

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF INDIANAPOLIS)
POWER & LIGHT COMPANY D/B/A AES)
INDIANA (“AES INDIANA”) AND AES PIKE)
COUNTY ENERGY STORAGE, LLC FOR (1))
APPROVAL OF A STAND-ALONE BATTERY)
ENERGY STORAGE SYSTEM PROJECT AT)
PETERSBURG STATION (“PIKE COUNTY)
PROJECT”), INCLUDING A JOINT VENTURE)
STRUCTURE BETWEEN AN AES INDIANA)
SUBSIDIARY AND ONE OR MORE TAX EQUITY)
PARTNERS AND A CAPACITY AGREEMENT)
AND CONTRACT FOR DIFFERENCES)
BETWEEN AES INDIANA AND THE AES)
SUBSIDIARY PROJECT COMPANY THAT)
HOLDS THE PIKE COUNTY PROJECT, AS A)
CLEAN ENERGY PROJECT AND ASSOCIATED)
TIMELY COST RECOVERY UNDER IND. CODE)
§ 8-1-8.8-11; (2) APPROVAL OF ACCOUNTING)
AND RATEMAKING FOR THE PIKE COUNTY)
PROJECT, INCLUDING AN ALTERNATIVE)
REGULATORY PLAN UNDER IND. CODE §)
8-1-2.5-6 TO FACILITATE AES INDIANA’S)
INVESTMENT IN THE PROJECT THROUGH A)
JOINT VENTURE; (3) ISSUANCE OF AN ORDER)
PURSUANT TO IND. CODE § 8-1-2.5-5)
DECLINING TO EXERCISE JURISDICTION)
OVER THE JOINT VENTURE, INCLUDING THE)
PROJECT COMPANY, AS A PUBLIC UTILITY)
AND DECLINING TO EXERCISE JURISDICTION)
UNDER TO IND. CODE § 8-1-8.5-2; AND (4) TO)
THE EXTENT NECESSARY, ISSUANCE OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY PURSUANT TO IND. CODE § 8-1-8.5-)
2 FOR THE DEVELOPMENT OF THE PIKE)
COUNTY PROJECT BY A WHOLLY OWNED)
AES INDIANA SUBSIDIARY**

CAUSE NO. 45920

VERIFIED PETITION

Indianapolis Power & Light Company d/b/a AES Indiana (“AES Indiana” “IPL”,

“Company”) and AES Pike County Energy Storage, LLC, (collectively “Petitioners”), hereby petition the Indiana Utility Regulatory Commission (“Commission”) for approvals and authority for the development and operation of a battery energy storage systems project (referred to herein as “Pike County Energy Storage”, “Pike County BESS Project” or “Project”). 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 and AES Pike County Energy Storage, LLC, submit the following information in support of this Petition.

The Pike County Project

1. AES Indiana, through a wholly owned subsidiary, AES Pike County Energy Storage, LLC (“Pike County Energy Storage” or “Owner”), has entered into a BESS Engineering, Procurement and Construction (“EPC”) Agreement (“EPC Agreement”) with Fluence Energy LLC (“Contractor”) for the engineering, permitting, procurement, construction, and installation of the Project Substations and for the design, procurement, installation, commissioning and testing services in connection with the proposed BESS. The EPC Agreement is subject to Commission approval.

2. The EPC Agreement is a confidential document and will be filed in this Cause subject to the protection of these documents from public disclosure.

3. Pike County Energy Storage is a standalone project composed of two sets of 100 MW/4-hour (total expected output 800 MWh at 80% of discharge level) that will be connected to two 34.5/345 kV transformers included in a single collector substation. Batteries will be distributed via independent enclosures that feed separate inverters that interconnect on medium voltage level (34.5 kV).

4. The Project will be located on a 26-acre footprint, on the existing Petersburg Generating Station property already owned by AES Indiana.

5. The Project will interconnect through a 0.6 mile long 345 kV transmission line to the Petersburg Substation, where the point of interconnection (“POI”) has been defined. The project will use Midcontinent Independent System Operator (“MISO”) injection rights from retired Petersburg Unit 2.

6. The Project is expected to be eligible for 40% Investment Tax Credit (“ITC”) as it is located in an Energy Community as defined in Inflation Reduction Act (“IRA”).

7. The Commercial Operation Date (“COD”) is expected by December 1, 2024.

Relief Sought.

8. AES Indiana requests: 1) approval of the Pike County Energy Storage Project, including the EPC Agreement and a joint venture structure between an AES Indiana subsidiary that owns the BESS Project and one or more tax equity partners as a Clean Energy Project; 2) approval of a capacity agreement and contract for differences between AES Indiana and AES Pike County Energy Storage, LLC; 3) approval of associated timely cost recovery, under Ind. Code § 8-1-8.8-11; 4) approval of accounting and ratemaking for the Pike County Energy Storage Project, including an alternative regulatory plan (“ARP”) under Ind. Code § 8-1-2.5-6 to facilitate AES Indiana’s investment in the Project through a joint venture and deferral and subsequent recovery of Project Development Costs consistent with Ind. Code § 8-1-2.5-6 and Ind. Code § 8-1-8.8-11. The proposed ARP is in the public interest.

9. AES Indiana and AES Pike County Energy Storage, LLC also request the Commission to issue an order pursuant to Ind. Code § 8-1-2.5-5 declining to exercise jurisdiction over the joint venture, including AES Pike County Energy Storage, LLC, as a public utility. Declination of jurisdiction satisfies in the public interest. AES Indiana will continue to be subject to full Commission jurisdiction. AES Pike County Energy Storage, LLC will be subject to FERC jurisdiction. The regulatory framework established in FERC Order 841 removed barriers to the participation of storage resources in wholesale electric markets operation by Regional Transmission Organizations, including MISO.¹ As the Project nears completion, the AES Pike County Energy Storage, LLC will 1) make a request to FERC under Section 205 of the Federal Power Act for authorization required to sell energy stored and discharged by the Pike Project facility into the wholesale market, and 2) seek authorization to sell capacity and ancillary services to AES Indiana, an affiliate.

10. Ind. Code § 8-1-8.5-2 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, purchase, or lease.

11. A stand-alone battery energy storage facility stores electricity. The electricity stored in the batteries is produced by other facilities. The stand-alone BESS is not a facility “for the” “generation of electricity”. As a stand-alone BESS, the Pike Project will need to be

¹ *3 Elec. Storage Participation in Mkts. Operated by Reg'l Transmission Org. & Indep. Sys. Operators*, Order No. 841, 162 FERC ¶ 61,127 (Feb. 15, 2018) (“Order 841”).

interconnected to a generation source (e.g., the bulk transmission grid) in order to store electricity. The Pike Project will not “generate” or “originate” electricity. Therefore, the Project does not fall within the plain language of a Section 2 of the Powerplant Construction Act (Ind. Code § 8-1-8.5-2) and thus this statute should not apply. Should the Commission conclude otherwise, AES Indiana requests, pursuant to Ind. Code § 8-1-2.5-5, the Commission decline to exercise jurisdiction under Ind. Code § 8-1-8.5-2, or in the alternative that the Commission issue a certificate of public convenience and necessity (“CPCN”) pursuant to Ind. Code § 8-1-8.5-2 for the development of the Pike County Project as proposed by AES Indiana.

AES Indiana’s Corporate Status and Operations

12. 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.

13. AES Indiana renders retail electric utility service to approximately 519,000 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.

14. AES Indiana is part of The AES Corporation, a US-based energy company with global operations. AES US Services, LLC, which is the service company that supports AES Indiana and other AES affiliates, is headquartered in Indianapolis, Indiana.

15. In addition to AES' ownership, CDP Infrastructure Fund L.P., a wholly-owned subsidiary of La Caisse de depot et placement du Quebec ("CDPQ"), also owns a minority equity interest in IPALCO, AES Indiana's immediate parent company.

AES Indiana's "Public Utility" Status

16. AES Indiana is a "public utility" under Ind. Code § 8-1-2-1. AES Indiana is also an "energy utility" as defined in Ind. Code § 8-1-2.5-2 and 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.

17. AES Indiana is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

18. 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"). As a member of MISO, charges and credits are billed to AES Indiana 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 the 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

19. 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 good condition as reasonably necessary for the provision of electric service to customers in accordance with Indiana law and energy policy.

20. AES Indiana's Company-owned generating facilities have an installed capacity of approximately 3,238 megawatts ("MW") located at four (4) separate generation sites.

21. The AES Indiana transmission system consists of approximately 458 miles of 345,000 volts (345 kV) lines, 408 miles of 138,000 volts (138 kV) lines and associated substations. There is a 345 kV ring around Marion County with multiple 345 kV 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. The customers within the AES Indiana service territory are connected 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 and Eagle Valley Generating Station. Supporting the AES Indiana transmission system is the 20 MW Harding Street Station Battery Energy Storage System located at the Harding Street Station and

the +300/-100 MVAR Static VAR Compensator located at the Southwest Substation. All of these resources work together to support the resiliency of the AES Indiana Transmission and Distribution System. Consistent with state policy, the Transmission and Distribution System is integral in providing customers with reliable service and a stable source of electricity in which frequency and voltage are maintained consistent with industry standards.

22. AES Indiana operates 23 transmission substations in its transmission system which is operated as part of a larger integrated network transmission system commonly referred to as the Eastern Interconnection. The Eastern Interconnection is that portion of North America east of the Rocky Mountains, excluding the State of Texas. The AES Indiana transmission system is directly connected to the transmission systems of Duke Energy Indiana (“Duke”), American Electric Power (“AEP”), CenterPoint Energy (“CPE”), previously known as Vectren, and Hoosier Energy (“HE”). Through the interconnections with these other utilities, power can flow into and out of the AES Indiana transmission system. The AES Indiana transmission system also operates as a part of the MISO, Central Region. This provides additional reliability and resiliency along with access to the MISO Energy market to obtain power for AES Indiana customers.

23. The AES Indiana transmission system is connected at both the 345 kV and 138 kV level with other utilities. At the Petersburg Generating Station there are 345 kV interconnections with Duke and AEP and 138 kV level interconnections with Duke, HE, and CPE. In the Indianapolis area, AES Indiana’s transmission system is interconnected at the 345 kV level with Duke and AEP, and at the 138 kV level with Duke.

24. The AES Indiana distribution system consists of 3,926 miles of overhead primary distribution lines and 4,299 miles of underground primary distribution lines operating at 4,160 volt (4 kV), 13,200 volt (13 kV), and 34,500 volt (34 kV). The AES Indiana secondary system are those lines and facilities that operate below 600 volts. The vast majority of the AES Indiana customers are served directly from the secondary distribution facilities. The secondary distribution system consists of 3,065 miles of overhead secondary lines and 1,939 miles of underground secondary lines.

25. 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.

26. 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.

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

Applicable Law

28. 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 §§ 8-1-8.8-11, 8-1-2-0.6, 10, 14, and 42(a), and 8-1-2.5-5 and 6.

29. The proposed Project and associated requests for relief are consistent with Indiana energy policy and reasonably consider each of five attributes of electric utility service enumerated in the HEA 1007, effective July 1, 2023, namely: Reliability, Affordability;

Resiliency, Stability; and Environmental Sustainability. In accordance with GAO 2023-04 these “Five Pillars” are discussed in the Company’s prefiled case-in-chief (witnesses Cooper, Miller and Rogers). An index of the Company’s testimony on the Five Pillars is included with witness Cooper’s testimony.

30. AES Indiana elects to become subject to Ind. Code §§ 8-1-2.5-5 and 6 for purposes of the declination of jurisdiction requested herein and for the ARP proposed below and further detailed in AES Indiana’s case-in-chief testimony.

AES Indiana Integrated Resource Plan and All-Source Request For Proposals.

31. Indiana’s utility regulatory framework requires AES Indiana to submit an Integrated Resource Plan (“IRP”) to the Commission every three years. Ind. Code § 8-1-8.5-3(e)(2); 170 Indiana Administrative Code (“IAC”) 4-7-2.

The IRPs are subject to a rigorous stakeholder process. IRPs describe how the utility plans to deliver safe, reliable, and efficient electricity at just and reasonable rates. Further, these plans must be in the public interest and consistent with state energy and environmental policies. Each utility’s IRP explains how it will use existing and future resources to meet customer demand. When selecting these resources, the utility must consider a broad range of potential future conditions and variables and select a combination that would provide reliable service in an efficient and cost-effective manner.²

32. AES Indiana’s most recent IRP was submitted to the Commission on December 1, 2022 (“2022 IRP”). The study period for AES Indiana’s 2022 IRP is 2023-2042. In accordance with the Commission’s rules, AES Indiana’s 2022 IRP includes a Preferred Resource Portfolio and a Short Term Action Plan for the three-year period following the IRP. The IRP Short Term Action Plan includes the addition of up to 240 MW installed capacity “ICAP” BESS at

Petersburg to fill the winter capacity position in 2025. The proposed Pike County Project helps meet this need with 200 MW ICAP of the BESS capacity.

Joint Venture and Capacity Agreement and Contract for Differences (“CfD”)

33. AES Indiana proposes to use a joint venture structure to reduce the overall costs of the proposed BESS Project for the benefit of AES Indiana customers.

34. AES Devco Holdings 3, LLC, a subsidiary of AES Indiana owns Pike County Energy Storage, LLC (“ProjectCo”) which will own the storage assets. ProjectCo will ultimately be owned by a Joint Venture limited liability company (“Joint Venture, LLC”) comprised of AES Indiana Sponsor (a subsidiary of AES Indiana) and a TEP. TEP may refer to more than a single tax equity investor as it is possible there may be multiple tax equity partners investing in this project. AES Indiana Sponsor will be the managing member of the Joint Venture, LLC and AES Indiana will control AES Indiana Sponsor with respect to this role.

35. AES Indiana and Pike County Energy Storage, LLC (the “ProjectCo”) will enter into a Capacity Agreement and Contract for Differences (“CfD”).

36. Once the TEP’s internal rate of return is reached (“Flip Date”), AES Indiana, through the AES Indiana Sponsor member of Joint Venture LLC, will have an option to purchase the TEP’s membership interest in Joint Venture, LLC. In this proceeding, AES Indiana does not seek approval of any amounts related to the potential purchase of the TEP’s membership interests in the Joint Venture, LLC should AES Indiana exercise this option following the Flip Date. The Company will keep the Commission apprised of AES Indiana Sponsor’s plans

² <https://www.in.gov/iurc/energy-division/electricity-industry/integrated-resource-plans/>

regarding the exercise of this option as the time nears and will request Commission approval and cost recovery as necessary or appropriate in a separately docketed proceeding.

Clean Energy Project

37. The Pike Project is reasonable and necessary. AES Indiana requests Commission approval of the Project, including the Joint Venture structure, EPC Agreement, and proposed CfD as a Clean Energy Project pursuant to Ind. Code § 8-1-8.8-11.

38. AES Indiana requests the Commission authorize AES Indiana to recover the CfD costs net of credits from retail customers and credit ProjectCo cash distributions to retail customers via a rate adjustment mechanism in accordance with Ind. Code § 8-1-8.8-11. This statute provides for timely cost recovery for a Commission-approved Clean Energy Project. Such timely cost recovery is also consistent with Ind. Code § 8-1-2-42(a).

39. The Company also seeks timely cost recovery as summarized below and further detailed in the prefiled case-in-chief (witness Rogers).

Alternative Regulatory Plan and Declination of Jurisdiction

40. As stated above, pursuant to Ind. Code § 8-1-2.5-6, AES Indiana requests approval of an alternative regulatory plan (“ARP”) to facilitate the establishment of the Joint Venture, LLC, as described above and further detailed in AES Indiana’s prefiled case-in-chief.

41. The accounting and ratemaking to be used for the ARP is detailed in AES Indiana’s case-in-chief (AES Indiana Witness Rogers). The ARP will authorize AES Indiana to reflect its investment in the Pike Project as a regulatory asset with carrying charges. AES Indiana seeks authority to record carrying charges on the regulatory asset balance beginning with

AES Indiana's cash investment contribution until the regulatory asset is reflected in customer rates (proposed to be in AES Indiana's ECR filings).

42. AES Indiana seeks authority to recover carrying charges on and amortization of the regulatory asset in AES Indiana's annual ECR filings so as to reduce the amount of carrying charges that would otherwise accrue on the investment. AES Indiana also seeks approval to include, in a future rate case, the balance of the regulatory asset (which would be included in AES Indiana's annual ECR filings) in net original cost rate base and in the value of its rate base for purposes of Ind. Code § 8-1-2-6.

43. The requested accounting and ratemaking authority includes authority to record the costs incurred to develop the Pike Project ("Project Development Costs") as a regulatory asset and to recover such costs in a future basic rate case. AES Indiana is not requesting carrying charges on the Project Development Costs.

44. Timely cost recovery via a rate adjustment mechanism is also consistent with Ind. Code § 8-1-8.8-11.

Public Interest and Statutory Considerations

45. The ARP allows AES Indiana to invest in energy storage in a way that reduces overall costs of the project for the benefit of AES Indiana's customers. As explained in AES Indiana's prefiled case-in-chief, approval of the ARP and declination of jurisdiction furthers the continuing goal of the Commission in the provision of efficient and economic retail energy services, facilitates an environment whereby Indiana consumers will have available state-of-the-art technology and energy services, and otherwise serves the public interest.

Procedural and Other Matters

46. AES Indiana is filing its case-in-chief contemporaneous with its Petition, including direct testimony, attachments and workpapers of the following AES Indiana witnesses: G. Aaron Cooper, Frank J. Salatto, Patrick S. Daou, Erik Miller, Danielle S. Powers, and Chad A. Rogers. An index of the filing is attached to this Petition as Exhibit A.

47. 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.

48. The Company asks the Commission to enter a decision in this proceeding within a 120-day timeline consistent with the Clean Energy Project Statute. Should the Commission conclude this project is subject to the CPCN statute AES Indiana requests the Commission to expedite the procedural schedule so that an order may be issued within 120 days.

49. This relief is reasonable and necessary. AES Indiana issued its Request for Proposals ("RFP") for the Project on February 13, 2023, prior to the effective dates of 2023 House Enrolled Act 1421 and GAO 2023-03. The Company relied upon a 120-day procedural schedule for Commission consideration of the Project in its RFP negotiations and for resource planning purposes.

50. A decision within 120 days is reasonable and necessary to allow the project to be built and commercially operable to allow the new resource to be interconnected to MISO and identified as a capacity resource by the 2024-2025 MISO winter season. A decision within this timeframe will also facilitate the advantageous equipment pricing reflected in the EPC

Agreement as discussed by Company witness Cooper. Completing this Project on this schedule will help meet AES Indiana’s MISO winter capacity obligation and this in turn will avoid the need to procure additional capacity. Additionally, the Project will add a 200 MW dispatchable energy resource in Indiana during the 2025 winter months, which bolsters reliability during those winter months.

51. In accordance with 170 IAC 1-1.1-9(a)(8), Petitioners and the Indiana Office of Utility Consumer Counselor (“OUCC”) have agreed on the following procedural schedule and associated terms to satisfy the 120 day schedule provided in Ind. Code § 8-1-8.8-11(d):

a. Schedule:

Day 0	Tues. July 18, 2023	Petition & Filing of Case in Chief.
Day 57	Wed. Sept. 13, 2023	OUCC and any Intervenors Filing of Case in Chief.
Day 69 (12 days)	Mon. Sept. 25 2023	Petitioner’s Rebuttal & OUCC/ any intervenor Cross Answering, if any.
Day 84 (15 days)	Tues. Oct. 10, 2023	Evidentiary hearing.
Day 87 (3 days)	Fri. Oct. 13, 2023	Petitioners’ proposed order/post hearing brief.
Day 94 (7 days)	Fri. Oct. 20, 2023	OUCC and any intervenor proposed order/brief.
Day 101 (7 days)	Fri. Oct. 27, 2023	Petitioners’ Reply.
Day 120	Wed. Nov. 15, 2023	Target 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 nine (9) calendar days of the receipt of such request until September 13, 2021. 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.

Publication of Notice

52. Petitioners will publish notice of the filing of this Petition in accordance with Ind. Code § 8-1-2.5-6(d). In accordance with 170 IAC 1-1.1-9 (c), following publication of the notice, Petitioners will certify to the Commission that the publication has occurred, listing the names of the newspapers and the county or counties in which the notice was published. In accordance with 170 IAC 1-1.1-9 (d), Petitioners will certify to the Commission that a substantially similar notice was posted on AES Indiana website. Petitioners will file the Publisher's Affidavits associated with the notices once all such affidavits have been received and offer the Publisher's Affidavits into evidence.

Affiliate Transaction

53. As stated above, AES Indiana, through a wholly-owned subsidiary, AES Pike County Energy Storage, LLC, has entered into an EPC Agreement with Fluence. The EPC Agreement is the result of competitive bidding and negotiation. The AES Corporation, AES Indiana's ultimate parent company, owns an approximate 34% interest in Fluence. AES Indiana and Fluence are affiliates. AES Indiana filed a redacted version of the EPC Agreement with the Commission in accordance with General Administrative Order ("GAO") 2016-5 on June 29, 2023. Also on June 29, 2023, AES Indiana filed a separate petition for a Commission determination that the EPC Agreement is confidential and exempt from public disclosure, which was docketed as Cause No. 45913. This separate petition was filed to facilitate the timely filing of the unredacted EPC Agreement with the Commission. On July 12, 2023, the Company filed

the EPC Agreement with this Commission as a confidential document in accordance with the July 10, 2023 docket entry Cause No. 45913. As stated above, a copy of the confidential Agreement will also be submitted in the instant docket subject to its protection from public disclosure.

Petitioners' Authorized Representatives

54. The names and address of Petitioners' attorneys in this matter who are duly authorized to accept service of papers in this Cause on behalf of Petitioners are:

Teresa Morton Nyhart (Atty. No. 14044-49)
Jeffrey M. Peabody (No. 28000-53)
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With courtesy copy to:

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WHEREFORE, Petitioners 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 within 120 days:

(i) Approving the Pike Project, including the EPC Agreement, Joint Venture and proposal to enter into Capacity Agreement and Contract for Differences, as a Clean Energy

Project and authorizing associated accounting and ratemaking including timely cost recovery as proposed by Petitioners;

(ii) approving the alternative regulatory plan as set forth above and further detailed in Petitioners' case-in-chief, including the requested accounting and ratemaking relief;

(iii) declining to exercise any jurisdiction over the Joint Venture, including ProjectCo (AES Pike County Energy Storage, LLC);

(iv) if necessary, declining to exercise jurisdiction under Ind. Code § 8-1-8.5-2, or in the alternative, issuing a certificate of public convenience and necessity for the proposed Pike Project; and

(v) granting to Petitioners such other and further relief in the premises as may be appropriate and proper.

Dated this 18 th day of July 2023.

By: 
Chad A. Rogers
AES Indiana Director, Regulatory Affairs

By: 
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Jeffrey M. Peabody (No. 28000-53)
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ATTORNEYS FOR PETITIONERS

VERIFICATION

I affirm under penalties of perjury that the representations contained in the foregoing are true and correct to the best of my knowledge, information and belief.

Dated this 18th day of July 2023.

By:  _____
Chad Rogers
AES Indiana Director, Regulatory Affairs

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing was served this 18th day of July, 2023, by electronic transmission or United States Mail, first class, postage prepaid on:

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ATTORNEYS FOR PETITIONERS



**AES Indiana and AES Pike County Energy Storage, LLC
Request for Approvals For Pike County BESS Project**

Index of Issues, Requests, and Supporting Witnesses¹

I. Supporting Witnesses

AES Indiana Witnesses		
Witness	Title	Subject Matter
G. Aaron Cooper	Chief Commercial Officer, AES US Utilities	<ul style="list-style-type: none">• Overview of Project and of relief sought.• Clean Energy Project.• Project is consistent with Company's IRP.• Best Estimate.• Capacity Agreement and Contract for Differences.• Project timeline and management.• Public convenience and necessity.• GAO 2022-01.• Declination of jurisdiction under CPCN statute or issuance of CPCN.• HEA 1007 and GAO 2023-04 (index).

¹ This Index of the Company's case-in-chief is intended to highlight issues and is not an exhaustive list of Company's requests in this proceeding. A complete account of the Company's requested relief can be found in the Company's filing in this Cause, including the petition, case-in-chief, and workpapers.

AES Indiana Witnesses		
Witness	Title	Subject Matter
Frank J. Salatto	Director, AES US Tax Reporting	<ul style="list-style-type: none"> • Investment Tax Credits. • Joint Venture and Tax Equity Partners (“TEP”) structure. • Tax considerations of Capacity Agreement and Contract for Differences. • Other tax issues.
Patrick S. Daou	Senior Principal Energy Consultant, Sargent & Lundy	<ul style="list-style-type: none"> • 2022 AES Indiana All-Source RFP. • 2023 Petersburg BESS RFP.
Erik K. Miller	AES Indiana Director, Resource Planning	<ul style="list-style-type: none"> • AES Indiana’s 2022 IRP Preferred Resource Portfolio and Short Term Action Plan. • Resource planning production cost analysis used in RFP evaluation. • Pike Project is consistent with IRP. • Consideration of Resource Alternatives. • Consideration of Indiana 21st Century Task Force Report. • HEA 1007.
Danielle S. Powers	Executive Vice President, Concentric Energy Advisors, Inc.	<ul style="list-style-type: none"> • RFP Phases 2 & 3 Ranking Analysis – Present Value Revenue Requirements (“PVRR”) modeling.
Chad A. Rogers	AES Indiana Director, Regulatory Affairs	<ul style="list-style-type: none"> • Accounting and ratemaking, including ARP to facilitate investment in Joint Venture. • Declination of jurisdiction over Joint Venture, including ProjectCo, as a public utility. • Timely cost recovery. • Estimated customer rate impact. • Project compliance with HEA 1421. • Affordability pillar in HEA 1007.

II. Index of Issues and Requests

Filing Index Summary		
Subject	General	Reference
Statutory Authority	<ul style="list-style-type: none"> • IC 8-1-8.8-11 (Clean Energy Project). • IC 8-1-2.5-5 (Declination of Jurisdiction). • IC 8-1-2.5-6 (Alternative Regulatory Plan). • IC 8-1-2-10, 14 & 42(a) (Other Accounting & Ratemaking Authority). • IC 8-1-8.5 (CPCN). 	<ul style="list-style-type: none"> • Petition, ¶¶ 28-30.
Case Timeline	<ul style="list-style-type: none"> • 120 Days. 	<ul style="list-style-type: none"> • IC 8-1-8.8-11(d); also Cooper (Section 12).
Notice	<ul style="list-style-type: none"> • AES Indiana will publish public notice 	<ul style="list-style-type: none"> • IC 8-1-2.5-6(d). • Petition, ¶ 52. • Rogers (QA15).
AES Indiana characteristics	<ul style="list-style-type: none"> • Service area 	<ul style="list-style-type: none"> • Petition, ¶ 13.
Pike Project Description		
Project	<ul style="list-style-type: none"> • The Pike Project is located in Pike County, Indiana at the Company’s Petersburg Generating Station. • The Proposed Pike Project is a standalone battery energy storage system project. • The facility is expected to become commercially operable by December 2024. • The EPC Contractor is Fluence Energy LLC. 	<ul style="list-style-type: none"> • Petition, ¶¶ 1-7. • Cooper (overview of Project, EPC, COD and associated details). • Salatto (Investment Tax Credits and Joint Venture structure).
Clean Energy Project – IC 8-1-8.8-11		
Request	<ul style="list-style-type: none"> • AES Indiana requests Commission approval of the Pike Project as a “Clean Energy Project” and associated accounting and ratemaking, including timely cost recovery under IC 8-1-8.8-11. 	<ul style="list-style-type: none"> • Petition ¶¶ 8-11, 37-39. • Rogers (accounting and ratemaking, including timely cost recovery).

Filing Index Summary		
Subject	General	Reference
IC 8-1-8.8-6	<ul style="list-style-type: none"> AES Indiana is an “eligible business.” 	<ul style="list-style-type: none"> Petition ¶ 16. Cooper (QA 15).
IC 8-1-8.8-2, 10	<ul style="list-style-type: none"> The Pike Project falls within definition of “Clean Energy Project”. 	<ul style="list-style-type: none"> Cooper (QA 14).
IC 8-1-8.8-11.	<ul style="list-style-type: none"> The Pike Project and associated Joint Venture structure is reasonable and necessary. 	<ul style="list-style-type: none"> Miller (need for Project per IRP). Cooper (Project description, competitive selection process, Project benefits). Salatto (Joint venture structure). See also alternative request for CPCN index below.
IC 8-1-8.8-11 IC 8-1-8.8-11(a)(1), (4) & (5); also IC 8-1-2-10, 14	<ul style="list-style-type: none"> Project Costs. AES Indiana requests accounting authority and timely cost recovery. AES Indiana’s request for accounting and ratemaking includes deferral and recovery of Project Development Costs. Company does not seek carrying charges on Project Development Costs regulatory asset. 	<ul style="list-style-type: none"> Cooper, Section 11 (Best Estimate). Rogers (accounting and ratemaking including timely ratemaking for CfD and recovery of Project Development costs). Cooper (Use of CfD).
Alternative Request for Certificate of Public Convenience and Necessity – IC 8-1-8.5		
AES Indiana Request	<ul style="list-style-type: none"> A stand-alone BESS is not a facility for the generation of electricity and therefore the CPCN Statute (Ind. Code 8-1-8.5-2) should not apply. Should the Commission conclude otherwise, the Commission is asked to decline to exercise CPCN jurisdiction for this Project or in the alternative issue a CPCN for the Project. 	<ul style="list-style-type: none"> Petition ¶ 11. Cooper, Section 15.
IC 8-1-2.5-5	<ul style="list-style-type: none"> Declination of CPCN statutory jurisdiction is in the public interest. 	<ul style="list-style-type: none"> Cooper, Section 15.

Filing Index Summary		
Subject	General	Reference
IC 8-1-8.5-1	<ul style="list-style-type: none"> AES Indiana is a public utility 	<ul style="list-style-type: none"> Petition ¶ 16.
IC 8-1-8.5-4	<ul style="list-style-type: none"> Consideration of resource options 	<ul style="list-style-type: none"> Miller; AES Indiana’s 2022 IRP. Cooper (Section 3) and Dauo (All-Source RFP).
IC 8-1-8.5-5(b)(1)	<ul style="list-style-type: none"> Best Estimate 	<ul style="list-style-type: none"> Cooper (Section 15).
IC 8-1-8.5-5(e)	<ul style="list-style-type: none"> Estimated costs are, to the extent commercially practicable, the result of competitively bid engineering, procurement, or construction contracts . . . 	<ul style="list-style-type: none"> Cooper (QA76).
IC 8-1-8.5-5(b)(2)	<ul style="list-style-type: none"> Consistency with AES Indiana’s 2022 IRP and Commission’s analysis for expansion of electric generating capacity. 	<ul style="list-style-type: none"> Cooper (QA 11, 16, 34, 36, 70) Miller (capacity need and IRP consistency; Indiana 21st Century Task Force Report.
IC 8-1-8.5-5(b)(3)	<ul style="list-style-type: none"> Public Convenience and Necessity. 	<ul style="list-style-type: none"> Cooper, Section 13; see also balance of testimony for benefits.
DECLINATION OF JURISDICTION – IC 8-1-2.5-5		
Request	<ul style="list-style-type: none"> AES Indiana asks the Commission to decline to exercise jurisdiction over the Joint Venture, including the ProjectCo that will own the BESS assets, as a public utility. Should the Commission determine the Pike Project is subject to Ind. Code § 8-1-8.5-2, the Company requests the Commission to decline to exercise jurisdiction under Ind. Code § 8-1-8.5-2, or in the alternative, issue a CPCN pursuant to Ind. Code § 8-1-8.5-2 for the development of the Pike County Project as proposed by AES Indiana. 	<ul style="list-style-type: none"> Rogers (Section 3). Cooper (Section 15).

Filing Index Summary		
Subject	General	Reference
	<ul style="list-style-type: none"> The public interest will be served by the Commission declining to exercise jurisdiction as requested by AES Indiana. 	
ALTERNATIVE REGULATORY PLAN – IC 8-1-2.5-6		
	<ul style="list-style-type: none"> AES Indiana seeks approval of an ARO to facilitate the establishment of the Pike Project joint venture structure and the reflection in AES Indiana’s net original cost rate base of its investment in the Project. 	<ul style="list-style-type: none"> Rogers (Section 2).
	<ul style="list-style-type: none"> The proposed ARP is in the public interest 	<ul style="list-style-type: none"> Rogers (Section 2).
AFFILIATE TRANSACTION		
	<ul style="list-style-type: none"> AES Pike County Energy Storage, LLC, has entered into an EPC Agreement with Fluence. The EPC Agreement is the result of competitive bidding and negotiation. The AES Corporation, AES Indiana’s ultimate parent company, owns an approximate 34% interest in Fluence. AES Indiana and Fluence are affiliates. On June 29 and July 12, 2023, AES Indiana filed a redacted and confidential versions of the EPC Agreement with the Commission in accordance with General Administrative Order (“GAO”) 2016-5 and the docket entry in Cause No. 45913. 	<ul style="list-style-type: none"> Petition, ¶53 Cooper (QA 40)
HEA MATTERS		
	<ul style="list-style-type: none"> HEA 1421 	<ul style="list-style-type: none"> Rogers (Section 6).
	<ul style="list-style-type: none"> HEA 1007 	<ul style="list-style-type: none"> Cooper (Section 16 - index is found in Cooper QA 79). Miller, QA 7, 13, 21, 43 also Section 4). Rogers (Section 7).