

**FILED**  
March 1, 2021  
**INDIANA UTILITY  
REGULATORY COMMISSION**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**IN THE MATTER OF THE VERIFIED )  
PETITION OF INDIANAPOLIS POWER & )  
LIGHT COMPANY D/B/A AES INDIANA )  
PURSUANT TO IND. CODE § 8-1-40-16 FOR ) CAUSE NO. 45504  
APPROVAL OF RATE FOR THE )  
PROCUREMENT OF EXCESS DISTRIBUTED )  
GENERATION BY AES INDIANA )**

**VERIFIED PETITION**

Indianapolis Power & Light Company d/b/a/ AES Indiana (“Petitioner”, “AES Indiana” or the “Company”) hereby petitions the Indiana Utility Regulatory Commission (“Commission”) pursuant to Ind. Code § 8-1-40-16 for approval of its method for calculating excess distributed generation (“EDG”), its proposed rate for the procurement of EDG, and related consumer EDG credit issues. In support of this Petition, AES Indiana represents and shows the following:

**AES Indiana’s Corporate Status and Operations**

1. 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.

2. AES Indiana provides retail electric utility service to more than 500,000 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. 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 a reliable state of operating condition.

**Petitioner’s “Public Utility” Status**

3. AES Indiana is a “public utility” under Ind. Code § 8-1-2-1. 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.

**Applicable Law**

4. Ind. Code § 8-1-40-16 (“Section 16 requires that “[n]ot later than March 1, 2021, an electricity supplier [which term includes AES Indiana] shall file with the commission a petition requesting a rate for the procurement of excess distributed generation by the electricity supplier.” This Petition is timely filed pursuant to that statute.

5. Ind. Code § 8-1-40-17 (“Section 17”) provides that the “commission shall review a petition filed under section 16 . . . and after notice and a public hearing, shall approve a rate to be credited to participating customers by the electricity supplier for excess distribution generation if the commission finds that the rate requested by the electricity supplier was accurately calculated and equals 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).” Accordingly, AES Indiana considers the provisions of the Public Service Commission Act, as amended, including Sections 16 and 17 to be applicable to the subject matter of this Petition.

## **Procedural and Other Matters**

6. AES Indiana contemporaneously files the direct testimony of Matthew Fields, with Attachment MDF-1. Mr. Fields explains and describes AES Indiana's proposed EDG rate and the reasons for AES Indiana's request to file at a later date supplemental testimony addressing AES Indiana's proposed method for calculating EDG and related matters.

7. There are two, related issues affecting AES Indiana's procurement of EDG from its customers: the EDG rate, and the calculation of EDG. In compliance with Ind. Code § 8-1-40-16, AES Indiana now submits its proposed EDG rate. AES Indiana proposes that it file supplemental testimony on or before June 1, 2021, to address AES Indiana's proposed calculation of EDG and application of any EDG credit to customer bills.

8. Presentation and approval of AES Indiana's proposed EDG rate should not be controversial – the method for calculating the EDG rate is set forth in the statute and is derived from publicly available data. Application of that EDG rate is, however, more complicated, as the briefing in pending Cause No. 45378 demonstrates.

9. Ind. Code § 8-1-40-5 defines EDG as the difference between: (1) the electricity that is supplied by an electricity supplier to a customer that produces distributed generation; and (2) the electricity that is supplied back to the electricity supplier by the customer. Unlike the regulations setting the methodology for net metering,<sup>1</sup> the statutory definition for EDG is silent regarding the frequency with which a utility, like AES Indiana, must calculate EDG. The parties in pending Cause No. 45378 presented two possibilities for the frequency of the statutorily-

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<sup>1</sup> 170 IAC 4-4.2-7 provides, in relevant part, that “[t]he investor-owned electric utility shall measure the difference between the amount of electricity delivered by the investor-owned electric utility to the net metering customer and the amount of electricity generated by the net metering customer and delivered to the investor-owned electric utility *during the billing period*[.]” (emphasis supplied).

required EDG calculation. Vectren proposed that EDG be calculated “instantaneously.” The Consumer Parties proposed that EDG be calculated monthly, just like net metering. AES Indiana believes there may be additional methods for calculating EDG that comply with Ind. Code § 8-1-40-5, that do not mimic net metering’s methodology, and that mitigate certain of the adverse incentives net metering creates.

10. Additionally, while it appears clear that Ind. Code § 8-1-40-18 requires that distributed generation customers receive a credit on their monthly bills for the total EDG that month and that any excess credit carries forward to the next month, the statute is silent as to application of any excess EDG credit if a distributed generation customer leaves AES Indiana’s system before that credit has been fully set off against the customer’s other charges.

11. AES Indiana believes that allowing it to file supplemental testimony on or before June 1, 2021, focusing on its proposed calculation of EDG and application of EDG credits, is reasonable and makes good sense. It will allow AES Indiana to (a) more thoroughly consider methods for calculating EDG alternative to simply mimicking net metering, as AES Indiana understands is the purpose of the new statutory construct and the proscribed termination of net metering; and (b) identify and analyze any technological issues associated with those potential, alternative calculation methods. The additional time will also likely permit a more robust presentation of AES Indiana’s chosen EDG calculation method to the Commission.

12. The aggregate amount of net metering facility nameplate capacity under AES Indiana’s net metering tariff was 0.2% of its most recent summer peak load and is thus not

expected to equal 1.5% of AES Indiana’s most recent summer peak load before July 1, 2022.<sup>2</sup> Consequently, AES Indiana reasonably expects that its current net metering tariff will remain available until July 1, 2022. Thus, the proposed schedule for filing AES Indiana’s supplemental testimony and the conduct of the proceeding thereafter will allow the Commission to determine the relevant issues in an orderly manner and in advance of July 1, 2022.

13. Pursuant to 170 IAC 1-1.1-9(8), AES Indiana will work on an agreed procedural schedule with the Indiana Office of Utility Consumer Counselor and will file a proposed schedule within 30 days of the filing of this Petition.

**Petitioner’s Authorized Representatives**

14. The names and address of AES Indiana’s attorneys in this matter who are duly authorized to accept service of papers in this Cause on behalf of AES Indiana are:

Teresa Morton Nyhart (Atty. No. 14044-49)  
T. Joseph Wendt (Atty. No. 19622-49)  
Jeffrey M. Peabody (Atty. No. 28000-53)  
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<sup>2</sup> Ind. Code § 8-1-40-10 provides: “Before July 1, 2022, if an electricity supplier reasonably anticipates, at any point in a calendar year, that the aggregate amount of net metering facility nameplate capacity under the electricity supplier's net metering tariff will equal at least one and one-half percent (1.5%) of the most recent summer peak load of the electricity supplier, the electricity supplier shall, in accordance with section 16 of this chapter, petition the commission for approval of a rate for the procurement of excess distributed generation.”

WHEREFORE, AES Indiana 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:

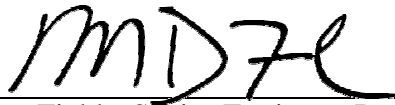
(i) Allowing AES Indiana to file supplemental testimony on or before June 1, 2021, addressing AES Indiana's proposed calculation of excess distributed generation and related matters;

(ii) Approving AES Indiana's calculation of excess distributed generation and its rate for the procurement of excess distributed generation; and

(iii) Granting to AES Indiana such other and further relief in the premises as may be appropriate and proper.

Dated this first day of March 2021.

INDIANAPOLIS POWER & LIGHT COMPANY d/b/a  
AES INDIANA

By   
Matthew Fields, Senior Engineer, Regulatory Affairs



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Attorneys for Indianapolis Power & Light Company  
d/b/a AES Indiana

**VERIFICATION**

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

Dated: March 1, 2021.

  
\_\_\_\_\_  
Matthew Fields



**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing Verified Petition was served this first day of March 2021, via hand delivery or email on:

T. Jason Haas  
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