

NEWS RELEASE

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**Citizen Groups Join Edwardsport IGCC Settlement
*Paves the way for more consumer protections, more solar
power, & an agreement to end coal at Gallagher plant by 2022***

INDIANAPOLIS — A group of advocacy organizations, including Citizens Action Coalition, Save the Valley, Sierra Club, and Valley Watch, joined a modified settlement that was filed today at the Indiana Utility Regulatory Commission (IURC) regarding Duke Energy's Edwardsport IGCC plant in Knox County, IN. The settlement, which builds off of an initial settlement reached in 2015, paves the way for additional consumer protections for Hoosiers and coal retirements in Indiana.

"We appreciate the opportunity to work with Duke and the other settling parties over the last several months to come to an agreement that we believe will benefit Duke ratepayers," said Kerwin Olson, Executive Director of CAC. "Because of CAC's aggressive advocacy and litigation over the plant for nearly a decade now, I'm sure that many will be surprised to hear this news. However, I would characterize this agreement as a temporary 'cease-fire.' We have not foreclosed future opportunities to challenge the costs or the operations of the plant in the long-term, and in the short-term, ratepayers will realize benefits and savings that would not exist absent this settlement."

In September of 2015, an initial settlement was filed at the IURC, which included the Indiana Office of Utility Consumer Counselor, Duke Energy Indiana Industrial Group, Nucor Steel-Indiana, and Duke Energy Indiana. Among other benefits in that settlement, Duke Energy agreed not to bill customers \$85 million of plant operating costs, and it placed caps on how much Duke can collect from ratepayers for capital costs through the end of 2018 and operational costs through the end of 2017. The citizen groups were not a party to that initial settlement.

The modified settlement includes additional benefits secured by the citizen groups:

- Duke Energy will retire or cease burning coal no later than the end of 2022 at Units 2 and 4 of the Gallagher Generating Station in Floyd County, IN. According to the Clean Air Task Force, pollution from the Gallagher coal-fired power plant contributes to 83 asthma attacks annually.
- Duke Energy will provide \$500,000 to fund solar installations of less than 0.5MW for community, educational, religious, and non-profit organizations and/or low income residential customers in Duke Energy Indiana's service territory.
- Duke Energy now agrees not to bill customers \$87.5 million of plant operating costs -- \$2.5 million higher than the amount agreed to in the original settlement.
- Duke Energy will contribute \$500,000 to the Helping Hand Fund benefiting Duke's low income customers.
- Duke Energy will report customer related billing data regarding low income customers and general residential customers on an annual basis starting as soon as July 2016.

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"Although this settlement doesn't achieve all that we sought through this litigation, it does offer substantial relief for ratepayers, acknowledges problems with the Edwardsport plant's startup and reduces Duke's coal footprint in Indiana," said Steve Francis, Chair of the Sierra Club Hoosier Chapter. "We're grateful for CAC's leadership in reaching this settlement and have been proud to partner with them and the other public advocates on this longstanding fight. Sierra Club will continue to monitor this expensive and poorly performing power plant while we work to advance the inevitable transition to clean energy throughout Indiana."

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