SOUTHERN INDIANA GAS AND ELECTRIC COMPANY
d/b/a VECTREN ENERGY DELIVERY OF INDIANA, INC.
A CENTERPOINT ENERGY COMPANY
(VECTREN SOUTH)

IURC CAUSE NO. 45378

DIRECT TESTIMONY
OF
JUSTIN M. JOINER
DIRECTOR, POWER SUPPLY SERVICES

ON

CALCULATION OF THE EXCESS DISTRIBUTED GENERATION RATE

SPONSORING PETITIONER'S EXHIBIT NO. 1,
ATTACHMENT JMJ-1

DIRECT TESTIMONY OF JUSTIN M. JOINER

I. INTRODUCTION

Q. Please state your name and business address.

A. Justin M. Joiner
One Vectren Square
Evansville, Indiana 47708

Q. What position do you hold with Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren South" or "the Company")?

A. I am Director of Power Supply Services for CenterPoint Energy, Inc. ("CenterPoint"), the immediate parent company of Vectren South ("Vectren").

Q. Please describe your educational background.

A. I received a Bachelor of Science in Economics and Finance (2005) and a Master's in Business Administration (2012), both from Southern Illinois University at Edwardsville.

Q. Please describe your professional experience.

A. I began my career in the energy industry at Ameren Corporation ("Ameren") and actively participated in the Midcontinent Independent System Operator ("MISO") markets in both the regulated and merchant divisions from 2008 to 2013. While at Ameren, I helped manage and optimize Ameren's generation portfolio in the Real-Time and Day-Ahead markets in MISO. Prior to joining the Company, I worked at MISO in the Strategy and Business Development segment where I conducted key industry analysis on market developments such as Resource Adequacy, Footprint Diversity and Gas/Electric Coordination while working to attract and retain membership within MISO. I was also Secretary of the Internal Risk and Audit Committee at MISO. In 2015, I was employed by the Company as Director of MISO Affairs with responsibility for overseeing the MISO and PJM Interconnections, Inc. ("PJM") Settlements as well as leading corporate participation in the MISO and PJM markets. I was named to my current position in February 2019.

Q. What are your present duties and responsibilities as Director of Power Supply Services?

A. I have responsibility for the following related functions: Wholesale Power Marketing, Market Settlements, utility reporting and the Integrated Resource Plan ("IRP") process. This aligns areas that interact with the MISO on a daily basis with regards to generation and market related initiatives. I also maintain continued oversight and emphasis on conducting required Public Stakeholder meetings and compliance with IRP requirements.

Q. Have you previously testified before this Commission?

A. Yes, I have testified before the Commission for Vectren South's MISO Cost and Revenue Adjustment ("MCRA") filing, most recently in Cause No. 43354-MCRA 23, and its Certificate of Public Convenience and Need, Cause No. 45052.

Q. Are you sponsoring any attachments in this proceeding?

A. Yes. I am sponsoring, and will discuss in greater detail below, the following attachments in this proceeding:

- Petitioner's Exhibit No. 1, **Attachment JMJ-1**: Calculation of the Excess Distributed Generation Rate.

Q. What is the purpose of your Testimony in this proceeding?

A. My testimony and its supporting documentation provide the Excess Distributed Generation Rate based on the marginal price of electricity, which is defined in Indiana Code 8-1-40-6 as being the hourly market price for electricity as determined by a regional transmission organization of which the electricity supplier serving a customer is a member.

II. Excess Distributed Generation Rate Calculation

Q. Please describe the Excess Distributed Generation Rate calculation.

A. Per Indiana Code 8-11-40-17, the Excess Distributed Generation Rate is the product of (1) the average marginal price of electricity paid by the electricity supplier during the most recent calendar year; multiplied by (2) one and twenty-five hundredths (1.25).

Q. How did Vectren South calculate its 2019 marginal price of electricity?

A. The marginal price of electricity paid by Vectren South for the most recent calendar year was determined by averaging the 2019 hourly Locational Marginal Price (LMP) at Vectren South's SIGE.SIGW load node. This node was most appropriate to use because this is the node at which Vectren South is charged for energy. For 2019, the average LMP at the SIGE.SIGW load node was $25.47 per megawatt-hour (MWh). The data for this calculation is attached as Petitioner's Exhibit No. 1, Attachment JMJ-1.

Q. How did Vectren South calculate its proposed Excess Distributed Generation rate?

A. The 2019 average LMP per MWh at the SIGE.SIGW load node of $25.47 per MWh was multiplied by 1.25 for an amount of $31.83 per MWh. To convert to a per kilowatt-hour (kWh) basis, the $31.83 per MWh was divided by 1,000, to equal $0.03183 per kWh.

Vectren South - A Centerpoint Energy Company **Market Settlements Group** **Excess Distributed Generation Rate Calculation** **2019 SIGE.SIGW Average Hourly Real-Time LMP**		
Average LMP $/MWh:	$	25.47
1.25 X Average LMP $/MWh:	$	31.83
1.25 X Average LMP $/kWh:	**$**	**0.03183**

Q. Will the Excess Distributed Generation rate be static each year?

A. No. Since the Excess Distributed Generation rate is calculated using the annual average LMP at Vectren South's SIGE.SIGW load node, it will not be static from year to year.

Q. What factors could drive changes in the Average LMP rate on an annual basis?

A. The LMP represents a market rate that is driven by multiple factors. Pricing of fuel for generation, specifically natural gas prices over recent periods, and peak loads, which drive usage and overall demand, are two prominent factors that will drive LMP changes year-over-year. In addition, congestion on the system impacts the LMP, and in recent periods network upgrades, outage timing, and market-to-market coordination efforts have helped to mitigate congestion concerns on the system.

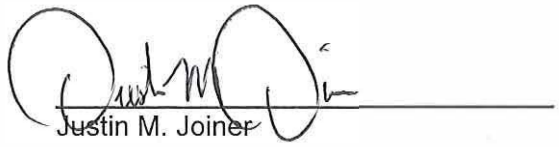
III. CONCLUSION

Q. Does this conclude your direct testimony?

A. Yes, it does.

VERIFICATION

The undersigned, Justin M. Joiner, affirms under the penalties of perjury that the answers in the foregoing Direct Testimony in Cause No. 45378 are true to the best of his knowledge, information and belief.



Justin M. Joiner

Petitioner's Exhibit No. 1
Attachment JMJ-1
Cause No. 45378
Vectren South

Vectren South - A Centerpoint Energy Company
Market Settlements Group
Excess Distributed Generation Rate Calculation
2019 SIGE.SIGW Average Hourly Real-Time LMP

Average LMP $/MWh:	$	25.47
1.25 X Average LMP $/MWh:	$	31.83
1.25 X Average LMP $/kWh:	**$**	**0.03183**

Settlement Version	Begin Date	End Data
S105	01/01/2019	11/10/2019
S55	11/11/2019	12/30/2019
S14	12/31/2019	12/31/2019