

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF SOUTHERN INDIANA GAS AND )  
ELECTRIC COMPANY D/B/A CENTERPOINT ENERGY )  
INDIANA SOUTH (“CENTERPOINT INDIANA SOUTH”) FOR )  
AN ORDER: (1) AUTHORIZING CENTERPOINT INDIANA )  
SOUTH TO ENTER INTO A POWER PURCHASE )  
AGREEMENT (“PPA”) TO PURCHASE ENERGY AND )  
CAPACITY FROM A 185 MW SOLAR PROJECT IN )  
VERMILLION COUNTY, INDIANA (THE “VERMILLION )  
COUNTY SOLAR PROJECT”), AND FINDING THE TERMS )  
OF THE PPA REASONABLE AND NECESSARY; (2) )  
AUTHORIZING CENTERPOINT INDIANA SOUTH TO ENTER )  
INTO A PPA TO PURCHASE ENERGY AND CAPACITY )  
FROM A 150 MW SOLAR PROJECT IN KNOX COUNTY, )  
INDIANA (THE “KNOX COUNTY SOLAR PROJECT”), AND )  
FINDING THE TERMS OF THE PPA REASONABLE AND )  
NECESSARY; (3) DETERMINING THE VERMILLION )  
COUNTY SOLAR PROJECT AND KNOX COUNTY SOLAR )  
PROJECT TO BE ELIGIBLE CLEAN ENERGY PROJECTS )  
FOR PURPOSES OF IND. CODE CH. 8-1-8.8; (4) )  
AUTHORIZING THE FULL RECOVERY OF THE POWER )  
PURCHASE COSTS UNDER THE PPAS FROM )  
CUSTOMERS THROUGH FUEL ADJUSTMENT CLAUSE )  
(“FAC”) PROCEEDINGS OVER THE ENTIRE TERM OF THE )  
PPAS; (5) APPROVING RATEMAKING TREATMENT TO )  
ACCOUNT FOR INCREASED COST OF DEBT ASSOCIATED )  
WITH THE PPAS AND AUTHORIZING EXPENSES )  
ASSOCIATED WITH ENTERING INTO THE PPAS BE )  
DEFERRED AS REGULATORY ASSETS FOR RECOVERY )  
THROUGH THE FAC; (6) APPROVING CONFIDENTIAL )  
TREATMENT OF THE PPA PRICING AND OTHER )  
NEGOTIATED COMMERCIAL TERMS AND RELATED )  
CONFIDENTIAL INFORMATION. )

CAUSE NO. 45600

**UPDATE ON SUPPLY CHAIN-RELATED CHALLENGES AND/OR DELAYS**

Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South (“Petitioner” or “CEI South”), in accordance with Paragraph 7(D) of the Indiana Utility Regulatory Commission’s (“Commission”) May 4, 2022 Final Order in this Cause, provides the following update on supply chain-related challenges and/or delays and their impact on the Knox County Solar Project and Vermillion County Solar Project.

## **I. Overview of Supply Chain Issues Impacting the Cost of Solar Projects**

Global supply chain issues and escalating commodity costs have substantially pushed up the price of completing solar projects. After execution of the PPAs approved in this proceeding, the cost of key components in solar modules, such as polysilicon, jumped due to supply chain issues and ongoing geopolitical pressures related to U.S. tariffs on solar energy imports from Cambodia, Malaysia, Thailand, and Vietnam (“CMTV”). The tariffs target components that are manufactured in China but exported via CMTV countries, thereby circumventing established duties. As a result, imports of solar cells and modules from the CMTV countries (which provide 80% of foreign solar cells and modules to the U.S.) have been significantly restricted. Below is a summary of recent issues:<sup>1</sup>

On August 18, 2023, the U.S. Department of Commerce (“DOC”) issued its final affirmative determination (“Final Rule”) that solar cells and modules completed in CMTV countries using components manufactured from China and exported to the U.S. are circumventing the antidumping duty and countervailing duty (“AD/CVD”) orders on solar cells from China.<sup>2</sup> The Final Rule was amended on March 25, 2024, with an effective date of April 24, 2024.<sup>3</sup> The Final Rule stated that circumventing manufacturers (i.e., BYD, New East, Canadian Solar, Trina, and Vina) will be required to pay the current tariff rate, which can increase module pricing by up to 255% depending on the manufacturer’s AD/CVD status under 77 FR 73017.<sup>4</sup>

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<sup>1</sup> Please see CEI South’s 2023 compliance filing in this Cause for additional information.

<sup>2</sup> “Antidumping and Countervailing Duty Orders on Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People’s Republic of China: Final Scope Determination and Final Affirmative Determinations of Circumvention With Respect to Cambodia, Malaysia, Thailand, and Vietnam,” 88 FR 57419 (2023).

<sup>3</sup> “Regulations Improving and Strengthening the Enforcement of Trade Remedies Through the Administration of the Antidumping and Countervailing Duty Laws,” 89 FR 20766 (2024).

<sup>4</sup> “Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People’s Republic of China: Countervailing Duty Order,” 77 FR 73017 (2012).

The DOC updated its Final Rule to expand the criteria for the DOC to be able to find particular market situations<sup>5</sup> to make transnational subsidy countervailable and to investigate the actions, or inactions, of foreign governments to impact module prices and costs. More specifically, under the new PMS criteria, the DOC and International Trade Administration (“ITA”) may investigate foreign manufacturers who benefit from other foreign government subsidies that may allow them to produce solar modules cheaper than domestic manufacturers. If these foreign manufacturers are deemed to have lower module prices due to foreign subsidies, then they may be at risk of additional duties on their imports into the U.S. The Final Rule also clarified that if a foreign manufacturer benefits from transnational subsidies from another government (e.g., if the manufacturer procured raw materials from a country where the raw materials are subsidized), then the foreign manufacturer may be subject to duties based on these subsidies.

While the intention of this rule is to make the playing field more level for domestic producers, improve accuracy of AD/CVD determinations, enhance the effectiveness of AD/CVD as a remedy to deter unfair trade, and strengthen the DOC’s and ITA’s ability to address and investigate incidences of noncompliance, these new updates will lead to stricter filing requirements for importers and exporters. If the DOC finds reason to reject or hold imports, then there will be subsequent delivery delays, further delaying project timelines and increasing costs.

On April 24, 2024, following closely on the heels of the promulgation of this new Final Rule, the American Alliance for Solar Manufacturing Trade Committee—an organization of leading U.S. solar manufacturers, including Convalt Energy, First Solar, Hanwha Q CELLS USA, Inc., Mission Solar Energy LLC, and others—filed a series of AD/CVD petitions with the U.S. International Trade Commission (“ITC”) and the DOC to investigate U.S. imports of crystalline

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<sup>5</sup> Particular Market Situation (“PMS”): “a circumstance or set of circumstances that does the following as determined by the Secretary [of Commerce]: (1) prevents or does not permit a proper comparison of sales price in the home market or third country market with export and constructed export prices; or (2) contributes to the distortion of the cost of materials and fabrication or other processing of any kind, such that the cost of production of merchandise subject to an investigation, suspension agreement, or antidumping order does not accurately reflect the cost of production in the ordinary course of trade.”

silicon photovoltaic cells from CMTV countries.<sup>6</sup> These petitions aim to impose antidumping and countervailing duties on U.S. imports of solar cells and modules from these countries that were not subject to the DOC's Final Rule.

The DOC released final determinations for the AD/CVD rates on CMTV countries on April 21, 2025.<sup>7</sup> The CVD rates apply to cells and modules imported from CMTV countries on or after October 4, 2024 (most suppliers in Vietnam and Thailand on or after July 6, 2024). The AD rates apply to cells and modules imported from CMTV on or after December 4, 2024 (most suppliers in Vietnam and Thailand on or after September 5, 2024). The DOC's final rates rose from their preliminary results, which were announced in February and March 2025. The country-wide rates are shown in Table 1 below, but specific manufacturers are subject to company-specific rates depending on findings from the DOC's investigations into manufacturers from CMTV countries.

Table 1 – DOC's Final AD/CVD Determinations

<b><u>Country</u></b>	<b><u>Final Antidumping Cash Deposit Rate</u></b>	<b><u>Final Countervailing Cash Deposit Rate</u></b>
Cambodia	117.18%	534.67%
Malaysia	1.92%	32.49%
Thailand	111.45%	263.74%
Vietnam	271.28%	124.57%

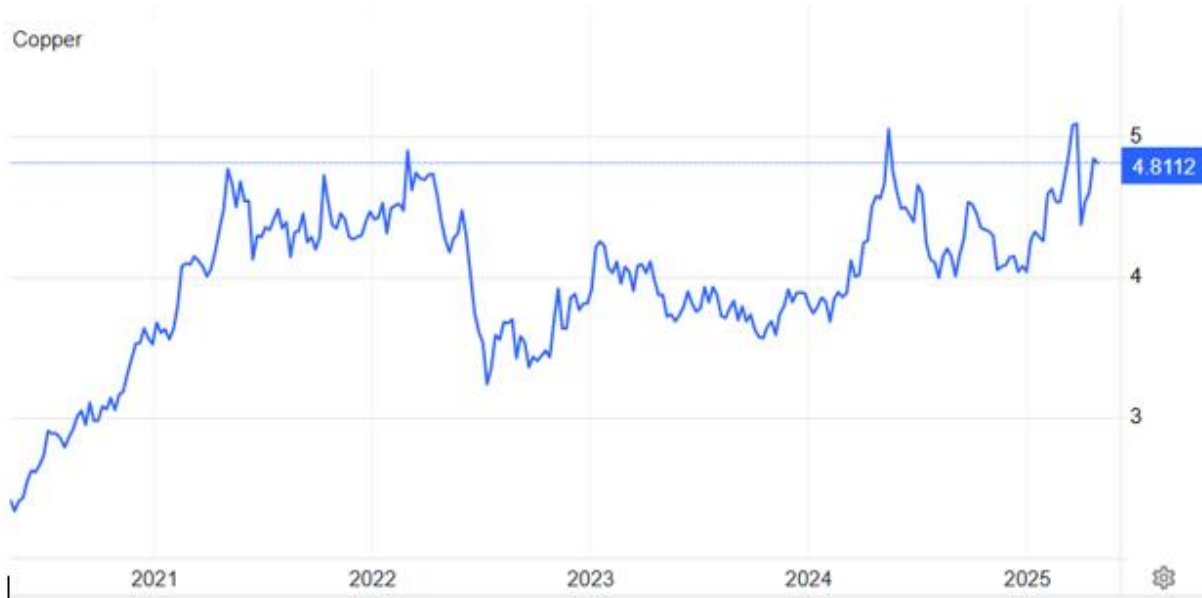
The cost of other components of solar facilities has also continued to increase. Common metal prices, including copper, steel, and aluminum, have increased. Trading Economics copper commodity pricing index shows that copper saw drastic pricing increases starting in 2020, pricing

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<sup>6</sup> *Petition for the Imposition of Antidumping and Countervailing Duties Pursuant to Sections 701 and 731 of the Tariff Act of 1930, As Amended, on Imports of Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from Cambodia, Malaysia, Thailand, and the Socialist Republic of Vietnam*, (Investigation Nos. A-555-003, A-557-830, A-549-851, A-552-841, C-555-004, C-557-831, C-549-852, and C-552-842), dated April 24, 2024.

<sup>7</sup> *Final Affirmative Determinations in the Antidumping and Countervailing Duty Investigations of Crystalline Photovoltaic Cells Whether or Not Assembled into Modules from Cambodia, Malaysia, Thailand, and the Socialist Republic of Vietnam*, (Investigation Nos. A-555-003, A-557-830, A-549-851, A-552-841, C-555-004, C-557-831, C-549-852, and C-552-842), dated April 21, 2025.

decreases after April 2022, and then pricing increases at the end of 2022. The index<sup>88</sup> also shows copper prices have increased since the end of 2023 and into 2024. After decreasing somewhat in the second half of 2024, copper prices have again increased in 2025:



The price of aluminum came down some in early 2023 and stayed fairly consistent throughout the year before rising a little in first quarter of 2024, where they have since remained.<sup>9</sup> The prices for labor, freight, and other materials, have also increased.<sup>10</sup>

## II. Request for Approval of Amended PPAs

The foregoing supply chain-related challenges and delays caused CEI South to make changes to the projects approved in this Cause, as well as to renewable projects approved in Cause No. 45501 in order to be able to bring those projects on-line in time to meet energy and capacity needs.

On October 19, 2022, CEI South filed a Petition with the Commission docketed as Cause No. 45786, requesting that the Commission amend the Order in this Cause to authorize CEI South to enter into an Amended PPA with Origis Energy affiliate IN Solar 1, LLC ("Origis"), which

<sup>8</sup> <https://tradingeconomics.com/commodity/copper>.

<sup>9</sup> <https://tradingeconomics.com/commodity/aluminum>.

<sup>10</sup> *Id.*

contained revised terms under which CEI South will purchase energy, capacity, and RECs from the Knox County Solar Project. The Commission approved the Amended PPA with Origen by Order dated February 22, 2023.

On January 17, 2023, CEI South filed a Petition with the Commission docketed as Cause No. 45839, requesting that the Commission amend the Order in this Cause to authorize CEI South to enter into an Amended PPA with Oriden LLC affiliate Vermillion Rise Solar LLC (“Oriden”), which contained revised terms under which CEI South will purchase energy, capacity and RECS from the Vermillion County Solar Project.<sup>11</sup> The Commission approved the Amended Vermillion PPA with Oriden and the Amended Warrick PPA with Clenera by Order dated May 30, 2023.

### **III. Update on Knox County Solar Project and Vermillion County Solar Project**

Since the Commission’s February 22, 2023, Order approving the Amended Knox County Solar PPA, Origen has entered into a contract to purchase solar panels and provided supporting documentation to CEI South as required under the Amended PPA. Origen finalized a revised delivery schedule with the panel provider. The project has continued to experience interconnection cost increases and construction delays, which has resulted in further delay of the module delivery and increased storage cost during this time period. Racking and modules started being delivered to the site in April and will continue in batches in accordance with the construction schedule.<sup>12</sup> Inverters and substation transformer are scheduled to be delivered in June 2025.

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<sup>11</sup> In Cause No. 45839, CEI South also sought approval of an amendment to a separate PPA approved by the Commission in Cause No. 45501 with Clenera LLC affiliate Rustic Hills II LLC (“Clenera”) for a project known as the “Warrick County Solar Project.”

<sup>12</sup> The Uyghur Forced Labor Prevention Act (“UFLPA”) was signed into law on December 23, 2021, and establishes a rebuttable presumption that the importation of any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of the People’s Republic of China, or produced by certain entities, is prohibited by Section 307 of the Tariff Act of 1930 and that such goods, wares, articles, and merchandise are not entitled to entry to the United States. The presumption applies unless the Commissioner of Customs and Border Protection determines that the importer of record has complied with specified conditions and, by clear and convincing evidence, that the goods, wares, articles, or merchandise were not produced using forced labor. Origen was advised that the module supplier does not have any materials sourced that would trigger UFLPA restrictions, but the supplier still must provide supporting documentation to clear Customs and Border Protection in a timely manner. The module supplier indicated it is exempt from Auxin DOC investigation.

Origis reached Full Notice to Proceed on March 28, 2025. The projects target COD of February 28, 2026, is still on track.

Since the Commission's May 30, 2023 Order approving the Amended Vermillion County Solar PPA, Oriden has not yet entered into a definitive agreement for the purchase of photovoltaic solar panels. The project's forecasted COD has once again been delayed, from December 2026 to April 2028, primarily due to delays in the interconnection process. Oriden is continuing to track market updates around UFLPA risk and the DOC's Final Rule on AD/CVD as they evaluate updated bids from module suppliers. Oriden will evaluate the schedule for module supplier selection based on the updated Interconnection Agreement and physical interconnection construction schedules from MISO and local transmission owner as well as current market conditions. The project is experiencing cost increases due to project delays. CEI South is continuing to evaluate the future of the project given the cost pressures and delays.

Respectfully submitted,



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Heather Watts, Atty. No. 35482-82  
Jeffery A. Earl, Atty. No. 27821-64  
Southern Indiana Gas and Electric Co.  
d/b/a CenterPoint Energy Indiana South  
211 NW Riverside Dr. | 101 West Ohio St. Ste. 450  
Evansville, IN 47708 | Indianapolis, IN 46204  
(812) 491-5119 | (317) 260-5399  
[Heather.Watts@CenterPointEnergy.com](mailto:Heather.Watts@CenterPointEnergy.com)  
[Jeffery.Earl@CenterPointEnergy.com](mailto:Jeffery.Earl@CenterPointEnergy.com)

Steven W. Krohne, Atty. No. 20969-49  
ICE MILLER LLP  
One American Square, Suite 2900  
Indianapolis, IN 46282-0200  
Mr. Krohne's Telephone: (317) 236-2294  
Facsimile: (317) 592-4212  
E-mail: [steven.krohne@icemiller.com](mailto:steven.krohne@icemiller.com)

Attorneys for Petitioner,  
Southern Indiana Gas & Electric Co.  
d/b/a CenterPoint Energy Indiana South

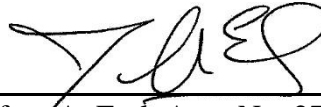
## **CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing has been served upon the following  
by electronic mail and/or U.S. Mail this 2nd day of May 2025:

T. Jason Haas  
Office of Utility Consumer Counselor  
PNC Center  
115 West Washington Street, Suite 1500S  
Indianapolis, IN 46204  
(317) 232-2786  
[THaas@oucc.IN.gov](mailto:THaas@oucc.IN.gov)  
[Infomgt@oucc.IN.gov](mailto:Infomgt@oucc.IN.gov)

Jennifer A. Washburn  
Citizens Action Coalition of Indiana, Inc.  
1915 West 18th Street, Suite C  
Indianapolis, IN 46202  
(317) 735-7764  
[jwashburn@citact.org](mailto:jwashburn@citact.org)

Courtesy Copy to:  
Reagan Kurtz  
[rkurtz@citact.org](mailto:rkurtz@citact.org)



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Jeffery A. Earl, Atty. No. 27821-64