

## Regulatory Assistance Project Electric Resource Long-range Planning Survey<sup>1</sup>

State: **Indiana** Date: 6/23/03  
Name of Agency: Indiana Utility Regulatory Commission (URC)  
Source: Phone interview and email  
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### Policies

1. Is any form of long-range electrical resource and/or investment planning required?

Yes

2. What is it called?

Integrated Resource Planning (IRP).

3. What is the process?

Utilities are required to file their IRP every two years.

4. Describe the analysis required by the regulatory body .

The rules describe in detail what must be included in the plan. Examples include end-use modeling and cost-benefit tests.

5. Is it statewide or utility-specific planning? What types of entities are required to participate?

It is utility-specific. Five IOUs, two companies that supply G&T to rural cooperatives, and one supplier to municipal utilities are required to submit IRPs.

6. This form of planning has been required since what date?

The IRP rules took effect in August 1995.

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<sup>1</sup> All responses written from notes compiled and edited by Cathie Murray at RAP. Any corrections to the draft document, suggested by the contact person, have been incorporated.

## Required Elements

7. Which of the following resources must be evaluated/included:

Generation	Yes
Transmission	No
Distribution	No
Energy efficiency	Yes
Load Management	Yes

These tests must be included: Participant, Utility, RIM and Total Resource

8. Is a comparison of supply and demand side options/resources required? No

9. The plans' objectives, from the regulatory perspective:

The IRP process provides input to the State Utility Forecasting Group for the development of a statewide demand and energy forecast. The utilities' IRP is also used by the Commission to evaluate requests by utilities to construct new generation facilities in a Certificate of Need proceeding.

10. The plans' objectives, from the utility perspective:

To meet regulatory requirements.

11. Are alternative scenarios analyzed as part of the plan? Yes

Utilities put forward a high, low and base forecast. The rules note factors to be included such as fuel costs, interest rates and weather.

12. Are externalities considered?	Economic	No
	Environmental	No

<del>13.</del> What is the planning horizon?	20 years
Length of Energy and Demand forecasts	20 years
Length of Short-term Action Plan	5 years

14. How often do utilities have to file plans? Update plans? What actually happens?

Utilities file every two years.

15. What monitoring or other processes are used to determine consistency of investments with plans?

Outside of a Certificate of Need proceeding, there is no monitoring of the utilities' IRPs.

16. Are environmental issues considered in the planning process? Yes

### **Agency Process**

17. Agency holds public hearings on utility plans No

18. Other ways public participates and comments on plans are:  
(Prompts if needed: email or mailing lists, interactive web sites)

The only formal docketing that occurs is if a utility requests confidentiality for a portion of its IRP. Then the hearing is just about the question of confidentiality. IRPs are public records. The Office of Consumer Counsel can request a formal review of the IRP.

19. What action does the Commission take on the plan(s)?

The URC reviews the IRP for consistency with IRP rules. The URC could initiate a formal investigation into the IRP process if circumstances warranted it.

20. Have resource acquisition decisions changed as a result of the planning process?

It is unknown if the IRP has changed acquisition decisions in Indiana.

21. Are competitive processes used to acquire new resources?

Utilities are not required to, but are encouraged to use competitive processes.

22. Do utilities file an energy efficiency or DSM plan?

Yes, it is integrated with the IRP.

~~23.~~ Is competitive bidding used to acquire EE resources? No

24. Does the regulatory agency have open dockets, or is it considering opening a docket investigating any long-range electrical investments? Yes, on a case by case basis.

25. Citation and description:

42455 – Indiana Municipal Power Agency

42469 – PSI Energy (rate case)

42467 – Southern Indiana Gas & Electric Co.

26. Are filed plans available on-line? No

27. Citation and description of State policies (legislation, rules/regs, PUC orders) governing planning:

Rules: 170 Indiana Administrative Code 4-7-1 can be found at <http://www.in.gov/legislative/iac/title170.html>

~~28.~~ Do you anticipate any changes to this process in the near future? No

29. Does your state do performance-based regulation? No

### **State Energy Plan**

30. Is there a State Energy Plan?

There is no comprehensive State Energy Plan, however there is a Statewide Electrical Forecast.

31. Is it connected to the planning described above? Yes

32. If yes, who is responsible for the Plan?

The State Utility Forecasting Group located at Purdue University.

33. What is included in the Plan, apropos of long-range electrical planning?

The Statewide Utility Forecasting Group produces a demand and energy electric forecast and identifies when new generating resources will be needed based on a 17% planning reserve margin.

### Notes

Cause #41736 "Inquiry into the Adequacy and Reliability of Electric Service"

This proceeding investigated a variety of issues related to the reliability and adequacy of electric service in Indiana. It was facilitated by Scott Hempling.

Final "Reliability Report" dated 7/31/01 can be seen at:

[http://www.ai.org/iurc/utilities/energy/41736\\_report.doc](http://www.ai.org/iurc/utilities/energy/41736_report.doc)

Certificate of Need Process: Environmental approval comes from the Indiana Department of Environmental Management. Utilities and merchant plants must petition the URC for a Certificate of Need to build new generating resources.