

**FILED**  
January 9, 2019  
INDIANA UTILITY  
REGULATORY COMMISSION

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF DUKE ENERGY INDIANA, LLC )  
FOR APPROVAL OF A SOLAR SERVICES )  
PROGRAM TARIFF, RIDER NO. 26, AND )  
APPROVAL OF ALTERNATIVE REGULATORY )  
PLAN (“ARP”) AND DECLINATION OF )  
JURISDICTION TO THE EXTENT REQUIRED )  
UNDER IND. CODE 8-1-2.5-1, EST. SEQ. )**

**CAUSE NO. 45145**

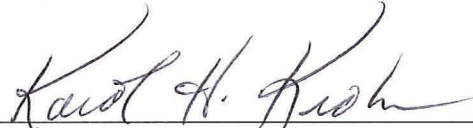
**INDIANA OFFICE OF UTILITY CONSUMER COUSELOR**

**TESTIMONY OF**

**JOHN E. HASELDEN - PUBLIC’S EXHIBIT NO. 2**

**JANUARY 9, 2019**

Respectfully submitted,



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**TESTIMONY OF OUCC WITNESS JOHN E. HASELDEN**  
**CAUSE NO. 45145**  
**DUKE ENERGY INDIANA, LLC**

**I. INTRODUCTION**

1 **Q: Please state your name, business address, and employment capacity.**

2 A: My name is John E. Haselden. My business address is 115 West Washington Street,  
3 Suite 1500 South, Indianapolis, Indiana 46204. I am Senior Utility Analyst in the  
4 Electric Division of the Indiana Office of Utility Consumer Counselor ("OUCC").  
5 I describe my educational background, professional work experience, and  
6 preparation for this filing in Appendix A to my testimony.

7 **Q: Have you previously testified before the Indiana Utility Regulatory**  
8 **Commission ("Commission")?**

9 A: Yes. I have testified in a number of cases before the Commission, including cases  
10 on demand side management ("DSM"), renewable energy, environmental trackers,  
11 and applications for Certificates of Public Convenience and Necessity ("CPCN").  
12 My qualifications are set forth in Appendix A to this testimony.

13 **Q: What is the purpose of your testimony?**

14 A: The OUCC recommends the request for Commission approval of an Alternative  
15 Regulatory Plan ("ARP") under IC 8-1-2.5 be denied. I address whether the solar  
16 leasing program proposed by Duke Energy Indiana, LLC ("DEI" or "Petitioner") is  
17 consistent with specific provisions of the Indiana Code and the Indiana  
18 Administrative Code. I discuss: 1) customer demand for solar leasing services; 2)  
19 the OUCC's concerns regarding DEI's plan to combine customers' solar leasing  
20 bills with their electric bills; 3) the need for transparency regarding the ownership

1 of environmental attributes; 4) concerns regarding unfair competition; 5) the  
2 impropriety of utilizing net metering arrangements in DEI's proposed solar leasing  
3 offering; and 6) I make recommendations on how the proposed plan might be  
4 restructured to better meet customers' needs.

5 In its direct testimony, DEI hints at the subjects I discuss, but the details are mostly  
6 absent in the proposed Rider No. 26, Solar Leasing ("Rider 26"). DEI's proposal is  
7 not well developed. The impacts to non-participating customers cannot be  
8 ascertained due to the vagueness of the filing and unknown details regarding  
9 implementation of the proposed leasing arrangements. When the OUCC requested  
10 a copy of the business plan, DEI's response was a short program description.<sup>1</sup>

11 **Q: Is the OUCC opposed to the development of solar photovoltaic ("PV")**  
12 **projects, such as the one presented in this Cause?**

13 **A:** Absolutely not. The OUCC has long been a steadfast supporter of renewable energy  
14 in all forms.<sup>2</sup> However, just because an energy project is classified as "renewable"  
15 energy does not mean it is beneficial, necessary or in the public's interest.  
16 Unfortunately, DEI's proposed solar leasing program is structured to deliver

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<sup>1</sup> Attachment JEH-1, DEI Response to OUCC DR 3.7.

<sup>2</sup> A partial list of recent proceedings includes:

Cause No. 44953 – Duke Energy Indiana 11/21/17; Cause No. 44578 – Duke Energy Indiana 8/19/15; Cause No. 44734 – Duke Energy Indiana 7/6/16; Cause No. 44511 - Indiana Michigan Power Company 2/4/15; Cause No. 44909 - Southern Indiana Gas and Electric Company ("Vectren").

1 financial and public relations benefits to DEI and perhaps a few select customers at  
2 the expense of other ratepayers.

3 **Q: Please describe the review and analysis you conducted in order to prepare**  
4 **your testimony.**

5 A: I reviewed the Verified Petition, Direct Testimony and Exhibits submitted by DEI  
6 in this Cause. I reviewed DEI's Standard Rider No. 57, Net Metering tariff ("Rider  
7 57"), and the 2016 Edwardsport Settlement Agreement. I also met with DEI  
8 representatives on two occasions to discuss issues in this Cause. I also met with  
9 intervener Citizens Action Coalition ("CAC") to discuss issues in this case. I  
10 composed data requests ("DRs") and reviewed DEI's discovery responses.

11 **Q: Are you sponsoring any attachments in this proceeding?**

12 A: Yes. I am sponsoring:

- 13 • Attachment JEH-1 to this testimony, which contains Petitioner's Responses  
14 to selected OUCC DRs;
- 15 • Attachment JEH-2 to this testimony, which contains a copy of the 2016  
16 Edwardsport Settlement Agreement in Cause No. 43114; and
- 17 • Attachment JEH-3 to this testimony, which contains a copy of the Corporate  
18 Renewable Energy Buyer's Principles

## II. CUSTOMER DEMAND

19 **Q: Is DEI proposing Rider 26 in response to changing customer demand?**

20 A: DEI states that this proceeding is intended to address increasing non-residential  
21 interest in cleaner energy.<sup>3</sup> When asked to substantiate the claim of increased non-

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<sup>3</sup> Ritch page 2, lines 12-13.

1 residential interest in cleaner energy, DEI responded that the statement reflected  
2 numerous discussions over several years.<sup>4</sup> DEI acknowledged that it is not aware  
3 of customers specifically inquiring about the possibility of leasing solar facilities  
4 from DEI or agreeing to use net metering.<sup>5</sup> DEI also suggests that this proposed  
5 tariff was developed as part of the 2016 Edwardsport Settlement.<sup>6</sup> Section G of that  
6 Settlement Agreement discussed the requirement for a collaborative to consider  
7 programs for assisting low-income customers and increasing solar-powered  
8 generating facilities in DEI's service territory.<sup>7</sup> However, the Edwardsport  
9 Settlement did not mention solar leasing or net metering for DEI's non-residential  
10 customers.

11 **Q: Do you doubt there are non-residential customers in DEI's service territory**  
12 **that are interested in acquiring renewable energy?**

13 A: No. There may be other such customers. Intervenor Walmart is an example.  
14 Walmart is one of DEI's commercial customers with specific renewable energy  
15 goals, the purchase of which is subject to the Corporate Renewable Energy Buyer's  
16 Principles in attaining those goals. I have attached a copy of the Corporate  
17 Renewable Energy Buyer's Principles as Attachment JEH-3. For those companies  
18 that commit to these principles, one of the critical purchasing goals is:

19 The ability to add more renewable energy to the system and claim  
20 the consumption of the relevant renewable energy and greenhouse

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<sup>4</sup> Attachment JEH-1, DEI Response to OUCR DR1.24.

<sup>5</sup> Attachment JEH-1, DEI' Response to OUCR DR1.25.

<sup>6</sup> Ritch, pages 2-3.

<sup>7</sup> Attachment JEH-2.

1 gas ("GHG") emission benefits while preventing another energy  
2 user from claiming consumption of the same renewable energy.

3 As currently structured, DEI's planned solar leasing program will not satisfy its  
4 customers' desire for renewable energy because, as we learned in discovery, DEI  
5 intends to retain any related Solar Renewable Energy Credits ("SRECs") unless  
6 otherwise negotiated.<sup>8</sup>

7 **Q: Does the proposed Rider 26 address the renewable energy needs of such**  
8 **customers?**

9 A: No. DEI's testimony did not specifically address the ownership of environmental  
10 attributes, or SRECs, produced by the leased systems. Neither DEI's Rider 57 nor  
11 its proposed Rider 26 mention environmental attributes. The only mention of  
12 SRECs is in Petitioner's Exhibit 1-B (ASR), page 27 of 43, Exhibit G to the Solar  
13 Energy Service Agreement regarding purchase of the system by a customer. In  
14 testimony, Mr. Ritch states that customers will receive the "electrical output" of the  
15 facilities.<sup>9</sup> Again, there is no mention of environmental attributes. The General  
16 Terms and Conditions of the Solar Energy Services Agreement (Petitioner's  
17 Attachment 1-B (ASR)) states, "...the Customer hereby engages the Provider to  
18 perform the following services...including the provision of renewable electrical  
19 energy as described in paragraph 4..." Paragraph 4 refers to DEI's sole intended  
20 purpose of providing solar generated electricity to the Customer at the Premises."  
21 The above statements imply that solar leasing customers will receive renewable  
22 energy under their solar leasing arrangements. However, nothing in writing

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<sup>8</sup> Attachment JEH-1. DEI Response to OUCC DR 1.8.

<sup>9</sup> Ritch, page 2, lines 16-17.

1 expressly states that customers will receive any of the environmental attributes  
2 produced by the leased facilities. The language on that point is ambiguous, at best.  
3 Not until asked in the aforementioned data request,<sup>10</sup> did DEI expressly state the  
4 environmental attributes would be retained by DEI unless otherwise negotiated.  
5 Should the proposed Rider 26 be approved, the OUCC recommends the language  
6 in the tariff and the Solar Services Agreement be amended to expressly assign  
7 ownership of any environmental attributes to the customer or DEI, as negotiated.

### III. UNFAIR COMPETITION ISSUES

8 **Q: What aspects of DEI's proposal could trigger complaints of unfair**  
9 **competition?**

10 A: There are several aspects, including:

- 11 1. DEI is proposing to add 12 MW of net metering capacity, which DEI alone  
12 can serve. In response to OUCC DR 1.6, DEI stated it would not allow other  
13 leasing companies to participate in Rider 26.<sup>11</sup>
- 14 2. In response to OUCC DR 1.3, DEI responded that it generally requires net  
15 metered customers to own and operate their systems.<sup>12</sup> DEI does not  
16 generally allow customers to lease or rent systems in order to qualify for net  
17 metering, nor does IC 8-1-40 or 170 IAC ch. 4-4.2.
- 18 3. DEI already enjoys widespread name recognition. It also has customer usage  
19 data and other confidential customer-specific information with which to

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<sup>10</sup> Attachment JEH-1, DEI Response to OUCC DR 1.8.

<sup>11</sup> Attachment JEH-1, DEI Response to DR 1.6.

<sup>12</sup> Attachment JEH-1, DEI Response to DR 1.3.

1 build a highly effective marketing plan. DEI could immediately target  
2 promotional efforts to its existing electric utility customers most likely to be  
3 candidates for its proposed solar leasing program. Other developers do not  
4 have access to that type of data.

- 5 4. DEI states other program fees for the solar leasing arrangement billed to  
6 customers may be invoiced separately from their monthly electric bill, which  
7 implies DEI may bill for leasing services on the customers' monthly electric  
8 bill.<sup>13</sup> This creates the potential for confusing eligible customers. Even if  
9 DEI's proposed solar leasing program were fully transparent (which it is  
10 not), prospective customers could mistake DEI's private, unregulated  
11 commercial contract for a commitment to provide regulated public utility  
12 service under a tariff with attendant regulatory protections for consumers  
13 (*e.g.*, reliability, service quality, and fair and reasonable prices). Even large,  
14 sophisticated prospective customers capable of analyzing (or hiring others to  
15 analyze) new public utility products and services could erroneously mistake  
16 the Solar Services Program for a regulated public utility service offered  
17 under a publicly-filed tariff rider that can be accessed through a link on the  
18 Commission's public website. Those customers might not already know that  
19 the Commission previously declined to exercise most of its regulatory  
20 authority over this new service offering (including pricing) when it approved  
21 DEI's ARP. Significantly, prospective Solar Services Program customers

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<sup>13</sup> Petitioner's Exhibit 1-A, Special terms and Conditions 3.



1           could mistakenly believe that DEI's proposed pricing has been reviewed,  
2           approved, and remains regulated by the Commission. However, individual  
3           Solar Services Program Service Agreements would not have to be filed with  
4           or submitted to the Commission under DEI's proposed ARP even though  
5           pricing and other terms could vary between similar customers. DEI would  
6           have significant strategic business advantages over competitive providers.

#### IV. APPLICATION OF NET METERING PRINCIPLES

7   **Q: Is DEI proposing that participating facilities in its new Rider No. 26, Solar**  
8   **Leasing be required to comply with the requirements of DEI's Standard Rider**  
9   **No. 57, Net Metering?**

10 A: Yes.<sup>14</sup>

11 **Q: Does DEI affirmatively state that participants in the proposed Rider 26 will be**  
12 **eligible to participate in net metering as part of DEI's case-by-case discretion?**

13 A: No. DEI Witness Ritch states in his testimony that DEI agreed, as part of the 2016  
14 Edwardsport Settlement Agreement collaborative discussions, participants would  
15 be eligible for net metering.<sup>15</sup> However, that language is not found in DEI's  
16 petition, its proposed Rider 26, or the Solar Energy Service Agreement (Petitioner's  
17 Exhibit 1-B). None of those documents state that all program participants are  
18 eligible for net metering.

19           While the proposed Rider 26 states the *facility* must comply with the  
20 requirements of Rider 57, it falls short of granting net metering approval to the  
21 customer. Despite informal discussions with DEI that made clear net metering was

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<sup>14</sup> See Petitioner's Exhibit 1-A.

<sup>15</sup> Ritch, Page 3.

1 essential to the customers' economics for leasing such facilities, DEI has not  
2 committed in writing to waive the requirement of facility ownership in order to  
3 participate in net metering. DEI did not specifically request an exception from IC  
4 § 8-1-40-3 as part of the requested Alternative Regulatory Plan. While DEI's Rider  
5 57 states that facilities will conform to the provisions of IC ch. 8-1-40, DEI relies  
6 on language in Rider 57 that states, "At its sole discretion, the Company may  
7 provide net metering to other customer-generators not meeting all the conditions  
8 listed on a case-by-case basis."<sup>16</sup> DEI relies on this statement in its net metering  
9 tariff that is inconsistent with IC § 8-1-40-3 and 170 IAC 4-4.2-1(j) as its authority  
10 for not requiring customer ownership of generating facilities to qualify for net  
11 metering or customer ownership of other distributed generation resources in order  
12 to qualify for benefits provided under these sections of the law. However, the list  
13 to which the above statement refers in DEI's Rider 57 does not list the requirement  
14 that the facilities must be owned by the customer, as required by IC § 8-1-40-3. The  
15 OUCC does not agree that the ARP or DEI's Rider 57 tariff language authorizes  
16 DEI to offer net metering. OUCC Witness Lauren Aguilar discusses statutory  
17 compliance in detail. However, if the Commission finds DEI's evidence in this  
18 case allows DEI to bypass the net metering statute provisions, the OUCC has  
19 concerns regarding DEI's Program, which I explain below.

20 **Q: Rather than establishing a separate pool of net metering capacity for dedicated**  
21 **uses, could DEI increase the net metering cap of 1.5% of its most recent**  
22 **summer peak load?**

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<sup>16</sup> Attachment JEH-1, DEI Response to OUCC DR 1.1.

1 A: Yes. 170 IAC 4-4.2-4(b) is permissive in that a utility *may* limit the amount of net  
2 metering facility nameplate capacity to this amount but goes on to state that, "...the  
3 investor-owned utility may increase the aggregate amount of net metering facility  
4 nameplate capacity at the investor-owned utility's sole discretion." DEI has not  
5 chosen to raise the cap in this manner. Instead, DEI proposes in testimony to add  
6 12 MW of nameplate capacity to the amount eligible to participate in its proposed  
7 Rider 26. However, Petitioner's Exhibit 1-A (ASR) does not mention the proposed  
8 12 MW limit nor does DEI propose to change Rider 57 to accommodate the  
9 additional 12 MW. The path provided in the Indiana Administrative Code indicates  
10 the aggregate amount may be increased, but does not provide an added reservation  
11 of capacity for a dedicated purpose, such as proposed in DEI's Rider 26.

12 **Q: On page 6, line 16 of Mr. Ritch's testimony, he states that other customers**  
13 **would not be subsidizing this net metering service. Do you agree?**

14 A: No. To the extent that participating customers put power onto DEI's distribution  
15 system and reduce, for billing purposes, the kWh they purchase from DEI, other  
16 non-participating customers subsidize this service by paying a greater share of costs  
17 DEI recovers through its riders and non-volumetric portion of costs recovered per  
18 kWh in base rates. Taken to the extreme of a net zero customer, participating  
19 customers would use all aspects of the utility for power delivery when their own  
20 systems are not generating and subsequently pay nothing for fixed costs allocated  
21 based upon kWh of consumption nor their use of the grid. For example, a Rate LLF  
22 customer served by secondary service and using more than 2,500 kWh/month, has  
23 a marginal energy price in base rates of \$0.055871/kWh. The total of other riders

1 represents an additional \$0.043/kWh, which is a significant amount and accounting  
2 for 43% of the total rate of \$0.989/kWh.

3 **Q: Is the applicability of net metering limited in time under proposed Rider 26?**

4 A: Yes. For customers that have facilities installed before July 1, 2022, net metering  
5 would be available until July 1, 2032. Thereafter, compensation would be paid by  
6 DEI per the provisions of IC § 8-1-40-17. If DEI reaches its 1.5% limit (without  
7 voluntarily raising the aggregate limit) or if a new renewable distributed generation  
8 facility is installed after July 1, 2022, compensation for excess production would  
9 be governed by IC § 8-1-40-17. Therefore, the availability of net metering to  
10 customers participating under Rider 26 will be limited. However, their leasing  
11 agreements will have a lease term of up to twenty (20) years plus any agreed  
12 extensions thereof.<sup>17</sup>

## V. PUBLIC INTEREST ANALYSIS

13 **Q: Does DEI's proposed Rider 26 serve the public interest as currently proposed?**

14 A: No, not as required in IC § 8-1-2.5-5. As demonstrated above, non-participating  
15 customers will be subject to higher rates through the subsidization of solar leasing  
16 program participants. Certainly, a few participating customers could benefit to  
17 some degree if they receive any economic benefit, but the primary beneficiary will  
18 be DEI. DEI states the price paid by a customer will be a "market price" that will  
19 vary from customer to customer. Shielded from competition from other leasing  
20 companies, DEI can charge whatever the closed "market" it creates for this service  
21 will bear. The term "market price" used in this context is a misnomer due to the

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<sup>17</sup> Ritch page 7, line 6.

1 absence of any market competition. DEI is proposing to create an unregulated  
2 monopoly in solar leasing. Further, the Legislature has spoken concerning the  
3 phase-out of net metering as a matter of public policy and a determination of the  
4 public interest.

## VI. RECOMMENDATIONS

5 **Q: Please summarize the OUCC's recommendations.**

6 A: The OUCC recommends DEI's request for Commission approval of an ARP under  
7 IC ch. 8-1-2.5 be denied as currently proposed. It should be noted that this  
8 proceeding would not be necessary if DEI compensated participants by the  
9 provisions of DEI's Rider No. 50 – Parallel Operation for Qualifying Facility, or  
10 up to a stated percentage of DEI's generation portfolio. The OUCC recommends  
11 that before approving Rider 26, the Commission require DEI to restructure its  
12 proposal in a fair and economic manner that:

- 13 1. Recasts Rider 26 as purchase power agreement ("PPA") with a standard  
14 purchase rate equal to marginal price of electricity times 1.25, consistent  
15 with IC § 8-1-40-6;
- 16 2. Allows participation by all interested commercial customers up to an  
17 aggregate limit of 12 MW of nameplate capacity;
- 18 3. Allows participation by additional solar leasing providers selected by  
19 participating customers;
- 20 4. Requires DEI to immediately initiate a proceeding pursuant to IC § 8-  
21 1-40-16;
- 22 5. Requires billing for leased equipment to be separate from the customers'  
23 electric bill or at least clearly defined as discussed by OUCC witness  
24 Lantrip; and
- 25 6. Designates ownership of any environmental attributes to the customers.

1           Should the commission decide to approve DEI's proposed Rider 26 and decline  
2           jurisdiction over the proposed Solar Services Program, the OUCC further  
3           recommends, in addition to recommendations 3 through 6, above that the  
4           Commission:

- 5                   1. Limit the nameplate capacity of a leased system to minimize the revenue  
6                   requirement impact on non-participating customers resulting from the  
7                   net metering subsidy. An example of how this might be done is to limit  
8                   nameplate capacity to the customer's peak demand;
- 9                   2. Make a finding whether participants under Rider 26 are eligible to  
10                  participate in net metering and, if yes, require DEI to affirmatively state  
11                  in Rider 26 and in the Solar Energy Service Agreement that participants  
12                  qualify for net metering while such offerings are still available under IC  
13                  ch. 8-1-40;
- 14                  3. State the 12 MW participation limit in proposed Rider No. 26;
- 15                  4. Limit DEI's proposed ARP to a four-year trial period, to terminate  
16                  automatically four years after its approval, absent DEI and OUCC  
17                  agreement to extend the program, subject to Commission approval;
- 18                  5. At the end of the second program year, permit DEI, the OUCC or other  
19                  interested persons to file a request in this docket asking the Commission  
20                  to approve requested changes to the existing ARP, in addition to the  
21                  Commission's right to modify or terminate the Solar Services Program  
22                  ARP on its own, after notice and hearing without changing any existing  
23                  contractual rights and obligations under leasing agreements already  
24                  entered into by DEI and any eligible customers;
- 25                  6. Require DEI to file annual reports regarding relevant Solar Services  
26                  Program information, including the following:
  - 27                          a. Current number of Solar Services Program customers and  
28                          the number of new Solar Services Program customers added  
29                          during the last 12 months;
  - 30                          b. The effective date and term (number of years) of each of the  
31                          Solar Services Program Agreements;
  - 32                          c. The tariff or type of service arrangement (Rate CS, Rate  
33                          LLF, Rate HLF, or Rate WP) under which each Solar  
34                          Services Program customer is served; and

1                                   d.     A detailed statement of revenue, expenses and net operating  
2                                   income (or loss) of the Solar Services Program covering the  
3                                   last twelve months and confirmation that all related  
4                                   revenues, expenses, assets and liabilities are being tracked  
5                                   for below the line regulatory treatment.

6   **Q:     Does this conclude your testimony?**

7   A:     Yes.

**APPENDIX TO TESTIMONY OF**  
**OUCC WITNESS JOHN E. HASELDEN**

**Q: Please describe your educational background.**

**A:** I am a graduate of Purdue University with a Bachelor of Science degree in Civil Engineering. I am also a graduate of Indiana University with the degree of Master of Business Administration, majoring in Finance. I am a registered Professional Engineer in the State of Indiana. I have attended and presented at numerous seminars and conferences on topics related to demand-side management (“DSM”) and renewable energy.

**Q: Please describe your utility business experience.**

**A:** I began employment with Indianapolis Power & Light Company in April, 1982 as a Design Project Engineer in the Mechanical-Civil Design Engineering Department. I was responsible for a wide variety of power plant projects from budget and cost estimation through the preparation of drawings, specifications, purchasing and construction supervision.

In 1987, I became a Senior Engineer in the Power Production Planning Department. I was responsible for assisting and conducting studies concerning future generation resources, economic evaluations, and other studies.

In 1989, I was promoted to Division Supervisor of Fuel Supply and in 1990, became Director of Fuel Supply. I was responsible for the procurement of the various fuels used at IPL’s generating stations.

In 1993, I became Director of Demand-Side Management. I was responsible for the development, research, implementation, monitoring, and evaluation of all marketing and DSM programs. In particular, I was responsible for the start-up of this new department and



for the start-up and implementation of the DSM programs approved by the Commission in its Order in Cause 39672 dated September 8, 1993. The DSM Department was dissolved at IPL in 1997 and I left the company.

From 1997 until May, 2006, I held the positions of Director of Marketing and later, Director of Industrial Development and Engineering Services at The Indiana Rail Road Company. I was responsible for the negotiation of coal transportation contracts with several electric utilities, supervision of the Maintenance-of-Way and Communications and Signals departments, project engineering, and development of large capital projects.

I rejoined IPL in May, 2006 as a Principal Engineer in the Regulatory Affairs Department. I was responsible for the evaluation and economic analysis of DSM programs and assisted in the planning and evaluation of environmental compliance options and procurement of renewable resources.

In May, 2018, I joined the OUCC as a Senior Utility Analyst - Engineer. I review and analyze utilities' requests and file recommendations on behalf of consumers in utility proceedings. As applicable to a case, my duties may also include evaluating rate design and tariffs, examining books and records, inspecting facilities, and preparing various studies.

**Q: Have you previously testified before the Indiana Utility Regulatory Commission?**

**A:** Yes. I have provided testimony in several proceedings on behalf of IPL regarding the subjects of Fuel Supply, DSM and renewable energy most recently in Cause Nos. 43485, 43623, 43960, 43740, 44328, 44018, and 44339. My testimony on DSM concentrated on the evaluation, measurement and verification ("EM&V") of DSM programs. My testimony on renewable energy concentrated on IPL's Rate REP (feed-in tariff, wind power purchase

agreements and solar energy. I have provided testimony on behalf of the OUCC in Cause Nos. 45086 and 44910 (TDSIC-3).

OUCG  
IURC Cause No. 45145  
Data Request Set No. 1  
Received: October 31, 2018

OUCG 1.1

**Request:**

Please address the source of DEI's statutory authority to offer net metering to customers who do not own or operate the proposed solar PV systems in view of 170 IAC 4-4.2-1 (j) and (k).

**Response:**

Pursuant to Indiana Code § 8-1-2-1(a), Duke Energy Indiana is a public utility in that it is an LLC that owns, operates, manages and controls plant and equipment in the state for the production, transmission, delivery, or furnishing of light, heat ... or power. In addition, Duke Energy Indiana, as a public utility provides service to its customers, which is to be defined in "its broadest and most inclusive sense" under Indiana Code § 8-1-2-1(e) and includes "any product or commodity furnished by any public utility and the plant, equipment ... employed by any public utility in performing any service or in furnishing any product or commodity. . . ."

Further, under Indiana Code § 8-1-2.3-2(b), Duke Energy Indiana is an "electricity supplier" which provides electric service to the public. Specifically, the Company provides "retail electric service," defined as "electric service furnished to a customer for ultimate consumption." Ind. Code § 8-1-2.3-2(c).

As a public utility engaged as an electricity supplier and providing retail electric service, Duke Energy Indiana may request permission from the Commission to provide that electric service through a voluntary tariff, such as the proposed Rider No. 26.

Regarding the authority to allow participating customers in proposed Rider No. 26 the option to also participate in Rider No. 57, our net metering tariff, it is Duke Energy Indiana's opinion that this is authorized by Rider No. 57. Duke Energy Indiana's net metering tariff specifically provides that "at its sole discretion, the Company may provide net metering to other customer-generators not meeting all the conditions listed above on a case-by-case basis." As such, while our Rider No. 26 customers may not meet the definition of a "net metering customer" under 170 IAC 4-4.2, Duke Energy Indiana may allow them to participate in our net metering tariff at our sole discretion.

Answering further, the Commission's approval of this proposed program would also provide the Company with additional authority for offering net metering to participating customers that will not own and operate the constructed systems.

OUCG  
IURC Cause No. 45145  
Data Request Set No. 1  
Received: October 31, 2018

OUCG 1.3

**Request:**

Does DEI currently require all net metered customers to own and operate their qualifying net metering facilities?

**Response:**

Generally, yes. However, as explained in the Company's response to OUCG 1.1, Duke Energy Indiana has the ability under its net metering tariff to grant exceptions to the tariff requirements, which the Company has done on several occasions. One example was a church in Duke Energy Indiana's service territory, which wanted to finance and own the solar panels on its roof through the use of an LLC. The Company allowed this church to participate in its net metering tariff.

OUCG  
IURC Cause No. 45145  
Data Request Set No. 1  
Received: October 31, 2018

OUCG 1.6

**Request:**

Will DEI allow other leasing companies to participate in the proposed Rider 26?

**Objection:**

Duke Energy Indiana objects to this request as vague and ambiguous, particularly the reference to other leasing companies participating in Rider No. 26.

**Response:**

Subject to and without waiving or limiting its objections and assuming this request is asking whether third parties would be authorized to offer the same service to the Company's customers proposed to be provided by Duke Energy Indiana should Rider No. 26 be approved, Duke Energy Indiana responds as follows: No. Answering further, Duke Energy Indiana intends to contract with local firms to construct the facilities under this proposed tariff. In that way, other entities will be participating in the proposed Rider.

OUCC  
IURC Cause No. 45145  
Data Request Set No. 1  
Received: October 31, 2018

OUCC 1.8

**Request:**

Does the customer retain the environmental benefits including Solar Renewable Energy Credits (“SRECs”)?

**Response:**

No. The environmental attributes will be retained by Duke Energy Indiana, unless otherwise conveyed to the participating customer through service agreement negotiations.

OUCC  
IURC Cause No. 45145  
Data Request Set No. 1  
Received: October 31, 2018

OUCC 1.24

**Request:**

Referring to Page 2, lines 12-13 of Mr. Ritch's testimony, what is the basis for the statement, "The Company has proposed this offering to address the increasing interest of our non-residential customers in having additional service options for cleaner energy?"

**Response:**

The statement reflects numerous discussions over several years with customers seeking additional ways to gain access to renewable energy. Oftentimes, these customers have an interest in their own sustainability, perhaps with a corporate mandate, or are simply trying to do what they see as their part to create a cleaner energy mix within the state of Indiana. Other customers, such as schools, have an interest in installed solar as both a method of cost savings, and as an educational tool for students. For these customers (schools), in particular, the ability to add solar to their facilities without a large, up-front capital investment could be an attractive option.

OUCG  
IURC Cause No. 45145  
Data Request Set No. 1  
Received: October 31, 2018

OUCG 1.25

**Request:**

Have non-residential customers specifically asked for a solar leasing program?

**Response:**

We are not aware of any customers who have specifically come to the Company seeking a “leasing program.” Many customers, however, have asked us to consider adding tariffed options for them to gain access – should they so choose – to sources of renewable energy. This program, if approved, will be one more option for those customers to consider. In addition, non-profit customers, many of whom want sources of renewable energy, but lack the up-front capital (and tax equity) to build the project and to optimize the economics of doing so, may find a solar system located at/on their premises, but financed, built, owned and maintained by Duke Energy Indiana to be a great solution.



OUCG  
IURC Cause No. 45145  
Data Request Set No. 3  
Received: November 29, 2018

OUCG 3.7

**Request:**

Please provide DEI's business plan for its proposed Solar Services Program.

**Objection:**

Duke Energy Indiana objects to this request as vague and ambiguous, particularly the reference to a business plan without further definition.

**Response:**

Subject to and without waiving or limiting its objections, please see Attachment OUCG 3.7-A for a description of the proposed program.

## Duke Energy Indiana – Solar Service Offering

### Opportunity:

There is increasing interest in cleaner energy among our customers, but many of these customers have shared the required up-front cash expenditure and on-going maintenance responsibility as barriers to installing self-financed solar systems. In response to this feedback and in conjunction with the 2016 Edwardsport Settlement Agreement collaborative process, Duke Energy Indiana has attempted to address this gap in the marketplace through a structured offering for qualified, nonresidential customers, which provides an alternative financing method to the traditional ownership of onsite solar systems.

### Program Overview:

Simply stated, Duke Energy Indiana will install, operate, and maintain a solar energy facility on the customer's premises, and the customer will receive the electrical output of the facility. The system will be owned by Duke Energy Indiana, with all costs allocated strictly to the participating customer without any subsidization to other, non-participating Duke Energy Indiana customers, and billed separately from their normal utility expense. This offering will only be available to nonresidential customers on Duke Energy Indiana's Rate CS, Rate LLF, Rate HLF and Rate WP. Participation in this offering will be capped at 12 MWs. In addition to internally-identified candidates, Duke Energy Indiana will work with local solar installers and developers to identify potentially-interested customers.

### Market Size:

As of October 2018, Duke Energy Indiana has the following number of customers on these rates:

CS – 68,447

LLF – 27,355

HLF – 3,953

WP – 1,496

### Marketing:

Duke Energy Indiana intends to utilize key internal and external resources to engage interested customers: For example, Duke Energy Indiana employees involved in large customer and community

relations will be briefed on this program such that they will be able to share details about it with those customers expressing an interest. In addition, the Company expects that the developers involved in constructing the solar assets on behalf of Duke Energy Indiana may also share contacts of theirs that may have an interest in financing solar assets as proposed under this program.

**Services Provided:**

Customers will receive the following services as part of this offering:

- All construction, operation, and ongoing maintenance of the solar system
- All electrical output from the installed system
- The environmental attributes (SRECS) that are generated by the system (subject to negotiation)

**Pricing**

Pricing will be market-based with two primary inputs:

1. Total costs associated with the services provided (see above)
2. Credit-worthiness of the customer.

**2018 Edwardsport Settlement Agreement, IURC Cause No. 43114 IGCC-17**

1. Introduction.

This Settlement Agreement (“Settlement” or “2018 Edwardsport Settlement”) is entered into by and between Duke Energy Indiana, LLC (and its successors), the Indiana Office of Utility Consumer Counselor (“OUCC”), the Duke Industrial Group, and Nucor Steel-Indiana (collectively, the “Settling Parties”) solely for purposes of compromise and settlement. The Settling Parties agree that this Settlement resolves IGCC ratemaking issues for calendar years 2018 and 2019 regarding Duke Energy Indiana’s Edwardsport IGCC Generating Facility (“Edwardsport”).

This Settlement includes caps on Duke Energy Indiana’s retail operating expenses for 2018 and 2019, reduces the Company’s Regulatory Asset by \$30 million dollars (with a corresponding reduction of the amount of amortization of the regulatory asset included in rates by \$10 million annually beginning with the implementation of final IGCC 17 rates), and provides funding for low income assistance and clean energy projects.

The Settlement also provides that certain issues will be addressed in Duke Energy Indiana’s next retail base rate case (anticipated being filed in mid-2019) (herein “next rate case”). Specifically, post-in-service ongoing capital project costs incurred from January 1, 2018, through the Company’s next rate case test period cutoff date will be addressed in the next rate case. In addition, Duke Energy Indiana’s operating expenses for January 1, 2020, onward will also be addressed in the next rate case.

As a result of this Settlement, Duke Energy Indiana will not file an IGCC Rider proceeding in either 2019 or 2020, and the Settling Parties intend for the Company to petition to include Edwardsport investment and operating expenses in base rates in its next rate case and to discontinue the tracking of Edwardsport via the IGCC Rider thereafter. These provisions and their implementation will be discussed in more detail below.

The Settling Parties desire to fully settle all disputes, claims and issues among them arising out of or relating to IGCC ratemaking issues for calendar years 2018 and 2019, with the exception of ongoing capital, and do so, among other reasons, to avoid the continued time and expense of further proceedings and the inherent uncertainties and potential outcomes associated with such proceedings. The Settling Parties agree that the rates that will result from approval and implementation of this Settlement are just, reasonable and necessary. The Settling Parties further agree that this Settlement is a reasonable compromise and will work together to achieve approval of this Settlement. Duke Energy Indiana, the Duke Industrial Group and the OUCC will file testimony with the Commission in support of this Settlement, and in such testimony, each such submitting party will explain to the Commission how, in that

Settling Party's view, the Settlement is just and reasonable and in the public interest, based on substantial evidence of record.

2. Edwardsport O&M Caps and Reconciliation of Costs after 2020.

A. 2018 and 2019 O&M Caps.

Duke Energy Indiana's recovery of Edwardsport's operation and maintenance expenses (as defined for purposes of the Settlement to include operation and maintenance expenses, payroll taxes, property taxes, property insurance and net of the credit for operating expenses of the retired Edwardsport coal plant (excluding fuel and depreciation), hereinafter referred to as "O&M"), shall be capped for 2018 and 2019 at the Company's budgeted retail O&M amounts as follows:

- a. 2018: \$97.6 million
- b. 2019: \$96.0 million

To the extent Duke Energy Indiana's actual expenses exceed these capped amounts, the difference will not be deferred for future recovery. To the extent Duke Energy Indiana's actual expenses are less than these capped amounts, Duke Energy Indiana shall only recover the actual O&M incurred. If Duke Energy Indiana over-collects, the difference will be reconciled in the final IGCC Rider reconciliation, discussed further below in Para 2(C).

B. O&M incurred after January 1, 2020.

Duke Energy Indiana's O&M incurred from January 1, 2020 onward will be addressed in its next rate case. Duke Energy Indiana expects the O&M in 2020 to be greater than the 2019 level because of a scheduled major outage in 2020 of the entire station. Duke Energy Indiana reserves the right to propose deferral treatment for the 2020 outage, separate and distinct from the proposed amount for base rates, in the next rate case. The non-Duke Settling Parties reserve all rights to make any and all arguments regarding the appropriate amount of and Duke Energy Indiana's ability to recover O&M incurred after January 1, 2020.

IGCC-17 rates will continue after January 1, 2020, until the Commission issues a final order in Duke Energy Indiana's next rate case. The difference between the amount of O&M that Duke Energy Indiana has recovered after January 1, 2020, via the IGCC Rider and the amount that Duke Energy Indiana is authorized to recover in the next rate case will be reconciled in the final IGCC Rider reconciliation, discussed further below in Para 2(C).

C. Final IGCC Rider reconciliation.

As noted above, IGCC-17 rates will remain in effect until the Company's retail base rates are updated after the issuance of a final order in its next rate case. Therefore, IGCC Rider filings will not be filed in March 2019 or March 2020. The Settling Parties also agree that the return on and of investment amounts established in IGCC-17 for Edwardsport will remain in effect until retail base rates are updated after a final order in the Company's next rate case, assuming such filing occurs in 2019. Absent a retail rate case filing in 2019, the IGCC-17 Rider will remain in effect until mid-2020. A final reconciliation of the IGCC Rider will be made as part of the first practicable ECR Rider filed following the Commission's issuance of the Company's next rate case order.

The Settling Parties further agree that Duke Energy Indiana shall not include in the ECR Rider more than \$10 million annually (or \$5 million in each semi-annual ECR Rider) of costs associated with this IGCC Rider reconciliation. The Company shall continue to include IGCC reconciliation amounts in future ECR Riders until the reconciliation amount (without carrying costs) is fully collected or refunded. The ECR Rider reconciliation cap amount shall be calculated without consideration of the \$30 million credit discussed in Para 4.

D. Force Majeure.

The only exceptions to application of the O&M caps shall be for force majeure events beyond the control and without the fault or negligence of Duke Energy Indiana, such as, by way of example, the following: acts of God, the public enemy, or any governmental or military entity. In such case, Duke Energy Indiana may only propose to recover O&M expenditures above the caps set in this Settlement for the periods of time covered by this Settlement in the event of such a force majeure event. If Duke Energy Indiana proposes to recover O&M expenditures over the caps due to a force majeure event, the non-Duke Settling Parties reserve any and all rights to make arguments in response to Duke Energy Indiana's request.

3. Edwardsport Ongoing Capital for 2018 and Through the Next Rate Case.

IGCC-17 rates reflecting post-in-service ongoing capital costs incurred through December 31, 2017 will remain in effect until the Company's retail base rates are updated after issuance of a final order in its next rate case. Post-in service ongoing capital costs at Edwardsport for Calendar Year 2018 and through the Company's next rate case test period rate base cutoff date will be reviewed in that next rate case. The non-Duke Settling Parties reserve all rights to make any and all arguments regarding the amount of and Duke Energy Indiana's ability to recover post-in-service ongoing capital costs incurred after January 1, 2018.

4. \$30 Million Reduction of Regulatory Asset.

Duke Energy Indiana agrees that retail customers shall receive a \$30 million credit by reducing the balance of the Regulatory Asset. (The 2016 Settlement Agreement provided for this Regulatory Asset to be amortized in the amount of \$20 million annually and recovered through rates over approximately eight years without carrying costs.) This \$30 million credit will be implemented as follows:

i. The interim IGCC-17 rates currently include \$20 million of annual Regulatory Asset amortization expenses and this will be reduced by \$10 million in the final IGCC-17 rates to be proposed under the terms of this Settlement Agreement.

ii. In the next rate case, consistent with the 2016 Settlement Agreement, Duke Energy Indiana will propose base rates that continue to include an annual amortization of the Regulatory Asset of \$20 million without carrying costs until the Regulatory Asset is recovered. However, the Company's ECR rider will include a \$10 million annual credit (or \$5 million in each semi-annual ECR Rider) until the total \$30 million credit provided for in this Settlement Agreement has been refunded.

5. Supplemental Filing.

A supplemental filing shall be made in IGCC-17 that identifies the following required changes from three other proceedings that impact the calculation of the IGCC-17 rider: (1) Cause No. 45032-S2 (Tax Act), (2) Cause No. IGCC 15-S1 (Attorney Fees), and (3) the reconciliation of the Commission-ordered Regulatory Liability (being amortized over two years in accordance with the 2016 Settlement Agreement). This Settlement Agreement does not change the ratemaking treatment established in the other three proceedings regarding these issues. These changes would be effective upon approval of this Settlement in the Commission's order in IGCC-17.

In addition, the supplemental filing will also identify how IGCC-17 rates will be adjusted to reduce the amortization of the Regulatory Asset from \$20 million per year to \$10 million per year as stated in Paragraph 4(i) above and to recognize the additional time period the final IGCC-17 rates will be in effect under the terms of this Settlement Agreement (i.e., until new base rates are implemented.)

6. Reservation of Rights.

Except as expressly provided herein or as otherwise provided in prior Edwardsport-related settlement agreements, the Settling Parties reserve all rights to raise any and all arguments regarding the treatment of Edwardsport including, but not limited to, costs and expenses in Duke's next rate case and in other future proceedings.

7. Low income assistance and clean energy projects.

The OUCC and Duke Energy Indiana will cooperate to use \$1.7 million of shareholders' funds for low income assistance (e.g., Duke Energy Indiana's Helping Hand Fund) and/or clean energy-related projects/programs (unless this Settlement is voided in its entirety pursuant to Para9 below). The other Settling Parties may participate in the discussions as desired.

8. Attorney fees.

Within 30 days of a Commission order approving of this Settlement, Duke Energy Indiana agrees to reimburse the Duke Industrial Group and Nucor Steel-Indiana for their reasonably incurred legal expenses and attorneys' fees up to \$300,000, with implementation details in a separate Attorneys' Fees and Expenses Implementation Agreement.

This amount will be paid by Duke Energy Indiana shareholders and will not flow through to customers. Upon the conclusion of the case (after all reviews and appeals of a final order in this proceeding have been exhausted), any remaining balance will revert to the funding of programs discussed in Para. 7.

9. Other.

A. The Settling Parties agree that the evidence to be submitted in support of this Settlement, along with the evidence of record previously submitted in Cause No. 43114 IGCC-17, together constitute substantial evidence to support this Settlement and provide a sufficient evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement. The Settling Parties, other than Nucor Steel-Indiana, shall prepare and file with the Commission as soon as reasonably possible, testimony and proposed order(s) in support of and consistent with this Settlement.

B. This Settlement is a complete and interrelated package that is intended to resolve all issues related to Edwardsport's operations from January 2017 through December 2019 except for ongoing capital discussed in Para. 3. The Settling Parties agree to oppose or not support any attempt to create additional proceedings or phases of Commission proceedings to further examine Edwardsport operations and related expenditures incurred from January 2017 until the filing of the Company's petition initiating its next rate case, assuming such filing occurs in 2019.

C. The Settling Parties will not appeal or seek rehearing, reconsideration or a stay of a Final Order approving this Settlement in its entirety or without change or condition(s) unacceptable to any adversely affected Party (or related orders to the extent such orders are specifically implementing the provisions of this Settlement).



D. The Settling Parties agree to support in good faith the terms of this Settlement before the Commission and further agree not to take any positions adverse to or inconsistent with the Settlement or any adverse positions against each other with respect to the Settlement before any appellate courts, or on rehearing, reconsideration, remand or subsequent or additional related Commission proceedings.

E. The Settling Parties also agree to support or not oppose this Settlement in the event of any request for a stay by a person not a party to this Settlement or if this Settlement is the subject matter of any other proceeding.

F. The Settling Parties shall remain bound by the terms of this Settlement Agreement and shall continue to support or not oppose all the terms of the Settlement on appeal, remand, reconsideration, etc., even if the Commission rejects the Settlement. However, in the event that the Settlement is rejected by the Commission and such rejection is ultimately upheld on rehearing, reconsideration, and/or appeal, at the point when all such proceedings and appeals are complete, this Settlement Agreement shall become void and of no further effect (except for provisions which have already been fully implemented or which are explicitly stated herein to survive termination/voiding).

G. If the Commission approves the Settlement in its entirety, or approves the Settlement with modifications that are acceptable to affected Settling Parties, and such Commission approval is ultimately vacated or reversed on appeal, the Settling Parties agree to support or not oppose the terms of this Settlement in any additional related proceedings before the Commission (as well as any subsequent appeals). In such situation, the Settling Parties agree not to take any positions adverse to or inconsistent with the Settlement or any adverse positions against each other with respect to the Settlement or the subject matters herein, on remand or in additional related proceedings before the Commission. To the extent that the Commission and/or appellate courts ultimately and finally reject this Settlement, any provisions of this Settlement that remain to be implemented will then become void and of no further effect, unless explicitly stated herein.

H. The positions taken by the Settling Parties in this Settlement shall not be deemed to be admissions by any of the Settling Parties and shall not be used as precedent, except as necessary to implement the terms of this Settlement. This provision shall survive termination/voiding of this Agreement.

I. It is understood that this Settlement is reflective of a good faith negotiated settlement and neither the making of the Settlement nor any of its provisions shall constitute an admission by any Settling Party in this or any other litigation or proceeding except as necessary to implement or enforce this Settlement Agreement. It is also understood that each

and every term of the Settlement Agreement is in consideration and support of each and every other term.

J. The Settling Parties will support this Settlement before the Commission and request that the Commission expeditiously accept and approve the Settlement. This Settlement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party.

K. The Settling Parties will file this Settlement and any testimony in support of this Settlement. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party and the Settling Parties hereby waive cross-examination of each other's witnesses. The Settling Parties propose to submit this Settlement and evidence conditionally, and if the Commission fails to approve this Settlement in its entirety without any change or with condition(s) unacceptable to any adversely affected Settling Party, the Settlement and supporting evidence may be withdrawn. Subsequently, the Settling Parties may file testimony and the Commission will continue to proceed to decision in this proceeding, without regard to the filing of this Settlement.

L. The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Settlement all relate to offers of settlement and shall be privileged and confidential, without prejudice to the position of any Settling Party, and shall not to be used in any manner in connection with any other proceeding or otherwise. This provision shall survive termination/voiding of this Agreement.

M. The undersigned Settling Parties have represented and agreed that they are fully authorized to execute the Settlement on behalf of their designated clients, and their successors and assigns, who will be bound thereby.

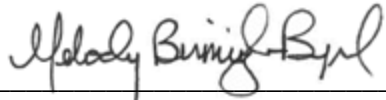
N. The provisions of this Settlement shall be enforceable by any Settling Party before the Commission and thereafter in any Indiana court of competent jurisdiction as necessary.

O. This Settlement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ACCEPTED AND AGREED TO THIS 20th DAY of SEPTEMBER 2018:

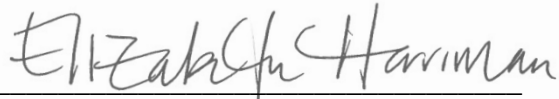
[signature pages to follow]

For Duke Energy Indiana, LLC



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Melody Birmingham-Byrd, President  
Duke Energy Indiana, LLC



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Elizabeth A. Herriman, Associate General Counsel  
Attorney for Duke Energy Indiana, LLC

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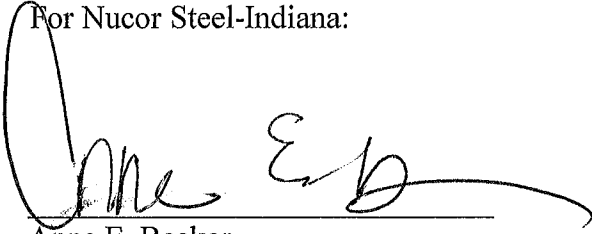
For the Indiana Office of Utility Consumer Counselor:

A handwritten signature in blue ink, appearing to read "RCHL", is written over a horizontal line.

Randall C. Helmen, Chief Deputy Consumer Counselor  
Indiana Office of Utility Consumer Counselor

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For Nucor Steel-Indiana:

A handwritten signature in black ink, appearing to read 'Anne E. Becker', written over a horizontal line. The signature is stylized and cursive.

Anne E. Becker  
Attorney for Nucor Steel-Indiana

[This is a signature page for the 2018 IGCC Settlement Agreement before the Indiana Utility Regulatory Commission. The remainder of this page is intentionally left blank.]

For the Duke Energy Indiana Industrial Group



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Tabitha Balzer  
Attorney for Duke Energy Indiana Industrial Group

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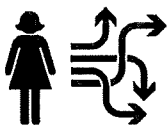
# CORPORATE RENEWABLE ENERGY BUYERS' PRINCIPLES ([HTTPS://BUYERSPRINCIPLES.ORG](https://buyersprinciples.org))

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## The Principles

The Corporate Renewable Energy Buyers' Principles tell utilities and other suppliers what industry-leading, multinational companies are looking for when buying renewable energy from the grid. A group of large energy buyers developed these six principles to spur progress on renewable energy and to add their perspective to the future of the U.S. energy and electricity system.

The Buyers' Principles outline six criteria that would significantly help companies meet their ambitious purchasing goals:



### CHOICE

1. Greater choice in procurement options,

It is important to have choice when selecting energy suppliers and products to meet our business and public goals.



### COST-COMPETITIVENESS

- In order to claim the benefits of our renewable energy purchases to satisfy our public goals and reduce our carbon footprint, current US rules require that we retain ownership of the RECs or that they are retired on our behalf. Some companies find this single-instrument system creates competition between energy generators and energy users that can slow the growth of voluntary corporate renewable purchases. We welcome discussion to explore market mechanisms that enable greater voluntary growth of renewable energy while maintaining accounting integrity. What is most critical to us is that we have the ability to add more renewable energy to the system and claim the consumption of the relevant renewable energy and GHG emission benefits while preventing another energy user from claiming consumption of the same renewable energy.

### **Renewable energy delivery from sources that are within reasonable proximity to our facilities**

- Where possible, we would like to procure renewable energy from projects near our operations and/or on the regional energy grids that supply our facilities so our efforts benefit local economies and communities as well as enhance the resilience and security of the local grid.



### **FINANCING TOOLS**

#### **5. Increased access to third-party financing vehicles as well as standardized and simplified processes, contracts and financing for renewable energy projects**

To access renewable energy at the competitive prices and scale we need to meet our goals, many companies are financing and/or procuring renewable energy through third-party providers using power purchase agreements (PPAs) and/or lease arrangements. Increasing access to these types of effective and affordable financing tools is critical. Initially, for some companies, these processes can be complex and costly since they are outside of their core business functions. Simplifying and standardizing policies, permitting, incentives and other processes for direct procurement are high priorities for many companies.



## Corporate Renewable Energy Buyers' Principles

A collaboration of leading companies seeking simplified access to the renewable electricity they need to meet their clean and low carbon energy goals. The project is facilitated by World Resources Institute and World Wildlife Fund.

### Contact

[info@buyersprinciples.org](mailto:info@buyersprinciples.org) ([mailto:info@buyersprinciples.org?subject=Corporate Renewable Energy Buyers' Principles Info Request](mailto:info@buyersprinciples.org?subject=Corporate%20Renewable%20Energy%20Buyers'%20Principles%20Info%20Request))

### About Us

[See who has joined... \(/about-us/#Signatories\)](#)



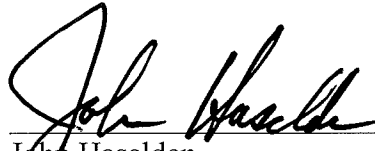
<http://www.worldwildlife.org/pages/powering-businesses-on-renewable->

[energy\)](#)

<http://www.wri.org/our-work/topics/energy>

**AFFIRMATION**

I affirm, under the penalties for perjury, that the foregoing representations are true.



\_\_\_\_\_  
John Haselden  
Senior Utility Analyst  
Indiana Office of Utility Consumer Counselor  
Cause No. 45145  
Duke Energy Indiana, LLC

*1/9/2019*

\_\_\_\_\_  
Date

**CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that a copy of *Indiana Office of Utility Consumer Counselor Testimony of John E. Haselden – Public’s Exhibit No. 2* was served via electronic mail on all counsel of record herein on this 9<sup>th</sup> day of January, 2019:

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Margo Tucker  
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**Courtesy Copy to:**  
Barry A. Naum  
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\_\_\_\_\_  
Karol H. Krohn  
Deputy Consumer Counselor

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