

Revised Scenarios for IPL 2016 IRP

- 1. Base Case:** Includes known events and expected trends (e.g., forecast of fuel prices, economic forecasts, estimated future capital costs, most likely load forecast). The base case uses IPL's current load forecast methodology and projects modest load growth between 2017 and 2036. The Base Case's commodity and market prices include Clean Power Plan (CPP) beginning in 2022. Generally, low cost assumptions for expected environmental regulation will be realized. The Base Case projects moderate decreases in technology costs for wind, solar, and energy storage over the next 20 years and a minimum level of baseload generation connected to the 138 kV system to meet NERC standards for voltage stability.
- 2. Robust Economy:** High local economic growth are realized in this scenario. Local economic growth is forecasted consistently higher than the base case. Downtown revitalization continues: growth in apartment and small business construction, customers buy electric vehicles and other electricity consuming gadgets, and Indy attracts a few more large Commercial and Industrial (C&I) customers. For example, the old airport and Chevy plant sites will be revitalized, the Mass Avenue area continues to flourish and, redevelopment of brownfield areas in Indianapolis will take off!
- 3. Recession Economy:** Due to local economic downturns, local employment declines between 2016 and 2036. IPL's industrial customer base shrinks, housing starts are stagnant, and customers don't buy new electricity-consuming gadgets. IPL's total customer count decreases as people begin leaving Indiana for areas of the US that are experiencing growth.
- 4. Strengthened Environmental Rules:** Includes a 20% Renewable Portfolio Standard (RPS) for Indiana , a higher carbon cost than the Base CPP, and high-cost estimates for other proposed and final environmental rules. Compliance costs for known regulations like Cooling Water Intake Rule (316b), Office of Surface Mining Rule related to ash backfill, Ozone NAAQS, and coal combustion residuals (CCR) are expected to reach estimated high levels.
- 5. High Adoption of Distributed Generation:** Customers in all sectors adopt DG totaling approximately 15% of IPL's load. Microgrids prevail and customers seek energy independence.
- 6. Quick Transition:** This scenario was developed based upon stakeholder feedback and includes the following: no coal resources by the end of the study period, a minimum level of baseload generation connected to the 138 kV system to meet NERC standards for voltage stability, the maximum achievable DSM, and . the remainder of the portfolio comprised of solar, wind, and energy storage.