

Stakeholder Information Session

Duke Energy Indiana
All-Source RFP Development Meeting

November 3, 2023

Hosted by Charles River Associates and Duke Energy



Welcome

Questions will be answered only after the prepared presentation has been completed

- Send an email to DEIRFP@crai.com or
- Ask your question over the operator assisted dial in number. Inform the operator you have a question by pressing *1 at any time
- **Note:** Stakeholders that prefer to remain anonymous should use the email option to ensure confidentiality

Following the prepared presentation...

- CRA will first address questions received via email, followed by questions over the phone lines
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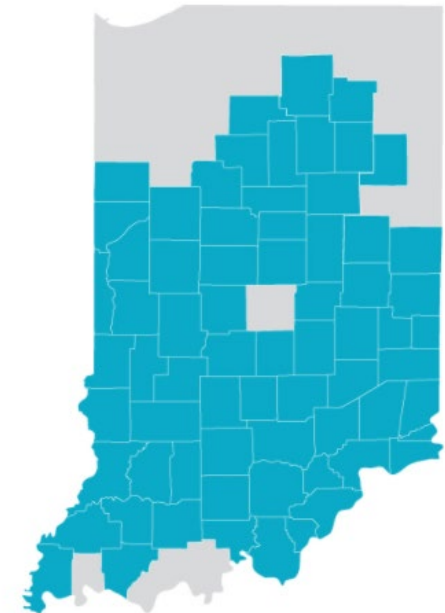
Agenda

- Introduction to Duke Energy Indiana
- Introduction of CRA as the Independent Third-Party Administrator
- The role of the Independent Third-Party Administrator in the RFP
- Scope of the All-Source RFP
- Evaluation Criteria
- RFP Development Process and Timeline
- Stakeholder Feedback Process
- Q&A

Introduction to Duke Energy Indiana

- Duke Energy Indiana (“DEI”) is Indiana’s largest electric supplier, serving 890,000 residential, commercial and industrial customers.
- The company’s service area stretches 23,000 square miles in Indiana, with customers in portions of 69 of the state’s 92 counties.
- The company’s regional headquarters are in Plainfield, Ind. It is part of Duke Energy’s multi-state holding company headquartered in Charlotte, North Carolina.
- Total Indiana power generation capacity of 7,500 megawatts with major power plants in Owensville, Cayuga, Edwardsport and Noblesville.

DUKE ENERGY INDIANA Service Territory



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Overview of Charles River Associates

CRA is a regulatory and economics consulting firm headquartered in Boston and will serve as the third-party Administrator for DEI's 2023 All-Source RFP.

CRA has supported the management, execution and oversight of capacity and energy procurements across the United States and internationally.

50+ years advising clients

800+ consultants

22 offices in 10 countries



In the past two years, CRA has worked with:



78
of the
Fortune 100



97
of the
AmLaw 100

CRA offers a range of advisory services to electric utilities and other clients related to asset valuation, market modeling and regulatory strategy.



**Corporate
Strategy**



**Utility
Strategy &
Investment
Planning**



**Energy
Markets**



**Transaction
Support**



**Litigation
Support**

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Role of the Independent Third-Party Administrator

- In its capacity as Independent Administrator, CRA has supported the development of the DEI RFP working closely with the company on the process design and timelines, participation requirements, and evaluation mechanics.
- CRA will execute the RFP consistent with the process rules and will monitor all aspects of the RFP administration from issuance through recommendations on projects to advance for final due diligence.

The Independent Third-Party Administrator:

- Acts as RFP Manager - **Facilitates the RFP process**
- **Reviews proposals** to ensure they conform to all requirements
- **Independently evaluates bids** according to pre-specified criteria
- Manages **bidder communication and marketing**
- Provides utility with a **ranked list of projects by type** to consider for advancement
- To the extent required, CRA may support **additional due diligence** conducted prior to final selections and contracting

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Scope of the All-Source RFP

- Duke Energy Indiana intends to launch an all-source RFP process in [December 2023](#).
- Two targeted RFPs issued concurrently: [Intermittent](#) (renewables) & [Non-Intermittent](#) (thermal and standalone storage).
- The process is designed to secure generation capacity resources initially outlined in its preferred portfolio developed as part of the 2021 Integrated Resource Plan (IRP). Capacity targets have been updated based on more recent resource planning that will be shared publicly [by early December](#). The approximate [MW of intermittent resources](#) and [non-intermittent capacity](#) will be informed by those updated targets.
- Anticipated resources range from natural-gas fired thermal stations, standalone storage, wind, solar and hybrid renewable facilities paired with storage.
- DEI is considering [all transaction structures](#) including unit contingent PPA, system power arrangements, build transfer and the acquisition of existing facilities.
- RFP bid selection will compare assets within the two categories
 - Combination of quantitative and qualitative criteria and weightings; very similar to other recent Indiana RFPs

Scope of the All-Source RFP

Intermittent RFP

- NEED: Up to **TBD** MW in-service by MISO **TBD** Plan Year
- BID REQUIREMENTS: New or existing resources using proven technologies; technology specific minimum capacity requirements; Strong preference for LRZ6
- REPRESENTATIVE TECHNOLOGIES: Solar, wind, hydro, combinations with storage

Non-Intermittent RFP

- NEED: Up to **TBD** MW in-service by MISO **TBD** Plan Year
- BID REQUIREMENTS: New or existing resources using proven technologies with a minimum capacity of 25 MW ICAP; Strong preference for LRZ6
- REPRESENTATIVE TECHNOLOGIES: Thermal (CT, CC, Industrial STG, nuclear, no standalone coal), standalone storage, system sales

Contracting Options

- DEAL STRUCTURE: Purchase Power Agreements (PPA), Build Transfer Agreements (BTA), Existing Asset Sale; no financial PPAs
- PPA DURATION: 3 years or greater useful life; no maximum PPA duration

Intermittent RFP: Technology Specific Minimum Capacity Requirements and Capabilities

Minimum ICAP targets by technology are based on representative MISO UCAP credit standards

- Solar 50 MW (ICAP)
- Wind 100 MW (ICAP)

Requirements for hybrid resources (renewable integrated with storage) are dependent on the level of control over the storage component afforded to DEI under the transaction

- If DEI is not offered charge and discharge control of the storage component, the facility in total must provide at least 50 MW (ICAP)
- If DEI is offered charge and discharge control of the storage component, DEI requires:
 - Battery capacity at approximately 25%, 35% or 50% of solar ICAP
 - Minimum four (4) hour storage capability

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Evaluation Criteria



Economic Value (30% / 300 points)

The economic value on a Net Present Value (NPV) basis will be calculated over a fixed planning horizon for all assets. The Economic Analysis will reflect all expected costs related to the bid. The project level analysis will be based on data submitted with the bids, standard assumptions for key commodity considerations and may reflect adjustments for material uncertainties associated with a bid.



Reliability and Deliverability (30% / 300 points)

The asset reliability and deliverability evaluation will include an assessment of facility age and performance, fuel risk and fuel security. Facility performance will be based on the EFORd performance. Fuel reliability will consider fuel availability risk and price volatility. Due to uncertainty associated with EPA Clean Air Act Section 111, scoring of thermal units will reflect a preference for newer generation machines under the reliability metric.



Development (20% / 200 points)

Development risk will consider how many key development milestones have been met as well as the development experience of the potential counterparty.



Asset Specific Benefits / Risks (20% / 200 points)

Asset specific benefits and risks will consider individual, unique, project level risks associated with an individual project or counterparty. CRA will evaluate projects based on community benefits, certain social justice goals, minority and women owned business considerations, unique environmental considerations, specific regulatory risks or other considerations.

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Proposed RFP Timeline

RFP Schedule	
Task	Date
Submitted 2021 Integrated Resource Plan to the Indiana Utility Regulatory Commission	12/15/2021
Sent Notification and Meeting Notice for Stakeholder Information Session	10/20/2023
Conduct Stakeholder Information Session	11/3/2023
Distribute Primary RFP Documents to Stakeholders that have signed NDA for Stakeholder feedback	11/6/2023
Stakeholder Feedback Deadline	11/17/2023
Issue RFP	December 2023
Intermittent Proposals Due	Mid to late Q1 2024
Non-Intermittent Proposals Due	Mid to late Q1 2024
Bid Evaluation	Q2 2024
Additional Due Diligence and Definitive Agreements Signed with Bidders	Q2 – Q3 2024

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Stakeholder Feedback Process

- CRA and DEI will provide more detailed information on the RFP and the process to stakeholders that have executed an NDA with the company. DEI invites such stakeholders to provide feedback on the proposed process.
- In order to preserve equal access to process related information for all potential process bidders, neither CRA nor DEI will provide detailed RFP documents and information to potential process bidders.
- CRA will consider feedback submitted from all stakeholders through the process email address below.
- Stakeholder comments are due by 5:00 PM Eastern time on **Friday, November 17, 2023**.
- While CRA will be accepting comments from stakeholders, neither CRA nor DEI can guarantee any recommendations will be adopted as part of the DEI RFP process.

Website	www.DEIRFP.com
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