

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANAPOLIS)
 POWER & LIGHT COMPANY D/B/A AES)
 INDIANA PURSUANT TO IND. CODE § 8-1-)
 2.5-5 FOR PARTIAL COMMISSION)
 DECLINATION UNDER IND. CODE)
 CHAPTER 8-1-8.5 TO ISSUE A)
 CERTIFICATE OF PUBLIC CONVENIENCE) CAUSE NO. _____
 AND NECESSITY OR OTHERWISE)
 APPROVE A SOLAR GENERATION)
 PROJECT OF APPROXIMATELY 375 KW_{ac})
 (384 KW_{dc}) AND ALTERNATIVE REQUEST)
 FOR APPROVAL OF SAID SOLAR PROJECT)
 AS CLEAN ENERGY PROJECT)

VERIFIED PETITION

Indianapolis Power & Light Company d/b/a AES Indiana (“Petitioner,” “AES Indiana,” (“IPL”) or “Company”), hereby petitions the Indiana Utility Regulatory Commission (“Commission”) pursuant to Indiana Code § 8-1-2.5.5 for a Commission order declining to exercise the Commission’s jurisdiction under Indiana Code chapter 8-1-8.5 with respect to a solar project of approximately 375 kW_{ac} (384 kW_{dc}) to be located at the Company’s Harding Street Station in Indianapolis, Indiana (“Harding Street Station Solar Array” or “Project”).¹ In the alternative, AES Indiana requests Commission approval of the Harding Street Station Solar Array as a Clean Energy Project pursuant to Indiana Code § 8-1-8.8-11. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission’s Rules of Practice and Procedure, AES Indiana submits the following information in support of this Petition.

¹ dc stands for “direct current”; ac stands for “alternating current.”

AES Indiana's Corporate Status and Operations

1. AES Indiana is a public utility corporation organized and existing under the laws of the State of Indiana with its principal office and place of business at One Monument Circle, Indianapolis, Indiana 46204. AES Indiana is engaged in rendering electric utility service in the State of Indiana.

2. AES Indiana provides retail electric utility service to more than 516,000 retail customers located principally in and near the City of Indianapolis, Indiana, and in portions of the following Indiana counties: Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Owen, Putnam and Shelby Counties.

3. AES Indiana is part of The AES Corporation. AES is a Fortune 500 global power company that operates on four continents. AES has substantial experience in renewable energy around the world. The AES US strategic business unit, including US Utilities, is headquartered in Indianapolis, Indiana, as is AES US Services, LLC, which is the service company that provides services to AES Indiana and other AES affiliates.

4. CDP Infrastructure Fund GP, a wholly owned subsidiary of La Caisse de depot et placement du Quebec, has a minority ownership interest in IPALCO Enterprises, Inc. ("IPALCO"), AES Indiana's immediate parent company, and in AES U.S. Investments, Inc., IPALCO's immediate parent company.

Petitioner's "Public Utility" Status

5. AES Indiana is a "public utility" under Ind. Code § 8-1-2-1 and Ind. Code § 8-1-8.5-1(a). AES Indiana provides "public utility service" as defined in Ind. Code § 8-1-8.5-1(b). AES Indiana is also an "energy utility" providing "retail energy service" as defined in Ind. Code

§§ 8-1-2.5-2 and 3. AES Indiana is also an electricity supplier within the meaning of Ind. Code § 8-1-2.3-2. AES Indiana is also an “eligible business” as that term is defined in Ind. Code § 8-1-8.8-6. AES Indiana is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

6. AES Indiana is also subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”).

7. As authorized by the Commission’s Order, in Cause No. 42027, dated December 17, 2001, AES Indiana’s transmission system is under the functional control of the Midcontinent Independent Transmission System Operator, Inc. (“MISO”), a FERC-approved regional transmission organization (“RTO”). AES Indiana’s transmission system is used for the provision of open access nondiscriminatory transmission service pursuant to MISO’s Open Access Transmission Tariff on file with FERC. Charges and credits are billed to AES Indiana as a member of MISO for functional operation of the transmission system, management of the MISO markets, and general administration of the RTO. As a MISO member, AES Indiana must also adhere to the federal reliability standards developed and enforced by the North American Electric Reliability Corporation (“NERC”), which is the electric reliability organization certified by FERC to establish and enforce reliability standards for the bulk power system. ReliabilityFirst (“RF”) is one of eight NERC Regional Entities and is responsible for overseeing regional reliability standard development and enforcing compliance. AES Indiana’s transmission facilities are wholly located within the RF region.

AES Indiana's Electric Utility System

8. AES Indiana owns and operates electric generating, transmission and distribution plant, property and equipment and related facilities, which are used and useful for the convenience of the public in the production, transmission, delivery and furnishing of electric energy, heat, light and power. AES Indiana has maintained and continues to maintain its properties in a reliable state of operating condition.

9. AES Indiana's Company-owned generating facilities have capacity of approximately 3,400 megawatts ("MW") located at four (4) separate generation sites.

10. The AES Indiana transmission system consists of approximately 458 circuit miles of lines at 345,000 volts ("345 kV"), 408 circuit miles of line at 138,000 volts ("138 kV") and 136 substations. There is a 345 kV ring around Marion County with multiple lines that interconnect into the ring at four different locations. Inside of the 345 kV ring is a 138-kV ring/grid. These two rings are connected through 345 kV to 138 kV auto transformers at six locations. This allows power to flow from the 345 kV transmission system to the 138 kV system. AES Indiana has generation connected to the 345 kV system at the Petersburg Generating Station and generation connected to the 138 kV system at Harding Street Station, Eagle Valley Station, and the Georgetown Generating Station.

11. The AES Indiana transmission system operates as part of a larger integrated network system, commonly referred to as the Eastern Interconnection. The AES Indiana transmission system is directly connected to the transmission systems of Indiana Michigan Power Company ("AEP"), Vectren Corporation ("Vectren"), Hoosier Energy Rural Electric Cooperative, Inc. ("HE"), and the electric system jointly owned by Duke Energy Indiana

(“Duke”), Indiana Municipal Power Agency and Wabash Valley Power Association, Inc.

12. Through the interconnections with these other utilities, power can flow into and out of the AES Indiana transmission system. The AES Indiana transmission system is connected at both the 345 kV and 138 kV levels with the other utilities. At the Petersburg Generation Station, there are 345 kV level interconnections with Duke and AEP, and 138 kV level interconnections with Duke, Vectren, and HE. In the Indianapolis area, AES Indiana’s transmission system has two 345 kV level interconnections with Duke and AEP, and 138 kV level interconnections with Duke.

13. The Company’s distribution system consists of approximately 5,115 circuit miles of underground primary and secondary cables and 6,119 circuit miles of overhead primary and secondary wire.

14. AES Indiana’s property is classified in accordance with the Uniform System of Accounts (“USOA”) as prescribed by FERC and approved and adopted by this Commission.

15. In order to continue to properly serve the public located in its service area and to execute its duties as a public utility, AES Indiana has made and continues to make numerous investments in its electric utility systems and resources.

16. AES Indiana also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

Applicable Law

17. AES Indiana considers the provisions of the Public Service Commission Act, as amended, to be applicable to the subject matter of this Petition, including Ind. Code §§ 8-1-2.5-5

and 8-1-8.8-11. AES Indiana elects to become subject to Ind. Code § 8-1-2.5-5 for purposes of this Petition.

The Harding Street Station Solar Array

18. AES Indiana seeks to develop, own, and operate a solar array at the Company's Harding Street Station, which project is referred to herein as the Harding Street Station Array or "Project." The Harding Street Station Solar Array will be approximately 375 kWac (384 kWdc) in size and will be located on the area previously used for coal handling at Harding Street Station.

19. The Harding Street Station Solar Array will utilize 5B Maverick™ arrays, which are preassembled solar arrays with monofacial solar modules designed and assembled by 5B AUSTRALIA PTY LIMITED or its subsidiaries ("5B"). 5B USA is based in Austin, Texas.

20. The 5B Maverick ground mount solar solution is designed to be safer, more cost effective and faster to deploy compared to traditional single axis solar trackers or comparable solar racking solutions.

21. The engineering, procurement and construction work for installation of the Harding Street Station Solar Array will use, to the extent practicable, contractor(s) subject to Indiana unemployment taxes and such contractors will be selected by the Company through a competitive solicitation process.

22. The Harding Street Station Solar Array will connect to the AES Indiana 13kV distribution network. The Harding Street Station Solar Array is expected to have an approximate net capacity factor of 19.4 percent and generate approximately 515 MWh of energy per year.

23. The best estimate of the cost of the Harding Street Station Solar Array cost is approximately \$1.419 million. Petitioner proposes to install the solar arrays by the end of 2022.

24. This Project will benefit the Company, its customers and the State as described in the Company's prefiled case-in-chief testimony.

25. In 2020, AES Indiana's ultimate parent company, The AES Corporation, acquired an approximate 25% minority interest in 5B. 5B is a cost method investment for The AES Corporation. AES will record income only when it receives dividends from 5B. Contemporaneous with the filing of this Petition, a redacted copy of the affiliate agreement with 5B is being filed separately with the Commission pursuant to Ind. Code § 8-1-2-49. Redacted and unredacted copies of this agreement are included with the Company's prefiled case-in-chief subject to the protection of confidential information.

Statutory Background

26. Ind. Code ch. 8-1-8.5 ("CPCN Statute"): Section 2 of the CPCN Statute provides: "Except as provided in section 7 of this chapter, a public utility may not begin the construction, purchase, or lease of any steam, water, or other facility for the generation of electricity to be directly or indirectly used for the furnishing of public utility service, even though the facility is for furnishing the service already being rendered, without first obtaining from the commission a certificate that public convenience and necessity requires, or will require, such construction, purchased, or lease."

27. Ind. Code § 8-1-8.5-7, i.e., the above referenced "section 7" of the CPCN Statute, sets forth the exceptions to certification requirements. In pertinent part, section 7 provides that the certification requirements do not apply to a public utility that:

(A) installs a clean energy project described in IC 8-1-8.8-2(2) that is approved by the commission and that:

- (i) uses a clean energy resource described in IC 8-1-37-4(a)(1), IC 8-1-37-4(a)(2), or IC 8-1-37-4(a)(5); and
- (ii) has a nameplate capacity of not more than fifty thousand (50,000) kilowatts; and

(B) uses a contractor that:

- (i) is subject to Indiana unemployment taxes; and
- (ii) is selected by the public utility through bids solicited in a competitive procurement process;

in the engineering, procurement, or construction of the project.

However, a person described in this section shall, nevertheless, be required to report to the commission the proposed construction of such a facility before beginning construction of the facility.

28. Ind. Code 8-1-8.8 (“Clean Energy Project Statute”): Per Ind. Code §§ 8-1-8.8-2 and 10, the definition of “Clean Energy Project” includes solar energy and therefore the Harding Street Station Solar Array is the type of generation investment encouraged by state policy and is eligible for Commission approval under this chapter. Commission approval is granted if the project is found reasonable and necessary, and this in turn opens the door to timely cost recovery and other financial incentives enumerated in the statute. More specifically, Section 11 of the Clean Energy Project Statute provides: “The commission shall encourage clean energy projects by creating the following financial incentives for clean energy projects, if the projects are found to be reasonable and necessary:

- (1) The timely recovery of costs and expenses incurred during construction and operation of projects described in section 2(1) or 2(2) of this chapter.
- (2) The authorization of up to three (3) percentage points on the return on shareholder equity that would otherwise be allowed to be earned on projects described in subdivision (1).
- (3) Financial incentives for the purchase of fuels or energy produced by a coal gasification facility or by a nuclear energy production or generating facility, including cost recovery and the incentive available under subdivision (2).
- (4) Financial incentives for projects to develop alternative energy sources, including renewable energy projects or coal gasification facilities.
- (5) Other financial incentives the commission considers appropriate.

29. Ind. Code 8-1-2.5-5 (“Declination of Jurisdiction Statute”): Under the Declination of Jurisdiction Statute, the Commission may decline to exercise its jurisdiction, in whole or in part, over an energy utility or the utility’s retail energy service or both, if the Commission concludes, after considering four factors, that the public interest will be served. The four factors that the Commission must consider are as follows:

- (1) Whether technological or operating conditions, competitive forces, or the extent of regulation by other state or federal regulatory bodies render the exercise, in whole or in part, of jurisdiction by the commission unnecessary or wasteful.
- (2) Whether the commission’s declining to exercise, in whole or in part, its jurisdiction will be beneficial for the energy utility, the energy utility’s customers or the state.
- (3) Whether the commission’s declining to exercise, in whole or in part, its jurisdiction will promote energy utility efficiency.
- (4) Whether the exercise of commission jurisdiction inhibits an energy utility from competing with other providers of functionally similar energy services or equipment.

Relief Sought

30. As stated above, and pursuant to Indiana Code § 8-1-2.5.5, AES Indiana requests the Commission enter an order declining to exercise the Commission’s jurisdiction under Indiana Code chapter 8-1-8.5 with respect to the Harding Street Station Solar Array Project. In the alternative, AES Indiana requests Commission approval of the Harding Street Station Solar Array as a Clean Energy Project pursuant to Indiana Code § 8-1-8.8-11.

31. The development of the Harding Street Station Solar Array is consistent with the state energy and regulatory policy to encourage development of renewable energy.

32. As shown above, the CPCN Statute provides that a public utility is not required to obtain a CPCN for a project the size of the Harding Street Station Solar Array if the Project is approved by the Commission as a Clean Energy Project, and otherwise satisfies the requirements

of Section 7 (which is the case here as further explained in the Company's prefiled case-in-chief testimony).

33. While the Harding Street Station Solar Array is eligible for consideration by the Commission under the Clean Energy Project Statute and the Company considers the Project to be reasonable and necessary, given the relatively small size and cost of the Project, the Company does not seek timely cost recovery, accounting relief or other financial incentive. Nor does the Company seek in this Petition the assurance of cost recovery that approval under Chapter 8.8 provides. The Company will demonstrate the Project is used and useful at such time as the facility is proposed to be included in rate base and its operating costs are reflected in a proposed revenue requirement in a future basic rate case filing by the Company. Consequently, in this situation, and as explained below, the limited declination of jurisdiction sought herein would streamline the administrative process and allow the Company to proceed with this Project in a timely manner.

34. More specifically, the Company seeks the Commission to decline to exercise its jurisdiction under Section 2 of the CPCN Statute or its jurisdiction under Section 7 of the CPCN Statute to require approval of the Harding Street Station Solar Array as a Clean Energy Project in order for the Project to be exempt from the certification requirements. Either approach is designed to streamline the regulatory review process and allow the Company to proceed with the Harding Street Station Solar Array in a timely manner.² Under either approach, the Project will be reflected in the Company's books and records in accordance with the USOA, costs will be reflected above the line, and the Commission will retain all of its other jurisdiction over the

Company with respect to this facility.

35. In the alternative, the Company asks the Commission find the Harding Street Station Solar Array to be reasonable and necessary and approve the Harding Street Station Solar Array as a Clean Energy Project so as to allow the Company to satisfy the requirement of Section 7 of the CPCN Statute that except this Project from the certification process. With respect to the alternative request for relief under the Clean Energy Project Statute, the Company seeks no accounting, ratemaking or other financial incentive as that term is used in Ind. Code § 8-1-8.8-11, except to the extent that the request for streamlined consideration and no timely cost recovery could be viewed as “Other financial incentives the commission considers appropriate” pursuant to Ind. Code § 8-1-8.8-11(a)(5). Because this alternative request for relief would require the Commission to find the Harding Street Station Solar Array is reasonable and necessary, the Company believes the better approach would be for the Commission to grant the Company’s limited request for declination of jurisdiction as this approach should streamline the review process for the Commission, the Indiana Office of Utility Consumer Counselor (“OUCC”) and the Company.

36. Ind. Code § 8-1-8.5-7 requires the Company to report this Project to the Commission prior to the proposed construction. AES Indiana is complying with this statutory provision via this filing.

Public Interest

37. As shown above, and further explained in the Company’s prefiled case-in-chief

² In the event the Commission determines the Harding Street Station Solar Array does not satisfy other exemption requirements in Section 7, the Company seeks the Commission to decline to exercise its jurisdiction under such requirements.

testimony, the Harding Street Station Project satisfies the Section 7 requirements for certification requirements other than the requirement that it be approved as a Clean Energy Project. Given the small size and cost of the Project it is unnecessary and wasteful for the Commission to exercise its jurisdiction to under Section 2 of the CPCN Statute or its jurisdiction to approve the Project under the Clean Energy Statute.

38. Therefore, the limited declination of jurisdiction sought herein will facilitate an environment whereby Indiana consumers will have available state-of-the art technology and energy services, and otherwise serves the public interest.

39. The limited declination of jurisdiction sought herein will streamline the review process and conserve regulatory resources for the Commission, the OUCC, any intervenors and the Company. This will provide efficiency and otherwise benefit the Company, its customers and the state.

Procedural and Other Matters

40. AES Indiana is filing its case-in-chief contemporaneous with its Petition, including direct testimony and attachments of the Company's two witnesses:

- C. Scott Perry, AES Indiana Manager, Regulatory Affairs: discusses AES Indiana's request that the Commission, to the extent necessary, decline to exercise its jurisdiction over the installation of a solar array located on the premises of AES Indiana's Harding Street Generating Station. He also explains that AES Indiana does not seek accounting or ratemaking relief in this proceeding but reserves its right to demonstrate the facility is used and useful in a future basic rate case to recover the associated costs via the retail revenue requirement. Finally, he explains why the

limited declination of jurisdiction sought by the Company is in the public interest and should be approved by the Commission.

- Robert A. Pflum, AES Indiana Senior Engineering Planner presents the proposed Project and discusses operational characteristics as well as this new technology. He also presents the “best estimate” of the Project cost, discusses the engineering, procurement and construction of and schedule for the Project, and explains why the Project is reasonable and necessary.

41. A motion for protective order and supporting affidavit are being filed contemporaneous with this Petition to protect certain confidential, proprietary, competitively sensitive and/or trade secret information included with AES Indiana’s filing from public disclosure.

42. In accordance with 170 IAC 1-1.1-9(a)(8), AES Indiana will continue to work with the Indiana Office of Utility Consumer Counselor (“OUCC”) to come to agreement on the following proposed procedural schedule and associated terms to satisfy the 120-day schedule provided in Ind. Code § 8-1-8.8-11(d) and will file any such agreement in this Cause:

a. Schedule.

Day 0	Tue. May 31, 2022	AES Indiana Petition & Filing of Case in Chief.
Day 49	Tue. July 19, 2022	OUCC and Intervenors Filing of Case in Chief.
Day 63	Tue. August 2, 2022	AES Indiana Petitioner’s Rebuttal/OUCC & Intervenors Cross Answering, if any.

Day 76	Mon. August 15, or Tue. August 16, 2022	Evidentiary hearing.
Day 79	Thur. August 18, 2022	AES Indiana proposed order/post hearing brief.
Day 91	Tue. August 30, 2022	OUCC and Intervenor proposed order/brief.
Day 98	Tue. September 6 2022	AES Indiana Reply.
Day 120	Wed. September 28, 2022	Statutory order date.

- b. Service. The parties will provide same day service filings via email, hand delivery or large file transfer.
- c. Discovery. Discovery is available to all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten (10) calendar days of the receipt of such request until July 19, 2022. Thereafter, any response or objection to a discovery request shall be made within five (5) calendar days of the receipt of such request. Any discovery communication received after noon on a Friday or after 5:00 p.m. on any other business day shall be deemed to have been received the following business day. The last discovery response due date shall be two (2) business days before the evidentiary hearing. The parties may conduct discovery through electronic means. Subject to the protection of confidential information, all parties will be served with discovery requests and responses.

Petitioner's Authorized Representatives

43. The names and address of AES Indiana's attorneys in this matter who are duly authorized to accept service of papers in this Cause on behalf of AES Indiana are:

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WHEREFORE, AES Indiana respectfully requests the Commission to promptly publish notice, make such investigation and hold such hearings as are necessary and advisable, and thereafter make and enter an order in this Cause:

(i) declining to exercise jurisdiction in part over the Harding Street Station Solar Array as requested above; and

(ii) granting to AES Indiana such other and further relief in the premises as may be appropriate and proper.

Dated this 31st day of May 2022.

INDIANAPOLIS POWER & LIGHT COMPANY
d/b/a AES Indiana

By

Chad A. Rogers
Senior Manager, AES Indiana Regulatory and
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VERIFICATION

I, Chad A. Rogers, Senior Manager, AES Indiana Regulatory and RTO Policy, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

Dated: May 31, 2022.

Chad A. Rogers

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 31st day of May, 2022, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

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