

## Duke Energy's Edwardsport IGCC: Continuing to Underperform while Customers Continue to Overpay

Duke Energy's Edwardsport Integrated Gasification Combined Cycle coal-fired power plant (Edwardsport IGCC) was declared "in-service" by Duke in June 2013 and **has now been operating for over 5 years**. To get approval to build the plant in 2007, Duke promised legislators and regulators a **price tag of \$1.9 BILLION**, but the final price **skyrocketed to over \$3.5 BILLION**.

Since declaring the plant "in-service," the Indiana Utility Regulatory Commission (IURC) has allowed Duke to charge its customers for the costs of operating the plant which include:

- the cost of fuel and the labor to run the plant, and
- the capital expenses related to fixing and repairing the plant.

Duke Energy is now asking regulators for **ANOTHER rate hike** to continue paying for this outrageously expensive power plant. The average Duke customer is now paying **\$14.81 per month** for the plant, and **Duke wants to hike that to \$15.39 per month**.

***Duke Customers have paid \$2.2 BILLION for the Edwardsport IGCC power plant since 2009.***

- While the plant was being constructed and tested, Duke forced customers to fork over **\$397 MILLION for the plant**.
- From June 2013 to December 2017, Duke customers were forced to pay **another \$1.76 BILLION for the plant**.
- All told, Duke customers have had to pay **\$1.4 BILLION more for Edwardsport than they would have paid for electricity on the wholesale market**.
- This is a huge **SUBSIDY to Duke Energy** and a massive **ECONOMIC LOSS** for everybody who has the misfortune to live in Duke's service territory.

**To learn more about the history of Duke's Edwardsport IGCC plant, visit [www.citact.org](http://www.citact.org).**

## Take Action Now!!

### Contact Indiana's Consumer Counselor,

#### Bill Fine:

Tell him that you are done paying for an **overpriced** and **underperforming** power plant that we **don't need, can't afford**, and that never should have been approved in the first place! Be sure to reference **Cause Number 45253** in your comments!

**Indiana Office of Utility Consumer Counselor**

Attn: Bill Fine

115 W. Washington St. Suite 1500S

Indianapolis, IN 46204

[uccinfo@oucc.in.gov](mailto:uccinfo@oucc.in.gov)

(888) 441-2494 phone

### Call Duke Energy:

See how much you are currently paying for this plant on your monthly electric bill by calling Duke and asking them for a detailed bill. When you receive your detailed bill, look for **Rider 61 - Coal Gasification Adj.** The amount listed to the right of this rider/tracker is what you are currently paying for the Edwardsport IGCC plant.

**Duke Energy Customer Service:**

(800) 521-2232

# Duke Energy's Edwardsport IGCC: Unable to Deliver on Promises of Efficiency

**In October 2011, Duke stated:**

*"Importantly, due to its low operating cost, this plant will be among the first dispatched on our system which means that older and less efficient generation will operate less. This is a point that probably has not been emphasized enough. **The plant's high efficiency means that it can turn fuel into energy at a lower cost; in fact, at the lowest cost on our system.**"*

None of those promises have come true. **The O&M (Operation & Maintenance) costs of Edwardsport have been exorbitant and are easily among the highest costs on Duke's system.**

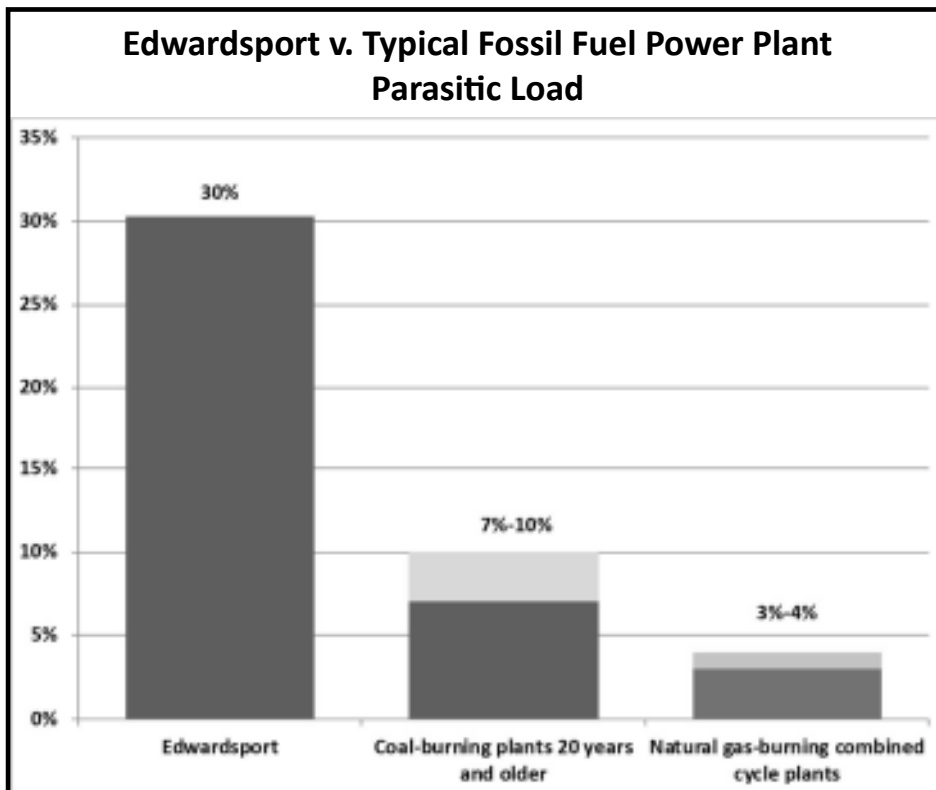
- Over the past four years, the average O&M costs for generating power at **Edwardsport** has been slightly over **\$60 per MWH** (megawatt hour).
- The O&M costs for generating power at **Duke's older Indiana coal plants** has averaged around **\$35 per MWH**.
- Electricity costs on the **wholesale market** have averaged slightly above **\$31 per MWH**.

Furthermore, the cost of renewable electricity such as wind and solar-plus-storage projects are coming in well below the costs for Edwardsport and are frequently below current wholesale market prices as well.

- Northern Indiana Public Service Company (NIPSCO) recently requested proposals for renewable electricity projects in its service territory. In the proposals they received, the **average cost of wind** came in at **\$27 per MWH** and the average **solar-plus-storage projects** came in at **\$35 per MWH**.

Regarding Duke's promise of "high efficiency" and turning "fuel into energy at a lower cost," Edwardsport has utterly failed to deliver. The efficiency of a power plant is measured by its heat rate. The higher the heat rate, the less efficient the power plant. The Edwardsport plant's average heat rate is:

- **29% higher** (less efficient) than Duke promised;
- **16% higher** (less efficient) than the typical coal plant; and
- **64% higher** (less efficient) than the typical gas plant.



Another important factor to measure the efficiency of a power plant is what is known as "**parasitic load loss.**" This is how much of the electricity generated that is **being diverted to run the power plant** instead of going on the electric grid.

As displayed on the graphic at the left:

- The **average gas plant diverts 3 to 4%** of its electricity for use at the plant.
- The **average coal plant diverts 7 to 10%** of its electricity for use at the plant.
- Through the end of 2017, **Edwardsport's parasitic load averaged 30%.**