

Information Session

February 23, 2022

Duke Energy Indiana

**2022 Request for Proposals
for Intermittent and
Non-Intermittent Resources**

Hosted by CRA International



Agenda

- Introduction
- RFP Overview
- Qualification Requirements
- Proposal Content Requirements
- Proposal Evaluation Criteria
- RFP Timeline and Milestones
- Q&As

Introduction

Disclaimer



Today's presentation is intended to provide only generally descriptive and summary level information. The information and material provided on the RFP Information Website are controlling. Any conflict between the information conveyed during the bidder information session and information or material provided on the RFP Information Website, is unintentional. Certain information may be subject to modification.

Welcome to this information session for the Duke Energy Indiana's ("DEI") Request for Proposals ("RFP")

DUKE ENERGY INDIANA Service Territory



DEI is a subsidiary of Duke Energy Corporation — a multi jurisdictional energy holding company headquartered in Charlotte, North Carolina.

DEI is regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of Indiana.

Duke Energy Indiana's service area covers 23,000 square miles and supplies electric service to 860,000 residential, commercial and industrial customers.

DEI recently filed its 2021 Integrated Resource Plan ("IRP") with the Indiana Utility Regulatory Commission ("IURC"). The plan calls for the retirement and replacement of certain facilities and outlines a tentative timeline and resource schedule for the future DEI portfolio.

This presentation will be posted to the
RFP Information Website: <http://www.deirfp.com/>

Overview of DEI's 2022 All-Sources RFP Process

DEI's IRP calls for the retirement and replacement of certain facilities and outlines a tentative timeline and resource schedule for the future DEI portfolio. DEI is undertaking an all-sources RFP process and will consider both Intermittent and Non-Intermittent resources in support of the company's capacity needs. To facilitate this all-sources process, DEI is releasing two separate but related solicitations to be executed in parallel.

Through the 2022 RFP, DEI seeks to acquire additional capacity through proposals for acquisition or via system power or unit contingent Power Purchase Agreement ("PPA") offers. Resources may be offered as stand-alone assets or paired storage.

- Due Date for Notice of Intent w/ Pre-Qualification Documents: March 14, 2022 by 5:00 PM EPT
- Due Date for Intermittent Proposals: April 18, 2022 by 5:00 PM EPT.
- Due Date for Non-Intermittent Proposals: May 2, 2022 by 5:00 PM EPT.

Today's presentation is being made by representatives of CRA, the independent RFP Manager.

Introduction

Background



As part of DEI's 2022 IRP, the Company outlined a schedule of resource targets outlined below:

Table 1: DEI Integrated Resource Plan ICAP (MW) Targets by Resource Class

MISO Plan Year 2023/24 to 2027/2028 Targets	
Intermittent	1,075
Non-Intermittent	1,221

While the IRP and Table 1 describe a specific schedule of resource needs and technologies, DEI may deviate from the IRP plan to the extent there are market resources available that offer long-term value to customers and provide resources that are generally consistent with the IRP conclusions on long term market conditions and future risk considerations.

As a result, DEI's two RFPs, the Intermittent and Non-Intermittent, will be executed in tandem. CRA will review proposals in each RFP and identify a set of resources for advancement for final due diligence. Assets and MW recommended for advancement may deviate from the IRP schedule and technology targets.

Introduction

Questions



Ways to submit questions during the presentation – questions will be answered only after the prepared presentation

- Send an email to DEIRFP@crai.com or
- Use operator assisted call-in number – 888-790-3725 – and audio passcode – 2628061
- Inform the operator you have a question by pressing *1 at any time
 - Operator will place you into queue
 - Your position in queue will be noted, but you will be on mute and unable to ask your questions until prompted later following the prepared presentation

Following the prepared presentation

- After questions sent via email are answered, the phone line will be opened for callers who use the call-in number
- Callers will be introduced using an assigned port number

We would like today's Q&A to be anonymous. When asking a question, we request that callers not identify themselves or their organizations.

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RFP Overview

All-Sources



- Duke Energy Indiana is undertaking an all-sources RFP process
- Two targeted RFPs issued concurrently: [Intermittent](#) (renewables) & [Non-Intermittent](#) (thermal and standalone storage)
- The process is designed to secure the resources outlined in its preferred portfolio developed as part of the 2021 Integrated Resource Plan (IRP). DEI seeks approximately [1,100 MW \(ICAP\) of intermittent resources](#) and [1,300 MW \(ICAP\) of non-intermittent capacity](#).
- 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, partially developed projects 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 IN RFPs

RFP Overview

Scope of the All-Sources RFP



Intermittent RFP

- **NEED**: Up to 1,100 MW in-service by MISO '27-'28 PY
- **BID REQUIREMENTS**: New or existing resources using proven technologies; technology specific minimum capacity requirements; LRZ6 required for resources other than wind
- **REPRESENTATIVE TECHNOLOGIES**: Solar, wind, hydro, combinations with storage

Non-Intermittent RFP

- **NEED**: Up to 1,300 MW in-service by MISO '27-'28 PY
- **BID REQUIREMENTS**: New or existing resources using proven technologies with a minimum capacity of 25 MW ICAP; LRZ6 required
- **REPRESENTATIVE TECHNOLOGIES**: Thermal (CT, CC, Industrial STG, no standalone coal), standalone storage, system sales

Contracting Options

- **DEAL STRUCTURE**: Purchase Power Agreements (PPA), Build Transfer Agreements (BTA), Existing Asset Sale; Partially Developed Project Sale; no financial PPAs
- **PPA DURATION**: 5 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 175 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 a minimum of 50 MW (ICAP)
- If DEI is offered charge and discharge control of the storage component DEI requires:
 - a minimum 25 MW capacity (ICAP) on the battery component
 - Four (4) hour storage capability
 - The Intermittent RFP as issued included a required 25% ratio of storage MW to solar for hybrid resources. DEI is eliminating that requirement and an updated Intermittent RFP doc will be posted to the Website

Information Website for the RFP Process is <http://www.deirfp.com/>

- Information about the RFP
- RFP documents
- RFP timeline
- Frequently Asked Questions (“FAQs”)
- Information about DEI and CRA International
- Bidders may also:
 - Register to receive updates
 - Submit questions

CRA encourages all interested parties to register on the Information Website to remain informed about the RFP process

- Registrants receive any information updates about the RFP via email
 - Provide name, company name, valid email address
- Once registered, prospective bidders can submit questions

Questions regarding the RFP must be submitted to the RFP Manager

There are two ways to submit questions during the RFP:

- Via the Information Website (www.DEIRFP.com)
- Via email to the RFP Manager (DEIRFP@crai.com)

FAQs will be posted to the Information Website FAQ page in order to ensure that all process participants have equal access to information.

All questions should be submitted to the RFP manager. Bidders should not reach out to DEI directly.

Confidentiality of all Proposals submitted in response to this RFP becomes the responsibility of CRA and DEI upon submittal.

- Respondents should clearly identify each page of information considered to be confidential or proprietary
- Consistent with the RFP Confidentiality Agreement, CRA will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all information so identified

DEI reserves the right to release any Proposals, or portions thereof, to agents, attorneys or consultants for purposes of proposal evaluation.

- Regardless of the confidentiality claimed, however, and regardless of the provisions of this RFP, all such information may be subject to review by, and disclosable by DEI, to the appropriate state authority, or any other governmental authority or judicial body with jurisdiction relating to these matters, and may also be subject to discovery by other parties subject to fully executed Confidentiality Agreements

Further, DEI may disclose certain information to inform its stakeholders of the summary results of the RFPs including:

- The installed capacity (“ICAP”) or unforced capacity (“UCAP”) MW offered by technology, average prices, price ranges, proposal duration and similar information
 - In cases where bid counts limit the ability to protect confidential information through aggregation, information will not be shared with Stakeholders

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Qualification Requirements

Pre-Qualification Documents due by 5:00 p.m. EPT on March 14, 2022

To be eligible to submit a Proposal in response to this RFP, Respondents must be pre-qualified

To pre-qualify, a Respondent must submit the following items by the Pre-Qualification due date:

- A completed Notice of Intent (Appendix A);
- A completed Confidentiality Agreement (Appendix B); and
- A completed Pre-Qualification Application (Appendix C), including credit worthiness information
- All documents are available for download at www.DEIRFP.com
- Items should be emailed no later than 5:00 p.m. EPT on March 14, 2022 to DEIRFP@crai.com

CRA will notify Respondents by March 17, 2022 whether they have successfully pre-qualified to submit a Proposal

Potential Respondents that have not submitted a Pre-Qualification application package by 5:00 p.m. EPT on March 14, 2022 risk having their Proposals disqualified from further consideration

Qualification Requirements

Basic RFP Requirements



Each generating facility proposed for purchase or PPA must:

- Have achieved site control
- Be existing or in development transmission level projects. DEI is not considering distribution interconnection projects at this time
- Provide 5+ years either via PPA or through the remaining useful asset life
- Be supported by physical resources
- Facilities must have a physical location in MISO Local Resource Zone 6 (“LRZ6”), be qualified to receive Zonal Resource Credits in or delivered to MISO LRZ6 or reclassifying as a MISO LRZ6 resource prior to the date of generation need, i.e., 2027/2028 MISO planning year. **DEI will accept PPA bids from wind resources outside LRZ6.**
- Meet the technology-specific capacity minimums outlined in the solicitation document
- Thermal facilities should have “firm” fuel supply

Both DEI (as self-build) and affiliates of DEI have the opportunity to submit bids and participate in this RFP

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Proposal Content Requirements

RFP General Requirements

All Proposals must include a table of contents and provide concise and complete information on the topics described in the RFP Document

General Information:

- Executive summary of the Proposal's characteristics
- Respondent's information (name, title, phone, email address, and mailing address)
- Financial information (quarterly and annual Reports, as described in the RFP Document)

Proposal Information

- Generation facility characteristics (nameplate capacity, operating capacity, historical UCAP, expected UCAP, etc.)
- Capacity availability and deliverability
- Generation technology and dispatch characteristics
- Operating revenues, costs and any operating considerations
- Environmental information (emissions and waste disposal compliance, water supply information, permit information)
- Financial considerations including the acquisition price, expected capital expenditures and information on any other contractual commitments
- Legal and regulatory disclosures (legal proceedings, liabilities, risks)
- Permitting and civil survey status

In addition, there may be certain RFP specific requirements for each RFP and resource type

- Bidders should refer to the RFP documents posted to the Information Website for a comprehensive list of response requirements

An RFP Response Form will be available on the RFP website in Microsoft Excel file format. This file allows for standardized entry of economic, financial, and operating data necessary to perform an economic assessment of bids. All bidders are required to submit this form along with their Proposal.

Proposal Content Requirements

Facilities in Development

In addition to the general requirements, Respondents submitting proposals for facilities in development must submit:

- A copy of an executed pro-forma MISO Service Agreement and Interconnection Construction Services Agreement, a completed MISO Facilities Study, a completed MISO System Impact Study, and a copy of a fully executed EPC contract (if available)
- Nodal economic analyses (2025, 2030, and 2035) under base case (n-1) and outage scenarios (n-1-1) showing expected unit economic metrics (including congestion impacts on: capacity factor, produced energy, and generation revenue) for the project at the proposed delivery point(s)
- MISO generator interconnection queue position, if any, and the types and amounts of transmission service requested (e.g. 50 MW of NRIS and/or 25 MW of Energy Resource Interconnection Service (“ERIS”))
- Information on developer experience

There may be certain RFP specific requirements for each RFP and resource type. Bidders should refer to the RFP documents posted to the Information Website for a comprehensive list of response requirements.

Proposal Content Requirements

Additional RFP Requirements

- DEI is specifically requesting information as to whether the enterprise qualifies as an MBE (Minority Business Enterprise) or a WBE (Women's Business Enterprise), veteran owned enterprise or has local Indiana ownership. Bidders should highlight other unique aspects and benefits as well.
- DEI desires that projects offered for acquisition generally conform with DEI's preferred technical specifications. These preferred technical specifications and approved vendor list (for solar) are detailed in Appendix D. Bidders should confirm in their proposal that projects will conform fully with the technical specifications or identify any aspects of their project that do not conform with the preferred specification.
- DEI may consider acquiring projects that do not fully conform with Appendix D, depending upon the materiality of the deviation. DEI reserves the right to disqualify from further consideration any acquisition proposal that does not substantially conform with the preferred specification. Projects that do not conform with the technical specifications can be offered under PPA arrangements without risk of disqualification.

There may be certain RFP specific requirements for each RFP and resource type. Bidders should refer to the RFP documents posted to the Information Website for a comprehensive list of response requirements.

Proposal Content Requirements

Proposal Submission

All Proposals should be submitted to the RFP Manager via email

The primary application, including responses to all of the content requirements, should be provided in Microsoft Word and Adobe Acrobat PDF file formats

- All data related to economic, financial, and operating characteristics of a generation facility should be provided on a unit basis rather than for the plant as a whole (if a plant is made up of multiple units). Other data may be provided on an aggregated plant basis.
- Bidders should submit a catalog of other files associated with the Proposal, including file names and descriptions
- Financial statements, annual reports, and other large documents may be referenced via a website address
 - If possible, all such documents should be made available in Adobe Acrobat PDF file format

RFP Manager will send instructions on how to submit the Proposal through CRA's secure web transfer portal if the file size is over 30 MB and cannot be submitted via email

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Evaluation Criteria

Key Elements of Evaluation



Net Present Value (30% / 300 points)

The Net Present Value (NPV) analysis will be conducted over a fixed planning horizon for all assets. The NPV 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 transmission reliability, facility age and performance, and fuel risk and fuel security. Transmission reliability scoring will be based on transmission infrastructure and location. Facility performance will be based on the EFORd performance. Fuel reliability will consider fuel availability risk and price volatility.



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. [The Evaluation Criteria notes that projects must have completed DPP1.](#) [Because of delays in the MISO queue process, DEI is considering options related to this requirement and will provide additional guidance to bidders.](#)



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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RFP Timeline and Milestones



RFP Schedule	
Task	Date
Submitted 2021 Integrated Resource Plan to the Indiana Utility Regulatory Commission	12/15/2021
Stakeholder Information Session	1/28/2022
Distribute Primary RFP Documents to Stakeholders that have signed NDA for Stakeholder feedback	1/31/2022
Stakeholder Feedback Deadline	2/14/2022
Issue RFP	2/21/2022
Non-Binding Notice of Intent Due	3/14/2022
Pre-Qualification Applications Due	3/14/2022
Notification of Pre-Qualification Due	3/17/2022
Intermittent Proposals Due	4/18/2022
Non-Intermittent Proposals Due	5/2/2022
Bid Evaluation Period	April - May 2022 (tentative)
Additional Due Diligence and Definitive Agreements Signed with Bidders	June – Dec 2022 (tentative)

Post RFP Timeline

Regulatory Approvals



Any agreements would be subject to the granting of a Certificate of Public Convenience and Necessity (“CPCN”) by the IURC.

Agreements may require approval in other jurisdictions or at the Federal Energy Regulatory Commission, depending on the nature of the agreement or the asset(s) selected.

Any regulatory filing(s) would begin after the conclusion of DEI’s due diligence and the execution of definitive agreements.

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 - Verbal (to enter the queue, notify the operator)
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- The Operator will introduce callers using an assigned port number

When asking a question, callers should NOT identify themselves

Q&As raised during this bidder information session will be posted on the RFP Information Website

Thank you for your interest in the RFP