VERIFIED DIRECT TESTIMONY

OF

JOHN BIGALBAL

ON BEHALF OF

INDIANAPOLIS POWER & LIGHT COMPANY

D/B/A AES INDIANA

Cause No. 45911

SPONSORING AES INDIANA ATTACHMENT JB-1

VERIFIED DIRECT TESTIMONY OF JOHN BIGALBAL

ON BEHALF OF AES INDIANA

1. INTRODUCTION

Q1. Please state your name, employer, and business address.

A1. My name is John Bigalbal. I am employed by AES US Services, LLC, ("AES Services", also "Service Company"), which is the service company that serves Indianapolis Power & Light Company d/b/a AES Indiana ("AES Indiana", "IPL", or "the Company"). The Service Company is located at One Monument Circle, Indianapolis, Indiana 46204.

Q2. What is your position with AES Services?

A2. I am the Chief Operating Officer, US Conventional Generation.

Q3. On whose behalf are you submitting this direct testimony?

A3. I am submitting this testimony on behalf of AES Indiana.

Q4. Please describe your duties as Chief Operating Officer.

A4. As Chief Operating Officer, I manage the US conventional generation fleet that includes coal and natural gas steam, combined cycle gas turbine and simple cycle generation plants with a combined net capacity of approximately 3,000 megawatts.

Q5. Please summarize your education and professional qualifications.

A5. I graduated from Thames Valley State Technical College with a degree in Electrical Engineering. I have also completed an Executive Leadership Program at Georgetown University's McDonough School of Business.

Q6. Please summarize your prior work experience.

A6. I started my career in 1987 with Connecticut Light and Power and worked in Operations and Engineering. I left the utility in 1991 to perform the startup and commissioning of Exeter Energy, a 30-megawatt tire-fired generation plant. In 1992, I started working for AES at the AES Thames cogeneration plant. I have been with AES for 30 years. During my time with AES, I have worked in Instrumentation and Controls, Engineering, Environmental, Safety, Business Development, Commercial, and Construction. I have been in several leadership roles including the management of a large merchant coal-fired generation plant and a fleet of six merchant coal-fired generation plants, business development, fuel, and logistics as well as this current role.

Q7. Have you testified previously before the Indiana Utility Regulatory Commission ("Commission") or any other regulatory agency?

A7. Yes. I filed testimony in AES Indiana's Cause No. 38703 FAC 133 through FAC 135 and FAC 133 S1.

Q8. What is the purpose of your testimony in this proceeding?

A8. My testimony provides an overview of the Company's generation fleet. I support the adjustments to remove costs related the Eagle Valley extended outage and Petersburg Unit 2 costs from the test year, and the adjustment to generation related materials and supplies inventory.

Q9. Are you sponsoring or co-sponsoring any financial exhibits or attachments?

A9. Yes. I sponsor or co-sponsor the following financial exhibits or attachments:

- AES Indiana Attachment JB-1 - AES Indiana generation fleet.

- AES Indiana Financial Exhibit OPER, Schedule OM7 – Adjustment to Non-Outage Operating and Maintenance Costs, Excluding Base Labor and Benefits.
- AES Indiana Financial Exhibit RB, Schedule RB7 – Adjustment to test year end Materials and Supplies Inventory.

Q10. Did you submit any workpapers?

A10. Yes, workpapers are provided in electronic format that support the financial exhibits that I sponsor.

Q11. Were these exhibits, attachments, or workpapers, or portions thereof, that you are sponsoring or co-sponsoring prepared or assembled by you or under your direction and supervision?

A11. Yes.

2. AES INDIANA'S PROVISION OF SERVICE TO CUSTOMERS

Q12. How does AES Indiana meet its customers' needs for electricity supply?

A12. AES Indiana's existing portfolio of generating assets provides the bulk of the supply necessary to meet customer demands. AES Indiana also uses (a) purchased power from the wholesale market; (b) load management and distributed generation; and (c) demand-side management and energy efficiency to meet our customers' need for electricity. This portfolio approach focuses on the deployment of the reasonable least cost combination of resources from a wide variety of options and on the reduction of risk through diversification. Consistent with state policy, this approach ensures both a stable source of electricity and adequacy of demand and energy requirements for our customers.

3. ELECTRIC PLANT IN SERVICE – GENERATION

Q13. Please provide an overview of AES Indiana's existing generating system.

A13. AES Indiana's current nominal summer generating capacity totals approximately 2,800 Net MW which was decreased from approximately 3,200 Net MW when Petersburg Unit 2 retired on May 31, 2023.[1] The current generation capacity is located at four sites: (a) Petersburg Station (Petersburg, Indiana), (b) Harding Street Station (Southwest Indianapolis), Eagle Valley Station (Martinsville, Indiana), and (d) Georgetown (Northwest Indianapolis).

Q14. Please describe the overall condition of AES Indiana's generation plants.

A14. The generating plants are well maintained, in good condition and are necessary for AES Indiana's provision of electric service.

AES Indiana is scheduling its generating units at Petersburg and Harding Street Station to undergo a planned outage approximately once every 18 months. The cycles for Harding Street Station were originally planned to be longer, however, they have been shortened to 18 months to reflect the higher capacity factors and greater number of starts each year than was originally expected after the conversion to natural gas. The shorter schedule is reasonable because the additional unit usage means there is a faster deterioration in equipment. The outage costs for Eagle Valley CCGTs ("Combined Cycle Gas Turbine") are a fixed payment based on the Long-Term Service Agreement ("LTSA") between the

[1] See AES Indiana Attachment JB-1 for AES Indiana's current nominal summer generating capacity by location. Petersburg Unit 2 was retired on May 31, 2023, however, it is available to run through June 30, 2023 in an emergency situation.

Company and General Electric. The LTSA defines the outage schedules. Also, the steam unit at Eagle Valley has a steam turbine overhaul scheduled every 9-10 years.

4. ADJUSTMENT TO GENERATION NON-OUTAGE COSTS

Q15. Please explain AES Indiana Financial Exhibit OPER, Schedule OM7.

A15. AES Indiana Financial Exhibit OPER, Schedule OM7 adjusts test year operating results to remove $1.3 million of test year O&M related to the Eagle Valley extended outage agreed to in the settlement approved in Cause No. 38703 FAC 133 S1. AES Indiana Financial Exhibit OPER, Schedule OM7 also adjusts test year operating results downward by $12.2 million to remove Petersburg Unit 2 actual costs because the unit is now retired.

5. ADJUSTMENT TO GENERATION MATERIALS AND SUPPLIES INVENTORY

Q16. Please discuss AES Indiana Financial Exhibit RB, Schedule RB7.

A16. AES Indiana Financial Exhibit RB, Schedule RB7 reduces the December 31, 2022 rate base cutoff date balance of $62.8 million by $0.8 million to reflect the 13-month average of $62.0 million for generation materials and supplies inventory which is representative of future inventory levels.

6. SUMMARY AND RECOMMENDATIONS

Q17. Please summarize your testimony and recommendations.

A17. AES Indiana maintains its generation fleet in good condition as it is necessary for the provision of service to its customers. AES Indiana Financial Exhibit OPER, Schedule OM7 reasonably adjusts the test year O&M to reflect the retirement of Petersburg Unit 2 and the settlement approved in Cause No. 38703 FAC 133 S1 related to the Eagle Valley extended outage. AES Indiana Financial Exhibit RB, Schedule RB7 reasonably adjusts the test year

generation materials and supplies inventory to reflect the 13-month average. I recommend the Commission approve these adjustments.

Q18. Does this conclude your verified pre-filed direct testimony?

A18. Yes.

Verification

I, John Bigalbal, Chief Operating Officer, US Conventional Generation for AES US Services, LLC affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

John Bigalbal
Dated June 28, 2023

AES Indiana Present and Future Owned Generating Resources
Installed Capacity Credit

Plant Name	Unit Number	In-Service Year	Unit Type	Fuel	Status	ICAP Value (MW)[1]
Petersburg Station	1	1967	ST	Coal	Retired	0
Petersburg Station	2	1969	ST	Coal	Retired	0
Petersburg Station	3	1977	ST	Coal		529
Petersburg Station	4	1986	ST	Coal		543
Petersburg Station	DG	1967	IC	Diesel	No Capacity	0
Harding Street Station	5	1958	ST	Gas		97
Harding Street Station	6	1961	ST	Gas		100
Harding Street Station	7	1973	ST	Gas		421
Harding Street Station	CT 1	1973	CT	Oil		36
Harding Street Station	CT 2	1973	CT	Oil		
Harding Street Station	CT 4	1994	CT	Gas/Oil		70
Harding Street Station	CT 5	1995	CT	Gas/Oil		72
Harding Street Station	CT 6	2002	CT	Gas		147
Harding Street Station	DG	1967	IC	Diesel	No Capacity	0
Eagle Valley Station	CCGT	2018	CCGT	Gas		664
Georgetown Station	1	2000	CT	Gas		75
Georgetown Station	4	2001	CT	Gas		75
Total						2,829

[1] Ratings reflect nominal summer ratings used for planning and modeling.