INDIANAPOLIS – CenterPoint is currently before the Indiana Utility Regulatory Commission (“IURC”) seeking permission to charge electric ratepayers at least $23 a month to pay for two new fossil gas-fired power plants, which would produce a combined 460 megawatts of electricity, and a new fossil gas pipeline to be built under the Ohio River from Kentucky to SW Indiana. On Friday, November 19th, Citizens Action Coalition (“CAC”), with the assistance and support of the legal team at Earth Justice, filed testimony asking the IURC to reject CenterPoint’s request.

Expert testimony was filed on behalf of CAC by Anna Sommer, a Principal at Energy Futures Group, and Josh Keeling, a Director at the Cadeo Group. Ms. Sommer’s primary focus is on all aspects of utility resource planning, including optimization modeling of electric power systems and the selection of a least-cost, least-risk mix of demand-side and supply-side resources. Mr. Keeling leads the Distributed Energy Resources (DER) and Electrification team at Cadeo.

Ms. Sommer was critical of the utilities planning process, known as the Company’s Integrated Resource Plan (“IRP”), which serves as the backbone of support for CenterPoint’s request for the proposed fossil gas units. She noted that the Company tended to overstate the price of renewables and battery storage and that the Company based the need for the fossil gas units on a questionable sales forecast, which CenterPoint refused to allow stakeholders and the Commission to review.

“Correcting certain inputs in the IRP modeling results in the selection of a plan that is much lower cost and does not include the combustion turbines,” said Ms. Sommer in her recommendation that the Commission reject CenterPoint’s request. “The Company has not provided sufficient justification or analysis for its choice to build these gas plants, especially given the lack of support for its outdated load forecast and the flaws in its IRP modeling.”

Mr. Keeling discussed the vast opportunity that exists in CenterPoint’s service territory for investments in demand response (“DR”) programs, which are designed to reduce electricity usage during times of high wholesale market prices or during periods of high peak demand when system reliability is jeopardized. These programs come at much lower cost to customers, and help to avoid investments in expensive, supply-side resources such as the fossil gas turbines CenterPoint is proposing in this proceeding.

“Given my review of the record and data provided here, I would recommend that the IURC deny CenterPoint’s request to construct the two gas plants in question and instead require CenterPoint to undertake a more rigorous analysis and consideration of the alternatives,” stated Mr. Keeling. “It feels safe to say that the evidence suggests that at least 200 megawatts of additional demand response could be achieved in the 5–7-year timeframe.”

Ms. Sommer also questioned the size of the pipeline that CenterPoint is asking customers to pay $27.3 million per year for to deliver the fossil gas to the proposed units. Her analysis concluded that the Company’s proposed pipeline “would be able to transport, in a single hour, 98% more gas than can be consumed by” the
units. "What is clear, however, is that CenterPoint is acquiring gas transmission capacity that greatly exceeds that which is needed to supply these units," stated Ms. Sommer.

“CenterPoint’s plan may be in its shareholders’ best interests, but it is far from being in the best interest of its captive ratepayers," said Kerwin Olson, Executive Director of CAC. Mr. Olson also filed testimony in the case showing how CenterPoint customers pay the highest electric bills in the State, and as displayed in the graph, CenterPoint customers’ monthly electric bills far exceed the average bill in Indiana, other Midwestern states, and across the country. “It is the customers of CenterPoint who need to be protected, not a financially healthy monopoly controlled by an out-of-state holding company,” stated Mr. Olson.

CenterPoint is scheduled to file rebuttal testimony on December 20th with evidentiary hearings before the IURC beginning the last week of January 2022. A decision from the IURC is expected in mid-2022.

The testimony filed by CAC is available upon request.

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