

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANA MICHIGAN)
POWER COMPANY (I&M) FOR APPROVAL OF)
RENEWABLE ENERGY PURCHASE)
AGREEMENTS WITH THE HOOSIER LINE) CAUSE NO. 46088
SOLAR PROJECT AND THE MEADOW LAKE IV)
WIND PROJECT (CLEAN ENERGY PPA)
PROJECTS) AS CLEAN ENERGY PROJECTS)
AND ASSOCIATED ACCOUNTING AND)
RATEMAKING, INCLUDING TIMELY COST)
RECOVERY, UNDER IND. CODE § 8-1-8.8-11.)

SUBMISSION OF DIRECT TESTIMONY OF DAVID A. LUCAS

Petitioner Indiana Michigan Power Company ("Petitioner" or "I&M"), by counsel,
hereby submits the direct testimony of David A. Lucas.

Respectfully submitted,




Teresa Morton Nyhart (Atty. No. 14044-49)
Jeffrey M. Peabody (Atty. No. 28000-53)
Taft, Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204-2023
Nyhart Phone: 317-713-3648
Peabody Phone: 317-713-3647
Fax: (317) 713-3699
Nyhart Email: tnyhart@taftlaw.com
Peabody Email: jpeabody@taftlaw.com

Attorneys for Indiana Michigan Power Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 20th day of June, 2024, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

William Fine
Carol Sparks Drake
Abby Gray
Indiana Office of Utility Consumer Counselor
Office of Utility Consumer Counselor
115 West Washington Street
Suite 1500 South
Indianapolis, Indiana 46204
WFine@oucc.in.gov
CaDrake@oucc.in.gov
agray@oucc.in.gov
infomgt@oucc.in.gov



Jeffrey M. Peabody

Teresa Morton Nyhart (Atty. No. 14044-49)
Jeffrey M. Peabody (Atty. No. 28000-53)
Taft, Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204-2023
Nyhart Phone: 317-713-3648
Peabody Phone: 317-713-3647
Fax: (317) 713-3699
Nyhart Email: tnyhart@taftlaw.com
Peabody Email: jpeabody@taftlaw.com

Attorneys for Indiana Michigan Power Company

INDIANA MICHIGAN POWER COMPANY

PRE-FILED VERIFIED DIRECT TESTIMONY

OF

DAVID A. LUCAS

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**DIRECT TESTIMONY OF DAVID A. LUCAS
ON BEHALF OF
INDIANA MICHIGAN POWER COMPANY**

I. Introduction of Witness

Q1. Please state your name and business address.

My name is David A. Lucas and my business address is Indiana Michigan Power Center, P.O. Box 60, Fort Wayne, IN 46801.

Q2. By whom are you employed and in what capacity?

I am employed by Indiana Michigan Power Company (I&M or Company) as Vice President – Regulatory and Finance.

Q3. Briefly describe your educational background and professional experience.

I have a Bachelor's Degree in Business Management and a Master of Business Administration Degree from Marshall University. I have completed the Program for Leadership Development at Harvard Business School and the American Electric Power (AEP) Leadership Development Program at The Ohio State University. I am a registered Project Management Professional (PMP).

Prior to joining AEP, I worked for more than 12 years in the heavy industrial construction industry. In my last position prior to joining AEP, I was an officer and Director of Business Operations for Williams Service Group, Inc. My responsibilities in this position included working with the executive management teams in multiple business units to develop strategic plans and manage the financial functions of the business units.

I joined the AEP Service Corporation in January 2005 as Manager – Financial Analysis & Budgeting SCR and Environmental. My primary roles at AEP Service

1 Corporation were in the areas of project management, budgeting, and project
2 controls where I served as Manager – Project Cost Management and Director –
3 Project Controls. I also held the position of Director – Environmental Retrofits
4 from November 2010 – January 2013.

5 In April 2014, I was named I&M's Vice President of Finance. In November 2016,
6 I was named I&M's Vice President Finance and Customer Experience. In
7 January 2021, I began my current role as Vice President – Regulatory and
8 Finance.

9 **Q4. Have you previously testified before any regulatory commissions?**

10 Yes. I have provided testimony in multiple I&M rate cases before the Indiana
11 Utility Regulatory Commission (IURC or Commission) docketed as Cause Nos.
12 45576, 45235 and 44967. I also provided testimony in I&M's generation filings
13 docketed as Cause Nos. 45868, 45869, and 45245. Additionally, I have
14 provided testimony in Michigan Public Service Commission (MPSC) Case Nos.
15 U-20359, U-18370, U-21189, U-21377, and U-21461.

16 **Q5. What are your responsibilities as Vice President – Regulatory and**
17 **Finance?**

18 I am responsible for managing the integrated financial plan and strategic
19 planning process for all I&M business units – Fossil & Hydro Generation,
20 Nuclear Generation, Transmission, and Utility Operations – which includes
21 distribution, customer services and marketing, regulatory services, energy
22 efficiency and demand side management, and other corporate support groups.

23 I am also responsible for managing the business operations, project controls,
24 continuous improvement, energy efficiency strategy and regulatory services
25 organizations.

II. Purpose of Testimony

1 **Q6. What is the purpose of your testimony?**

2 My testimony provides an overview of the relief I&M is seeking in this
3 proceeding and discusses the importance of a timely decision. I describe the
4 Company and our work to meet our customers' ongoing needs and interests in
5 reliable, affordable and sustainable generation resources through further
6 diversification of our generation resources. I discuss the retirement of the
7 Company's Rockport generating facility and the need to replace the capacity
8 and energy to serve customers. I introduce the renewable projects requested for
9 approval in this case (referred to herein as Clean Energy Projects) and how they
10 align with the Five Pillars. I also discuss the benefits associated with the Clean
11 Energy Projects and why the projects are reasonable and necessary and should
12 be approved.

13 **Q7. Are you sponsoring any attachments?**

14 Yes, I am sponsoring I&M Attachment DAL-1 – Verified Petition, which also
15 includes an index of witnesses as well as an index of the evidence regarding the
16 Five Pillars. In addition, I am co-sponsoring a portion of Attachment BT-1, which
17 provides the information required under General Administrative Order 2022-01.

18 **Q8. Were these attachments prepared or assembled by you or under your**
19 **direction and supervision?**

20 Yes.

III. Overview of I&M's System and Resources

Q9. Please describe I&M and its organizational structure.

I&M provides electric service to approximately 482,000 retail customers in northern and east-central Indiana and 133,000 retail customers in southwestern Michigan. I&M operates generation, transmission and distribution plant and equipment in Indiana and Michigan as an integrated system that provides electric service to its retail and wholesale customers in both states.

I&M is subject to the regulatory authority of the Indiana Utility Regulatory Commission (IURC), the Michigan Public Service Commission (MPSC), and the Federal Energy Regulatory Commission (FERC). I&M is a member of the PJM Interconnection, LLC, a regional transmission organization (RTO) serving the eastern portion of the country.

Q10. Please describe the relationship between AEP and I&M.

AEP owns electric operating companies, including I&M, located in the Midwestern and Central parts of the country. To effectively manage the costs of common activities, AEP Service Corporation (AEPSC) provides corporate support services to the operating companies, including generation-related services, project management, integrated planning, human resources, information technology, accounting, finance, and legal.

I&M as a member of PJM is located in the AEP System – East Zone (AEP East). AEP's operating companies, including I&M, are responsible for day-to-day operations and management of local business affairs, including responsibility and accountability for the operation of each operating company's generating plants.

Q11. Please describe I&M's existing generation portfolio of resources.

I&M's existing generation portfolio is currently comprised of two large central station resources, the Cook Nuclear Plant located in Bridgman, Michigan and the Rockport Plant, located in southern Indiana. In addition, I&M has purchase power agreements (PPA) with four wind farms and Ohio Valley Electric Corporation, and a suite of relatively small owned solar and run-of-river hydro resources. The specific resources are summarized in Table 5 on page 59 of the Company's Integrated Resource Planning (IRP) Report.¹

Q12. Please describe the Company's future plans for the Rockport facility.

I&M has committed to retire Rockport Unit 1 and Unit 2 by the end of 2028. At this time, and for purposes of I&M's most recent IRP², we assume Rockport Unit 1 will operate through 2028. With respect to Unit 2, I&M's and American Electric Power Generating Company's (AEG) lease interests terminated on December 7, 2022. I&M and AEG reacquired the unit in December 2022, as approved by FERC and allowed by a declination of jurisdiction order issued by the IURC in Cause No. 45546. Consistent with a settlement I&M reached with its Indiana stakeholders in that declination of jurisdiction proceeding, I&M used Rockport Unit 2 as a capacity-only resource for its Indiana customers from the end of the lease through May 31, 2024³, after which it transitioned fully to a "merchant" resource in the PJM wholesale market until it is retired.

¹ Indiana Michigan Power, Integrated Resource Planning Report to the IURC, January 31, 2022 Volume 1. The Company's IRP is available on IURC website and is also included as an attachment to Company witness Becker's direct testimony.

² <https://www.indianamichiganpower.com/community/improving-our-community/projects/irp/or> IURC website.

³ According to the terms of the Settlement Agreement approved in Cause No. 45546 (IURC Dec. 8, 2021).

Q13. What steps has the Company taken to date to transition its generation portfolio?

I&M began its generation transition in 2015 with the retirement of the Tanners Creek plant, a 995 MW four-unit coal facility that was located in Lawrenceburg, Indiana. As a result of the retirement of Tanners Creek and an increase in renewable resources, I&M's carbon emissions as an integrated system have declined by more than 90 percent since 2005. In 2021, I&M placed in-service its largest solar facility to date, the 20 MW (installed capacity or ICAP) St. Joseph solar facility. In 2023, more than 85 percent of I&M's energy used to serve customers was generated from carbon-free resources.

Looking forward, I&M has plans to replace the capacity and energy from Rockport through a responsible transition to a combination of intermittent renewable generation resources and natural gas resources. In 2023, the Commission approved I&M's future purchase or ownership of additional solar and natural gas capacity resources related to I&M's 2022 All-Source Request for Proposal (2022 RFP).⁴

Q14. What is the status of the projects the Commission approved in Cause Nos. 45868 and 45869?

In Cause No. 45868, the Commission approved four solar facilities, comprised of two renewable energy Power Purchase Agreements (referred to as PPAs) totaling 280 MW (ICAP) and owned resources (purchase and sale agreements or PSAs) totaling 469 MW (ICAP). The 180 MW Sculpin Solar PPA terminated due to failure to obtain a local approval necessary to continue development.

[REDACTED]

[REDACTED]

[REDACTED] I&M will be seeking Commission approval of the revised Elkhart County Solar PPA in a separate proceeding.

⁴ Cause Nos. 45868 and 45869.

1 The PSA resources continue to move forward but the in-service dates have
2 been delayed due to the PJM interconnection process. I&M advised the
3 Commission of the PSA project status in the Company's initial Semi-Annual
4 Progress Report (April 2024) in Cause No. 45245 (SPR-3).

5 In Cause No. 45869, the Commission approved a seven-year 210 MW capacity
6 purchase agreement (CPA) with the existing Montpelier Electric Generating
7 Station. This agreement will provide I&M's customers capacity beginning with
8 PJM 2027/2028 Planning Year, or June 1, 2027.

IV. I&M's Vision for the Future

9 **Q15. Please provide an overview of I&M's ongoing efforts to meet the need for**
10 **electric service to I&M's Indiana service territory.**

11 I&M is undergoing a major generation transformation as Rockport Unit 2 has
12 fully transitioned to a merchant unit and Rockport Unit 1 will retire from service
13 by the end of 2028. The retirement of these units provides a significant
14 opportunity for I&M to further diversify its generation portfolio and reduce its
15 carbon emissions.

16 I&M's vision for the future is an integrated approach to planning that will be used
17 to develop resource solutions that provide a reliable and resilient electric power
18 system. New resources, when combined with I&M's existing resources and the
19 generation resources acquired from I&M's 2022 RFP, will provide a diversified
20 and flexible portfolio of supply-side and demand-side resources that seek to
21 support stable energy costs over time, stimulate economic development growth,
22 reduce emissions, and take advantage of new technologies.

23 The Petition in this proceeding seeks approval of resources that are consistent
24 with the Company's 2021 IRP, the planning tool the Company utilizes to
25 determine how to meet the ongoing need for reliable and economic electric

1 demand in the Company's service area. The proposed Clean Energy Projects
2 are consistent with the Preferred Portfolio that was the result of the IRP process
3 and are an important step in replacing both the capacity and energy from the
4 Rockport facility by the end of 2028.

5 **Q16. Is I&M's vision for the future and the proposals presented in this**
6 **proceeding consistent with the "Five Pillars" as codified in Indiana Code**
7 **8-1-2-0.6 and described in the Commission's General Administrative Order**
8 **(GAO) issued on June 28, 2023?**

9 Yes. The Five Pillars include: 1) Reliability; 2) Affordability; 3) Resiliency; 4)
10 Stability; and 5) Environmental Sustainability. The objectives and metrics that
11 I&M used during the 2021 IRP process to determine the Preferred Portfolio were
12 very closely aligned with the Five Pillars. I&M's primary objectives were
13 Affordability, Sustainability, and Reliability and Resource Diversification. I&M's
14 Preferred Portfolio additions, when combined with I&M's current generation
15 resources, directly aligns with 21st Century Energy Policy Development Task
16 Force findings used in developing the Five Pillars, by providing "a diverse
17 resource mix that leverages the strengths of, and mitigates the weaknesses
18 inherent in, each type of generation resources."⁵ The Clean Energy Projects are
19 a critical element in implementing I&M's Preferred Portfolio and supports the
20 Five Pillars as described below.

- 21 • Reliability – The Clean Energy Projects are necessary to provide reliable
22 capacity and energy to replace Rockport once it retires in 2028. As
23 discussed by Company witness Becker, the Clean Energy Projects are
24 consistent with the Preferred Portfolio from the Company's 2021 IRP,
25 which included metrics for reliability.
- 26 • Affordability – The Clean Energy Projects were selected from the
27 Company's 2023 All-Source Request for Proposal (RFP) as discussed by

⁵ 21st Century Energy Policy Development Task Force Report, October 19, 2022, page 9.

1 Company witness Dehan. Further, as discussed by Company witness
2 Locigno, the overall estimated year one rate impact inclusive of the Clean
3 Energy Projects, the Lawrenceburg CPA⁶, and the projects approved in
4 Cause Nos. 45868⁷ and 45869, combined with the cost reductions
5 associated with the retirement of Rockport Units 1 and 2, results in a net
6 savings for I&M's customers.

- 7 • Resiliency and Stability – As discussed further by Company witness
8 Becker, the Clean Energy Projects allow I&M to further diversify its
9 generation resource portfolio which includes a combination of
10 dispatchable and intermittent resources of various technology types. A
11 diverse set of generation resources, that will be in different locations
12 throughout the state of Indiana, will provide the Company with optionality
13 on how to manage the overall system in the event of disruptions or off-
14 nominal events.
- 15 • Environmental Sustainability – The Clean Energy Projects will provide
16 I&M with renewable energy generation. In addition, the renewable
17 energy certificates (RECs) generated from the Clean Energy Projects will
18 be available to be utilized through Commission approved programs to
19 meet customers' interest in renewable energy.

⁶ I&M is seeking approval of the Lawrenceburg CPA in Cause No. 46083.

⁷ With the exception of the 180 MW Sculpin project that was terminated.

V. Overview of the Projects

Q17. Please describe the Clean Energy Projects.

I&M proposes the following Clean Energy Projects as PPAs with the Company contracting for the capacity and energy from these facilities. I provide a summary of the projects which are discussed in detail by Company witness Gaul.

- The Hoosier Line Solar Project (Hoosier Line Project) will be located in White County in Indiana and will produce 180 MWs of solar generation. The developer for this project is Leeward Renewable Energy LLC. The project is expected to be operational in March 2027. The Hoosier Line Project will be capable of producing enough energy to power approximately 54,000 homes.
- The Meadow Lake IV Wind Project (Meadow Lake Project) is a repower of an existing wind facility located in White County in Indiana and will produce 100 MWs of wind generation. The developer for this project is EDP Renewables North America. The project is expected to be operational by December 31, 2025. As discussed by Company witness Gaul, I&M will purchase 76 MWs of a bundled product (energy and RECs) starting at the repower operation date, which will step up to 100 MWs starting in June 2032 when the Meadow Lake Project's separate offtake agreement for 24% of energy and RECs expires. I&M will be entitled to 100% of the accredited capacity from the Meadow Lake Project for the entire 20-year term of the PPA. The Meadow Lake Project will be capable of producing enough energy to power approximately 30,000 homes.

VI. Overview of Relief Sought

Q18. Please summarize the relief sought in this proceeding.

I&M requests the Commission: (1) to find each of the Clean Energy Projects is reasonable and necessary; and (2) to encourage the development of each of the Clean Energy Projects by authorizing the timely recovery of costs and associated accounting and ratemaking treatment, as explained by Company witness Locigno.

Q19. Is I&M's request for approval of the PPA Projects as "Clean Energy Projects" consistent with the statutory purpose of Indiana Code chapter 8-1-8.8?

Yes. In particular, the statute (IC 8-1-8.8-1) states that:

(a)(2) The development of a robust and diverse portfolio of energy production or generating capacity, including... the use of renewable energy resources, is needed if Indiana is to continue to be successful in attracting new businesses and jobs. . . .

(b) The purpose of this chapter is to enhance Indiana's energy security and reliability by ensuring all of the following:

(1) Indiana's and the region's energy production or generating capacity continues to be adequate to provide for Indiana's current and future energy needs, including the support of the state's economic development efforts. . . .

I&M is an "energy utility" and thus is an "eligible business" under IC 8-1-8.8-6. Wind and solar energy are considered "clean energy resources" as defined in IC 8-1-37-4(a)(1) and (2). Thus, each of the proposed PPAs is a "renewable energy resource" as defined in IC 8-1-8.8-10 and thus a "Clean Energy Project" as defined in IC-8.8-2(2).

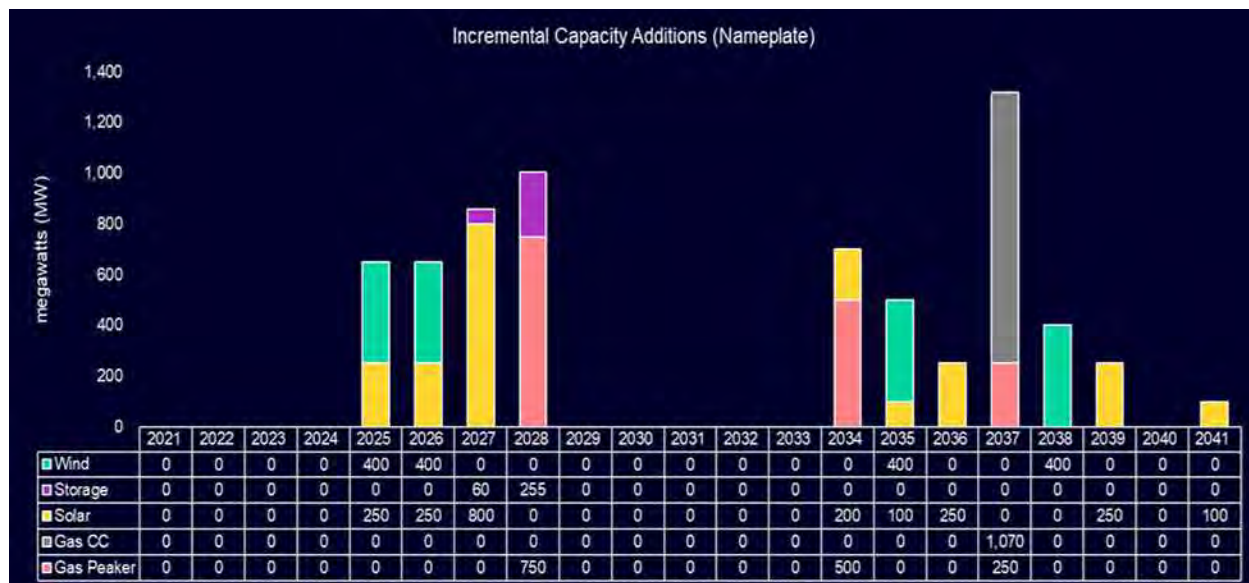
VII. Preferred Portfolio

Q20. Please briefly describe the Preferred Portfolio that supports the proposed Clean Energy Projects.

As described in detail by Company witness Becker, I&M's 2021 IRP was the result of a comprehensive IRP process to evaluate the Company's load obligations and the resources that were necessary to fulfill those obligations based on the best information available at that time. The IRP process ultimately resulted in a Preferred Portfolio, which was the result of extensive modeling, analysis, and stakeholder engagement.

As recognized in the IRP, the Company has clearly identified a need for new supply-side and demand-side resources beginning in 2024 through 2028 to replace the capacity and energy associated with the retirement of the Company's Rockport facility by 2028.⁸ The Company's Preferred Portfolio is a reasonable least cost plan, that best balances the Company's IRP objectives related to affordability, sustainability, reliability and resource diversification, while also limiting exposure to future market risks and providing the Company with needed flexibility for future decisions at our Cook Nuclear Plant. Figure DAL-1 provides an overview of the incremental capacity additions (representing installed capacity ratings or ICAP) included in the Preferred Portfolio as further explained by Company witness Becker.

⁸ Indiana Michigan Power, Integrated Resource Planning Report to the IURC, updated September 29, 2023.

Figure DAL-1 – Preferred Portfolio Incremental Capacity Additions

Q21. Has I&M experienced any notable changes that has caused variation in the resources I&M is able to acquire versus what the 2021 IRP modeled?

Yes. There have been several notable changes that have influenced resource availability, pricing, and timing since I&M's 2021 IRP. Company witness Gaul discusses several factors which have impacted the generation resource market and Company witness Burkholder discusses PJM changes that have also impacted both the Company's capacity planning reserve margin requirements and accredited capacity construct for generation resources.

Q22. Are the Clean Energy Projects proposed in this case consistent with the Preferred Portfolio from the 2021 IRP?

Yes. The Preferred Portfolio clearly identifies a need for additional capacity starting in 2025 to replace the Rockport capacity. The Preferred Portfolio includes 2,100 MW (ICAP) of renewable capacity additions by the 2028/2029 PJM Planning Year. The Clean Energy Projects requested in this proceeding

1 are needed to ensure the Company can meet its future customer load
2 obligations as determined by PJM.

3 **Q23. Did the Company perform a Portfolio Optimization Analysis (POA) to**
4 **confirm the Clean Energy Projects are consistent with the IRP and the**
5 **appropriate resources to select from the responses to the Company's 2023**
6 **All-Source RFP?**

7 Yes. As discussed further by Company witness Becker, the Company
8 performed a POA to account for market changes since the 2021 IRP. The
9 analysis provided further support for the selection of generation resources from
10 the 2023 All-Source RFP by considering updates to PJM policy and changes in
11 the Company's capacity needs, and the lack of wind generation available in
12 PJM. As a result of the POA, the Clean Energy Projects were determined to
13 best fulfill I&M's capacity needs consistent with the 2021 IRP.

VIII. Competitive Procurement Process

14 **Q24. Did I&M utilize a Competitive Procurement Process to select the proposed**
15 **Clean Energy Projects?**

16 Yes. I&M management worked closely with AEP's Regulated Infrastructure
17 Development team and other internal stakeholders to structure the 2023 All-
18 Source RFP in a manner that is consistent with competitive procurement best
19 practices and in a manner that would encourage responses from the open
20 market for resources in geographical locations that would provide value to I&M's
21 customers within the current PJM construct. As discussed in detail by Company
22 witness Dehan, the 2023 All Source RFP solicited responses from the market
23 for capacity resource needs identified in the Company's Preferred Portfolio for
24 the 2028/2029 PJM Planning Year. The 2023 All-Source RFP was designed in
25 a way that allowed for an open, non-discriminatory competitive procurement

1 process that considered both third-party and utility ownership, resource types or
2 combinations of resource types, various sizes and capacities within practical
3 limits, ancillary services, and cost reducing benefits. The 2023 All-Source RFP
4 was also structured to comply with the terms of the Settlement Agreement
5 approved by the Commission in Cause No. 45546.

6 **Q25. Did the Company use an Independent Monitor as a part of the competitive**
7 **procurement process?**

8 Yes. The Company utilized Charles River & Associates (CRA) to fulfill the role
9 of Independent Monitor. In addition to the defined role of an Independent
10 Monitor, CRA also managed the stakeholder process on behalf of the Company
11 and ensured all stakeholder feedback was received by the Company and
12 reasonably considered in the 2023 All-Source RFP process. Please see
13 witness Koujak's testimony for more detailed information on the role of CRA and
14 their report.

15 **Q26. Are the proposed Clean Energy Projects resulting from the Competitive**
16 **Procurement Process consistent with Preferred Portfolio?**

17 Yes.

18 **Q27. Please explain.**

19 The IRP is a planning process to determine capacity requirements and the
20 optimal resource selections based on modeling assumptions, resulting in a
21 Preferred Portfolio. These assumptions utilize the best information available at
22 the time relative to the supply, costs, and operating characteristics of each of the
23 resource types.

24 The 2023 All Source RFP utilizes the results of the IRP planning process to
25 determine the amount and types of capacity resources to target. It is the
26 market, however, that ultimately determines what actual resources are available

1 at the time of the solicitation and the costs of specific resources. It is not
2 unusual that what is available in the market at the point in time the RFP is
3 issued may differ from the assumptions that are used in the IRP.

4 The Clean Energy Projects proposed in this case are the result of a Competitive
5 Procurement Process and represent an optimal set of resources available in the
6 market to fulfill the capacity need consistent with that identified through the IRP
7 planning process.

IX. Timeline

8 Q28. Is a timely decision important?

9 Yes. I&M asks the Commission to issue a decision 120 days after the date of
10 the filing of the Joint Petition and supporting case-in-chief. The current
11 generation procurement landscape is rapidly evolving and a timely decision in
12 this proceeding is a significant milestone in being able to move the Clean
13 Energy Projects forward.

X. Benefits of the Clean Energy Projects

14 Q29. Are the Company's proposed investments in the Clean Energy Projects 15 beneficial?

16 Yes, the projects have many benefits for I&M's customers, including but not
17 limited to:

- 18 • Economic development benefits – I&M has recently had multiple
19 major announcements for economic development opportunities in our
20 region. Transitioning to a cleaner energy portfolio is of significant
21 interest to the companies seeking to locate in northeast Indiana.

1 Increasing the amount of renewable energy available to serve the
2 Northeast Indiana region will benefit maintaining and attracting new
3 investment and jobs to the region.

- 4 • Environmental benefits – I&M and AEP are committed to reducing
5 carbon emissions and improving our overall environmental
6 performance. AEP has a target to reduce full Scope 1 greenhouse
7 gas (GHG) emissions by 80%, from a 2005 baseline, by 2030 and has
8 a target of net-zero (Scopes 1 and 2) by 2045. The proposed Clean
9 Energy Projects are consistent with these targets and will increase
10 I&M renewable generation.
- 11 • Diversity of generation resources – As mentioned previously, I&M is at
12 a point of transition in its mix of generating assets. With the Cook
13 Nuclear facility as our anchor, the proposed Clean Energy Projects
14 combined with our existing wind, solar, and hydro resources; the
15 projects previously mentioned as currently under development; and
16 the 697 MW natural gas CPA that Company is seeking approval of
17 from the 2023 All-Source RFP in a separate case⁹, the Company is
18 continuing its transition to a more diversified fleet of resources. The
19 Clean Energy Projects will benefit customers by reducing risks
20 associated with future fuel prices and environmental or regulatory
21 policies that can impact specific types of generation resources. A
22 diverse portfolio also provides operational flexibility as different
23 resources have different operating characteristics.
- 24 • Renewable energy certificate benefits – The Clean Energy Projects
25 will provide RECs that the Company can utilize through approved
26 customer programs to meet customers' growing interests in renewable
27 energy while also benefiting all customers as the value of any

⁹ See Cause No. 46083.

1 monetized renewable energy credits can be passed back to
2 customers to partially offset the cost of the Clean Energy Projects.

- 3 • Local economic benefits – The Clean Energy Projects will benefit the
4 local communities by generating incremental investment in Indiana
5 that will benefit Hoosier families, businesses, and industries.

XI. Conclusion

6 Q30. What is your conclusion and recommendation?

7 I&M has clearly established a need for capacity and energy. The Clean Energy
8 Projects proposed in this proceeding are consistent with the Five Pillars, the
9 result of a competitive procurement process and represent a reasonable, least
10 cost option for the Company to utilize in meeting its ongoing obligation to
11 provide adequate and reliable service and facilities.

12 Therefore, I&M is requesting that the Commission find each of the Clean Energy
13 Projects proposed in this proceeding to be reasonable and necessary, approve
14 each of the Clean Energy Projects as a “clean energy resource”, and authorize
15 the accounting and ratemaking sought by the Company.

16 Q31. Does this conclude your pre-filed verified direct testimony?

17 Yes, it does.

VERIFICATION

I, David A. Lucas, I&M Vice President – Regulatory and Finance, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Dated: June 20, 2024

A handwritten signature in dark ink that reads "DAVID A. Lucas". The signature is written in a cursive style with a large initial "D".

David A. Lucas

**Attachment DAL-1
Verified Petition**

[Not Reproduced Herein]