Marcy Rood, Principal Environmental Analyst, Argonne National Laboratory</p> <p>Kevin Kirkham, Manager of Business Development, NIPSCO</p> <p>Jordan Wallpe, Midwest Region Electric Transportation Project Manager, Duke Energy</p> <p>Andrew Horstman, Manager of Load Response, Wabash Valley Power Alliance</p> <p><i>(Focus on utility plans, including destination charging, workplace charging, tourism, community and truck stops)</i></p> <p>Electric Services Map: https://indianaenergy.org/index.php/electric-service-areas#Blue</p>
3:00 p.m.	<p>Next Steps and Closing Remarks in the VW Infrastructure Process</p> <p>Shawn Seals, Senior Environmental Manager, IDEM</p> <p>Beverly Gard, Chairwoman, Indiana Volkswagen Environmental Mitigation Trust Fund Committee</p> <p><i>(Discuss next steps for Indiana EV infrastructure development and closing remarks from Chair Gard)</i></p>
3:30 p.m.	<p>EV Ride & Drive/Charging Station Displays</p> <p>Get behind the wheel of an electric or hybrid electric vehicle. Owners and dealers will be available to answer questions. These are exhibitors, not vendors. No sales will take place!</p> <p>Expected vehicles for Ride and Drive:</p> <p>Chevrolet Bolt EV</p> <p>Nissan Leaf EV</p> <p>Tesla Models S, X, and 3 EVs</p>

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 4_Testimony of OUCC Witness Lauren M. Aguilar* has been served upon the following parties of record in the captioned proceeding by electronic service on, July 2, 2020.

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