



March 14, 2023

ENGROSSED HOUSE BILL No. 1007

DIGEST OF HB 1007 (Updated March 9, 2023 12:58 pm - DI 101)

Citations Affected: IC 8-1.

Synopsis: Electric utility service. Provides that it is the continuing policy of the state that decisions concerning Indiana's electric generation resource mix, energy infrastructure, and electric service ratemaking constructs must take into account the following attributes of electric utility service: (1) Reliability. (2) Affordability. (3) Resiliency. (4) Stability. (5) Environmental sustainability. Requires the Indiana utility regulatory commission (IURC) to take each of these attributes into account when: (1) reviewing, and preparing a final director's report for, an integrated resource plan submitted by an electric utility; (2) acting upon a petition for the construction, purchase, or lease of an electric generation facility; and (3) reviewing whether the public convenience and necessity continues to require the completion of an electric generation facility under construction. Requires the IURC to commence before September 1, 2023, a comprehensive study to consider the appropriate: (1) design and framework for; and (2) requirements with respect to; performance based ratemaking for
(Continued next page)

Effective: July 1, 2023.

Soliday, Jeter, Negele, Frye R

(SENATE SPONSORS — KOCH, ZAY, DONATO, LEISING, BYRNE)

January 12, 2023, read first time and referred to Committee on Utilities, Energy and Telecommunications.

January 24, 2023, amended, reported — Do Pass.

January 26, 2023, read second time, ordered engrossed.

January 27, 2023, engrossed.

January 30, 2023, read third time, passed. Yeas 96, nays 1.

SENATE ACTION

February 23, 2023, read first time and referred to Committee on Utilities.

March 13, 2023, amended, reported favorably — Do Pass.

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investor-owned electricity suppliers. Sets forth certain topics that the IURC shall consider and evaluate in conducting the required study. Requires the IURC to include in its annual report that is due before October 1, 2025, a report containing the IURC's analysis and recommendations on the specified topics. Provides that the report must contain recommendations, supported by sufficient data and analysis from the IURC's study, with respect to the appropriate: (1) design and framework for; and (2) requirements with respect to; performance based ratemaking for electricity suppliers, so as to enable the general assembly to fully evaluate the impact of performance based ratemaking on all classes of ratepayers, while considering the five attributes of electric utility service set forth as state policy in the bill. Amends the statute governing reliability adequacy metrics for certain electric utilities ("public utilities" under the statute) as follows: (1) Defines the terms: (A) "fall unforced capacity", or "fall UCAP"; and (B) "spring unforced capacity", or "spring UCAP"; for purposes of the prescribed reliability adequacy metrics. (2) Reduces to 15% the 30% limit (under current law) for a public utility's summer or winter unforced capacity (UCAP) that the public utility is authorized to acquire from capacity markets, for purposes of the reliability adequacy metrics included in a resource planning report (report) submitted to the IURC after June 30, 2023. (3) Provides that the reliability metrics included in a report submitted to the IURC after June 30, 2026, must include specified information concerning a public utility's ability to meet its spring UCAP and fall UCAP. (4) Provides that if, after reviewing a public utility's report, the IURC is not satisfied that the public utility can: (A) provide reliable electric service to its Indiana customers; or (B) either: (i) satisfy both its planning reserve margin requirement or other federal reliability requirements and the reliability adequacy metrics set forth in the bill; or (ii) provide sufficient reason as to why it is unable to satisfy both its planning reserve margin requirement or other federal reliability requirements and the reliability adequacy metrics set forth in the bill; the IURC may conduct an investigation into the matter. (Current law does not require the IURC to consider whether the public utility can provide sufficient reason as to its inability to satisfy both its planning reserve margin requirement or other federal reliability requirements and the reliability adequacy metrics set forth in the bill.) (5) Requires the IURC to include in its 2025 annual report its analysis regarding the appropriate percentage or portion of: (A) total spring UCAP; and (B) total fall UCAP; that public utilities should be authorized to acquire from capacity markets.



March 14, 2023

First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1007

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-2-0.6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2023]: **Sec. 0.6. The general assembly declares that it is the**
4 **continuing policy of the state that decisions concerning Indiana's**
5 **electric generation resource mix, energy infrastructure, and**
6 **electric service ratemaking constructs must consider each of the**
7 **following attributes of electric utility service:**
8 (1) **Reliability, including:**
9 (A) **the adequacy of electric utility service, including the**
10 **ability of the electric system to supply the aggregate**
11 **electrical demand and energy requirements of end use**
12 **customers at all times, taking into account:**
13 (i) **scheduled; and**
14 (ii) **reasonably expected unscheduled;**
15 **outages of system elements; and**

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- 1 **(B) the operating reliability of the electric system,**
 2 **including the ability of the electric system to withstand**
 3 **sudden disturbances such as electric short circuits or**
 4 **unanticipated loss of system components.**
 5 **(2) Affordability, including ratemaking constructs that result**
 6 **in retail electric utility service that is affordable and**
 7 **competitive across residential, commercial, and industrial**
 8 **customer classes.**
 9 **(3) Resiliency, including the ability of the electric system or its**
 10 **components to:**
 11 **(A) adapt to changing conditions; and**
 12 **(B) withstand and rapidly recover from disruptions or**
 13 **off-nominal events.**
 14 **(4) Stability, including the ability of the electric system to:**
 15 **(A) maintain a state of equilibrium during:**
 16 **(i) normal and abnormal conditions; or**
 17 **(ii) disturbances; and**
 18 **(B) deliver a stable source of electricity, in which**
 19 **frequency and voltage are maintained within defined**
 20 **parameters, consistent with industry standards.**
 21 **(5) Environmental sustainability, including:**
 22 **(A) the impact of environmental regulations on the cost of**
 23 **providing electric utility service; and**
 24 **(B) demand from consumers for environmentally**
 25 **sustainable sources of electric generation.**
 26 SECTION 2. IC 8-1-2.5-6.5 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 2023]: **Sec. 6.5. (a) As used in this section, "electricity supplier"**
 29 **means a public utility (as defined in IC 8-1-2-1(a)) that furnishes**
 30 **retail electric service to customers in Indiana. The term does not**
 31 **include a utility that is:**
 32 **(1) a municipally owned utility (as defined in IC 8-1-2-1(h));**
 33 **(2) a corporation organized under IC 8-1-13; or**
 34 **(3) a corporation organized under IC 23-17 that is an electric**
 35 **cooperative and that has at least one (1) member that is a**
 36 **corporation organized under IC 8-1-13.**
 37 **(b) Before September 1, 2023, the commission shall commence**
 38 **a comprehensive study to consider the appropriate:**
 39 **(1) design and framework for; and**
 40 **(2) requirements with respect to;**
 41 **performance based ratemaking (as described in section 6(a)(2) of**
 42 **this chapter) for electricity suppliers.**



1 (c) In conducting the study required by this section, the
2 commission shall evaluate the following:

3 (1) Multi-year rate plans with incremental rate increases.

4 (2) Index-driven revenue formulas.

5 (3) Performance incentive mechanisms, including both
6 rewards and penalties, for meeting, or failing to meet, metrics
7 related to service or infrastructure investments.

8 (4) The use of performance incentive mechanisms in
9 conjunction with traditional cost-of-service ratemaking, to
10 provide regulatory oversight and ensure that rewards and
11 penalties are equitably balanced and do not:

12 (A) over-compensate electricity suppliers for benefits
13 provided; or

14 (B) under-compensate electricity suppliers for costs and
15 risks incurred;

16 as applicable.

17 (5) Best practices for allocating the costs, benefits, and risks
18 associated with performance incentive mechanisms between:

19 (A) customers and customer classes; and

20 (B) shareholders;

21 with affordability of service prioritized.

22 (6) Best practices for establishing quantifiable, verifiable, and
23 clearly defined performance metrics in connection with
24 performance incentive mechanisms.

25 (7) Best practices for the collection and protection of data
26 from electricity suppliers as needed to justify or evaluate
27 proposed or approved performance incentive mechanisms.

28 (8) Any other aspect of performance based ratemaking that
29 the commission determines to be appropriate to incentivize
30 electricity suppliers to provide value to ratepayers.

31 (d) In conducting the study required by this section, the
32 commission may invite comments from:

33 (1) electricity suppliers;

34 (2) the office of utility consumer counselor;

35 (3) associations or organizations representing utility
36 ratepayers;

37 (4) regulatory commissions or agencies in other states that
38 have experience with performance based ratemaking;

39 (5) rate design experts; or

40 (6) other stakeholders.

41 The commission may incorporate any comments received under
42 this subsection in its report under subsection (e).



1 (e) The commission shall include in the annual report that the
2 commission is required to submit under IC 8-1-1-14 before
3 October 1, 2025, a report that includes the commission's analysis
4 and recommendations on the topics outlined in subsection (c). The
5 report required by this subsection must contain recommendations,
6 supported by sufficient data and analysis from the commission's
7 study under this section, with respect to the appropriate:

8 (1) design and framework for; and

9 (2) requirements with respect to;

10 performance based ratemaking (as described in section 6(a)(2) of
11 this chapter) for electricity suppliers, so as to enable the general
12 assembly to fully evaluate the impact of performance based
13 ratemaking on all classes of ratepayers, while considering the
14 attributes of electric utility service set forth in IC 8-1-2-0.6,
15 including reliability, affordability, resiliency, stability, and
16 environmental sustainability.

17 SECTION 3. IC 8-1-8.5-3.3 IS ADDED TO THE INDIANA CODE
18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
19 1, 2023]: Sec. 3.3. (a) Except as otherwise provided in this section,
20 the definitions in 170 IAC 4-7 apply throughout this section.

21 (b) As used in this section, "electric utility" refers to an electric
22 utility listed in 170 IAC 4-7-2(a).

23 (c) In reviewing an integrated resource plan that is submitted to
24 the commission by an electric utility under section 3(e)(2) of this
25 chapter after June 30, 2023, the director of the commission's
26 research, policy, and planning division shall evaluate and comment
27 in the commission's final director's report for the plan as to
28 whether the electric utility's preferred resource portfolio takes into
29 account the attributes of electric utility service set forth in
30 IC 8-1-2-0.6, including:

31 (1) reliability;

32 (2) affordability;

33 (3) resiliency;

34 (4) stability; and

35 (5) environmental sustainability;

36 as described in IC 8-1-2-0.6.

37 SECTION 4. IC 8-1-8.5-4, AS AMENDED BY P.L.180-2021,
38 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2023]: Sec. 4. (a) As used in this section, "federal phaseout
40 mandate" means any federal statutory or regulatory requirement that:

41 (1) is established after April 20, 2021, by the Congress of the
42 United States, a federal regulatory agency, or a federal executive



- 1 order; and
- 2 (2) requires the phaseout or discontinuance of a particular type of
- 3 electric generating facility, technology, or fuel source.
- 4 (b) In acting upon any petition for the construction, purchase, or
- 5 lease of any facility for the generation of electricity, the commission
- 6 shall take into account the following:
- 7 (1) The applicant's current and potential arrangement with other
- 8 electric utilities for:
- 9 (A) the interchange of power;
- 10 (B) the pooling of facilities;
- 11 (C) the purchase of power; and
- 12 (D) joint ownership of facilities.
- 13 (2) Other methods for providing reliable, efficient, and
- 14 economical electric service, including the refurbishment of
- 15 existing facilities, conservation, load management, cogeneration,
- 16 and renewable energy sources.
- 17 (3) With respect to a petition that:
- 18 (A) is for the construction of a new generating facility; and
- 19 (B) is submitted to the commission after June 30, 2021, and
- 20 before January 1, 2025;
- 21 the impact of federal phaseout mandates on the estimated useful
- 22 life of each proposed generating facility included in the petition,
- 23 including depreciation expense associated with each facility.
- 24 **(4) With respect to a petition that is submitted to the**
- 25 **commission after June 30, 2023, whether the proposed**
- 26 **construction, purchase, or lease of the facility will result in the**
- 27 **provision of electric utility service with the attributes set forth**
- 28 **in IC 8-1-2-0.6, including:**
- 29 (A) reliability;
- 30 (B) affordability;
- 31 (C) resiliency;
- 32 (D) stability; and
- 33 (E) environmental sustainability;
- 34 **as described in IC 8-1-2-0.6.**
- 35 SECTION 5. IC 8-1-8.5-5.5 IS AMENDED TO READ AS
- 36 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5.5. When, in the
- 37 opinion of the commission, changes in the estimate of the probable
- 38 future growth of the use of electricity so indicate, the commission shall
- 39 commence a review of any certificate granted under this chapter to
- 40 determine whether the public convenience and necessity continues to
- 41 require the facility under construction. If the commission finds that
- 42 completion of the facility under construction is no longer in the public



1 interest, the commission may modify or revoke the certificate. **In**
 2 **conducting a review under this section, the commission shall**
 3 **consider whether the completion of the facility under construction**
 4 **will result in the provision of electric utility service with the**
 5 **attributes set forth in IC 8-1-2-0.6, including:**

- 6 (1) reliability;
- 7 (2) affordability;
- 8 (3) resiliency;
- 9 (4) stability; and
- 10 (5) environmental sustainability;

11 **as described in IC 8-1-2-0.6, in making a determination as to**
 12 **whether the public convenience and necessity continues to require**
 13 **the facility under construction.**

14 SECTION 6. IC 8-1-8.5-13, AS ADDED BY P.L.60-2021,
 15 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2023]: Sec. 13. (a) The general assembly finds that it is in the
 17 public interest to support the reliability, availability, and diversity of
 18 electric generating capacity in Indiana for the purpose of providing
 19 reliable and stable electric service to customers of public utilities.

20 (b) As used in this section, "appropriate regional transmission
 21 organization", with respect to a public utility, refers to the regional
 22 transmission organization approved by the Federal Energy Regulatory
 23 Commission for the control area that includes the public utility's
 24 assigned service area (as defined in IC 8-1-2.3-2).

25 (c) As used in this section, "capacity market" means an auction
 26 conducted by an appropriate regional transmission organization
 27 to determine a market clearing price for capacity based on the
 28 planning reserve margin requirements established by the
 29 appropriate regional transmission organization for a planning year
 30 with respect to which an auction has not yet been conducted.

31 (d) As used in this section, "fall unforced capacity", or "fall
 32 UCAP", with respect to an electric generating facility, means:

- 33 (1) the capacity value of the electric generating facility's
 34 installed capacity rate adjusted for the electric generating
 35 facility's average forced outage rate for the fall period,
 36 calculated as required by the appropriate regional
 37 transmission organization or by the Federal Energy
 38 Regulatory Commission;
- 39 (2) a metric that is similar to the metric described in
 40 subdivision (1) and that is required by the appropriate
 41 regional transmission organization; or
- 42 (3) if the appropriate regional transmission organization does



1 not require a metric described in subdivision (1) or (2), a
2 metric that:

3 (A) can be used to demonstrate that a public utility has
4 sufficient capacity to:

5 (i) provide reliable electric service to Indiana customers
6 for the fall period; and

7 (ii) meet its planning reserve margin requirement and
8 other federal reliability requirements described in
9 subsection (l)(4); and

10 (B) is acceptable to the commission.

11 ~~(e)~~ (e) As used in this section, "MISO" refers to the regional
12 transmission organization known as the Midcontinent Independent
13 System Operator that operates the bulk power transmission system
14 serving most of the geographic territory in Indiana.

15 ~~(d)~~ (f) As used in this section, "planning reserve margin
16 requirement", with respect to a public utility for a particular resource
17 planning year, means the planning reserve margin requirement for that
18 planning year that the public utility is obligated to meet in accordance
19 with the public utility's membership in the appropriate regional
20 transmission organization.

21 ~~(e)~~ (g) As used in this section, "reliability adequacy metrics", with
22 respect to a public utility, means calculations used to demonstrate ~~both~~
23 all of the following:

24 (1) Subject to subsection (q)(2)(B), that the public utility:

25 (A) has in place sufficient summer UCAP; or

26 (B) can reasonably acquire not more than:

27 (i) thirty percent (30%) of its total summer UCAP from
28 capacity markets, with respect to a report filed with the

29 commission under subsection (l) before July 1, 2023; or

30 (ii) fifteen percent (15%) of its total summer UCAP from
31 capacity markets, with respect to a report filed with the

32 commission under subsection (l) after June 30, 2023;

33 such that it will have sufficient summer UCAP;

34 to provide reliable electric service to Indiana customers, and to
35 meet its planning reserve margin requirement and other federal
36 reliability requirements described in subsection ~~(i)(4)~~ (l)(4).

37 (2) Subject to subsection (q)(2)(B), that the public utility:

38 (A) has in place sufficient winter UCAP; or

39 (B) can reasonably acquire not more than:

40 (i) thirty percent (30%) of its total winter UCAP from
41 capacity markets, with respect to a report filed with the

42 commission under subsection (l) before July 1, 2023; or



1 (ii) fifteen percent (15%) of its total winter UCAP from
2 capacity markets, with respect to a report filed with the
3 commission under subsection (l) after June 30, 2023;

4 such that it will have sufficient winter UCAP;

5 to provide reliable electric service to Indiana customers, and to
6 meet its planning reserve margin requirement and other federal
7 reliability requirements described in subsection ~~(i)(4)~~: (l)(4).

8 (3) Subject to subsection (q)(2)(B), with respect to a report
9 filed with the commission under subsection (l) after June 30,
10 2026, that the public utility:

11 (A) has in place sufficient spring UCAP; or

12 (B) can reasonably acquire not more than fifteen percent
13 (15%) of its total spring UCAP from capacity markets,
14 such that it will have sufficient spring UCAP;

15 to provide reliable electric service to Indiana customers, and
16 to meet its planning reserve margin requirement and other
17 federal reliability requirements described in subsection (l)(4).

18 (4) Subject to subsection (q)(2)(B), with respect to a report
19 filed with the commission under subsection (l) after June 30,
20 2026, that the public utility:

21 (A) has in place sufficient fall UCAP; or

22 (B) can reasonably acquire not more than fifteen percent
23 (15%) of its total fall UCAP from capacity markets, such
24 that it will have sufficient fall UCAP;

25 to provide reliable electric service to Indiana customers, and
26 to meet its planning reserve margin requirement and other
27 federal reliability requirements described in subsection (l)(4).

28 For purposes of this subsection, "capacity markets" means the auctions
29 conducted by an appropriate regional transmission organization to
30 determine a market clearing price for capacity based on the planning
31 reserve margin requirements established by the appropriate regional
32 transmission organization.

33 (h) As used in this section, "spring unforced capacity", or
34 "spring UCAP", with respect to an electric generating facility,
35 means:

36 (1) the capacity value of the electric generating facility's
37 installed capacity rate adjusted for the electric generating
38 facility's average forced outage rate for the spring period,
39 calculated as required by the appropriate regional
40 transmission organization or by the Federal Energy
41 Regulatory Commission;

42 (2) a metric that is similar to the metric described in



1 subdivision (1) and that is required by the appropriate
2 regional transmission organization; or

3 (3) if the appropriate regional transmission organization does
4 not require a metric described in subdivision (1) or (2), a
5 metric that:

6 (A) can be used to demonstrate that a public utility has
7 sufficient capacity to:

8 (i) provide reliable electric service to Indiana customers
9 for the spring period; and

10 (ii) meet its planning reserve margin requirement and
11 other federal reliability requirements described in
12 subsection (l)(4); and

13 (B) is acceptable to the commission.

14 ~~(f)~~ (i) As used in this section, "summer unforced capacity", or
15 "summer UCAP", with respect to an electric generating facility, means:

16 (1) the capacity value of the electric generating facility's installed
17 capacity rate adjusted for the electric generating facility's average
18 forced outage rate for the summer period, calculated as required
19 by the appropriate regional transmission organization or by the
20 Federal Energy Regulatory Commission; or

21 (2) a metric that is similar to the metric described in subdivision
22 (1) and that is required by the appropriate regional transmission
23 organization.

24 ~~(g)~~ (j) As used in this section, "winter unforced capacity", or "winter
25 UCAP", with respect to an electric generating facility, means:

26 (1) the capacity value of the electric generating facility's installed
27 capacity rate adjusted for the electric generating facility's average
28 forced outage rate for the winter period, calculated as required by
29 the appropriate regional transmission organization or by the
30 Federal Energy Regulatory Commission;

31 (2) a metric that is similar to the metric described in subdivision
32 (1) and that is required by the appropriate regional transmission
33 organization; or

34 (3) if the appropriate regional transmission organization does not
35 require a metric described in subdivision (1) or (2), a metric that:

36 (A) can be used to demonstrate that a public utility has
37 sufficient capacity to:

38 (i) provide reliable electric service to Indiana customers for
39 the winter period; and

40 (ii) meet its planning reserve margin requirement and other
41 federal reliability requirements described in subsection

42 ~~(i)(4)~~; (l)(4); and



- 1 (B) is acceptable to the commission.
- 2 ~~(h)~~ **(k)** A public utility that owns and operates an electric generating
3 facility serving customers in Indiana shall operate and maintain the
4 facility using good utility practices and in a manner:
- 5 (1) reasonably intended to support the provision of reliable and
6 economic electric service to customers of the public utility; and
7 (2) reasonably consistent with the resource reliability
8 requirements of MISO or any other appropriate regional
9 transmission organization.
- 10 ~~(i)~~ **(l)** Not later than thirty (30) days after the deadline for submitting
11 an annual planning reserve margin report to MISO, each public utility
12 providing electric service to Indiana customers shall, regardless of
13 whether the public utility is required to submit an annual planning
14 reserve margin report to MISO, file with the commission a report, in a
15 form specified by the commission, that provides the following
16 information for each of the next three (3) resource planning years,
17 beginning with the planning year covered by the planning reserve
18 margin report to MISO described in this subsection:
- 19 (1) The:
- 20 (A) capacity;
21 (B) location; and
22 (C) fuel source;
- 23 for each electric generating facility that is owned and operated by
24 the electric utility and that will be used to provide electric service
25 to Indiana customers.
- 26 (2) The amount of generating resource capacity or energy, or
27 both, that the public utility has procured under contract and that
28 will be used to provide electric service to Indiana customers,
29 including the:
- 30 (A) capacity;
31 (B) location; and
32 (C) fuel source;
- 33 for each electric generating facility that will supply capacity or
34 energy under the contract, to the extent known by the public
35 utility.
- 36 (3) The amount of demand response resources available to the
37 public utility under contracts and tariffs.
- 38 (4) The following:
- 39 (A) The planning reserve margin requirements established by
40 MISO for the planning years covered by the report, to the
41 extent known by the public utility with respect to any
42 particular planning year covered by the report.



1 (B) If applicable, any other planning reserve margin
 2 requirement that:
 3 (i) applies to the planning years covered by the report; and
 4 (ii) the public utility is obligated to meet in accordance with
 5 the public utility's membership in an appropriate regional
 6 transmission organization;
 7 to the extent known by the public utility with respect to any
 8 particular planning year covered by the report.
 9 (C) Other federal reliability requirements that the public utility
 10 is obligated to meet in accordance with its membership in an
 11 appropriate regional transmission organization with respect to
 12 the planning years covered by the report, to the extent known
 13 by the public utility with respect to any particular planning
 14 year covered by the report.
 15 For each planning reserve margin requirement reported under
 16 clause (A) or (B), the public utility shall include a comparison of
 17 that planning reserve margin requirement to the planning reserve
 18 margin requirement established by the same regional transmission
 19 organization for the 2021-2022 planning year.
 20 (5) The reliability adequacy metrics of the public utility, as
 21 forecasted for the three (3) planning years covered by the report.
 22 ~~(j)~~ **(m)** Upon request by a public utility, the commission shall
 23 determine whether information provided in a report filed by the public
 24 utility under subsection ~~(j)~~: **(l)**:
 25 (1) is confidential under IC 5-14-3-4 or is a trade secret under
 26 IC 24-2-3;
 27 (2) is exempt from public access and disclosure by Indiana law;
 28 and
 29 (3) shall be treated as confidential and protected from public
 30 access and disclosure by the commission.
 31 ~~(k)~~ **(n)** A joint agency created under IC 8-1-2.2 may file the report
 32 required under subsection ~~(j)~~ **(l)** as a consolidated report on behalf of
 33 any or all of the municipally owned utilities that make up its
 34 membership.
 35 ~~(j)~~ **(o)** A:
 36 (1) corporation organized under IC 23-17 that is an electric
 37 cooperative and that has at least one (1) member that is a
 38 corporation organized under IC 8-1-13; or
 39 (2) general district corporation within the meaning of
 40 IC 8-1-13-23;
 41 may file the report required under subsection ~~(j)~~ **(l)** as a consolidated
 42 report on behalf of any or all of the cooperatively owned electric



- 1 utilities that it serves.
- 2 ~~(m)~~ **(p)** In reviewing a report filed by a public utility under
 3 subsection ~~(f)~~; **(l)**, the commission may request technical assistance
 4 from MISO or any other appropriate regional transmission organization
 5 in determining:
- 6 (1) the planning reserve margin requirements or other federal
 7 reliability ~~requirement~~ **requirements** that the public utility is
 8 obligated to meet, as described in subsection ~~(f)(4)~~; **(l)(4)**; and
 9 (2) whether the resources available to the public utility under
 10 subsections ~~(f)(1)~~ **(l)(1)** through ~~(f)(3)~~ **(l)(3)** will be adequate to
 11 support the provision of reliable electric service to the public
 12 utility's Indiana customers.
- 13 ~~(n)~~ **(q)** If, after reviewing a report filed by a public utility under
 14 subsection ~~(f)~~; **(l)**, the commission is not satisfied that the public utility
 15 can:
- 16 (1) provide reliable electric service to the public utility's Indiana
 17 customers; or
 18 (2) **either:**
- 19 **(A) meet satisfy both:**
- 20 **(i)** its planning reserve margin requirement or other federal
 21 reliability requirements that the public utility is obligated to
 22 meet, as described in subsection ~~(f)(4)~~; **(l)(4)**; and
 23 **(ii) the reliability adequacy metrics set forth in**
 24 **subsection (g); or**
- 25 **(B) provide sufficient reason as to why the public utility is**
 26 **unable to satisfy both:**
- 27 **(i) its planning reserve margin requirement or other**
 28 **federal reliability requirements that the public utility is**
 29 **obligated to meet, as described in subsection (l)(4); and**
 30 **(ii) the reliability adequacy metrics set forth in**
 31 **subsection (g);**
- 32 during one (1) more of the planning years covered by the report, the
 33 commission may conduct an investigation under IC 8-1-2-58 ~~and~~
 34 ~~IC 8-1-2-59~~ **through IC 8-1-2-60** as to the reasons for the public
 35 utility's potential inability to meet the requirements described in
 36 subdivision (1) or (2), or both.
- 37 ~~(o)~~ **(r)** If, upon investigation under IC 8-1-2-58 ~~and IC 8-1-2-59;~~
 38 **through IC 8-1-2-60**, and after notice and hearing, as required by
 39 IC 8-1-2-59, the commission determines that the capacity resources
 40 available to the public utility under subsections ~~(f)(1)~~ **(l)(1)** through
 41 ~~(f)(3)~~ **(l)(3)** will not be adequate to support the provision of reliable
 42 electric service to the public utility's Indiana customers, or to allow the



1 public utility to ~~meet~~ **satisfy both** its planning reserve margin
 2 requirements or other federal reliability requirements that the public
 3 utility is obligated to meet (as described in subsection ~~(i)(4)~~; **(1)(4)**)
 4 **and the reliability adequacy metrics set forth in subsection (g)**, the
 5 commission shall issue an order directing the public utility to acquire
 6 or construct such capacity resources that are reasonable and necessary
 7 to enable the public utility to provide reliable electric service to its
 8 Indiana customers, and to ~~meet~~ **satisfy both** its planning reserve
 9 margin requirements or other federal reliability requirements described
 10 in subsection ~~(i)(4)~~; **(1)(4) and the reliability adequacy metrics set**
 11 **forth in subsection (g)**. Not later than ninety (90) days after the date
 12 of the commission's order under this subsection, the public utility shall
 13 file for approval with the commission a plan to comply with the
 14 commission's order. The public utility's plan may include:

- 15 (1) a request for a certificate of public convenience and necessity
 16 under this chapter; or
 17 (2) an application under IC 8-1-8.8;

18 or both.

19 ~~(p)~~ **(s)** Beginning in 2022, the commission shall ~~before November~~
 20 ~~+~~ **of each year submit to the governor and to the interim study**
 21 **committee on energy, utilities, and telecommunications established by**
 22 ~~IC 2-5-1.3-4(8)~~ **a report that includes include in its annual report**
 23 **under IC 8-1-1-14 the following information:**

- 24 (1) The commission's analysis regarding the ability of public
 25 utilities to:
 26 (A) provide reliable electric service to Indiana customers; and
 27 (B) ~~meet~~ **satisfy both:**
 28 (i) their planning reserve margin requirements or other
 29 federal reliability requirements; **and**
 30 (ii) **the reliability adequacy metrics set forth in**
 31 **subsection (g);**

32 for the next three (3) utility resource planning years, based on the
 33 most recent reports filed by public utilities under subsection ~~(i)~~;
 34 **(1).**

- 35 (2) A summary of:
 36 (A) the projected demand for retail electricity in Indiana over
 37 the next calendar year; and
 38 (B) the amount and type of capacity resources committed to
 39 meeting the projected demand.

40 In preparing the summary required under this subdivision, the
 41 commission may consult with the forecasting group established
 42 under section 3.5 of this chapter.



1 **(3) Beginning with the commission's annual report filed under**
 2 **IC 8-1-1-14 in 2025, the commission's analysis regarding the**
 3 **appropriate percentage or portion of:**

4 **(A) total spring UCAP that public utilities should be**
 5 **authorized to acquire from capacity markets under**
 6 **subsection (g)(3)(B); and**

7 **(B) total fall UCAP that public utilities should be**
 8 **authorized to acquire from capacity markets under**
 9 **subsection (g)(4)(B).**

10 A report under this subsection to the interim study committee on
 11 energy, utilities, and telecommunications established by
 12 ~~IC 2-5-1.3-4(8)~~ must be in an electronic format under ~~IC 5-14-6~~.

13 ~~(q)~~ **(t)** The commission may adopt rules under IC 4-22-2 to
 14 implement this section. In adopting rules to implement this section, the
 15 commission may adopt emergency rules in the manner provided by
 16 IC 4-22-2-37.1. Notwithstanding IC 4-22-2-37.1(g), an emergency rule
 17 adopted by the commission under this subsection and in the manner
 18 provided by IC 4-22-2-37.1 expires on the date on which a rule that
 19 supersedes the emergency rule is adopted by the commission under
 20 IC 4-22-2-24 through IC 4-22-2-36.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities, Energy and Telecommunications, to which was referred House Bill 1007, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 20, delete "shareholders." and insert "**shareholders;**".

Page 4, line 11, after "the" insert "**general assembly to fully evaluate the impact of performance based ratemaking on all classes of ratepayers, while considering the attributes of electric utility service set forth in IC 8-1-2-0.6, including reliability, affordability, resiliency, stability, and environmental sustainability.**".

Page 4, delete lines 12 through 14.

and when so amended that said bill do pass.

(Reference is to HB 1007 as introduced.)

SOLIDAY

Committee Vote: yeas 13, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Utilities, to which was referred House Bill No. 1007, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 2, delete "consider and".

Page 4, line 3, delete "findings" and insert "**analysis**".

Page 4, line 6, delete "findings" and insert "**analysis**".

Page 4, line 25, delete "commission" and insert "**director of the commission's research, policy, and planning division**".

and when so amended that said bill do pass.

(Reference is to HB 1007 as printed January 24, 2023.)

KOCH, Chairperson

Committee Vote: Yeas 9, Nays 0.

EH 1007—LS 7286/DI 101

