Indiana's Energy Landscape

INDIANA OFFICE OF ENERGY DEVELOPMENT
Luke Wilson, Chief Policy Officer

6/3/2026

Indiana Office of Energy Development

Mission

Advance solutions that provide affordable, stable, and reliable energy for the benefit of all Hoosiers while supporting a diverse and balanced portfolio of energy resources.

Indiana Office of Energy Development

- Policy Guidance
- Grant Administration
- Public Education

Indiana Office of Energy Development

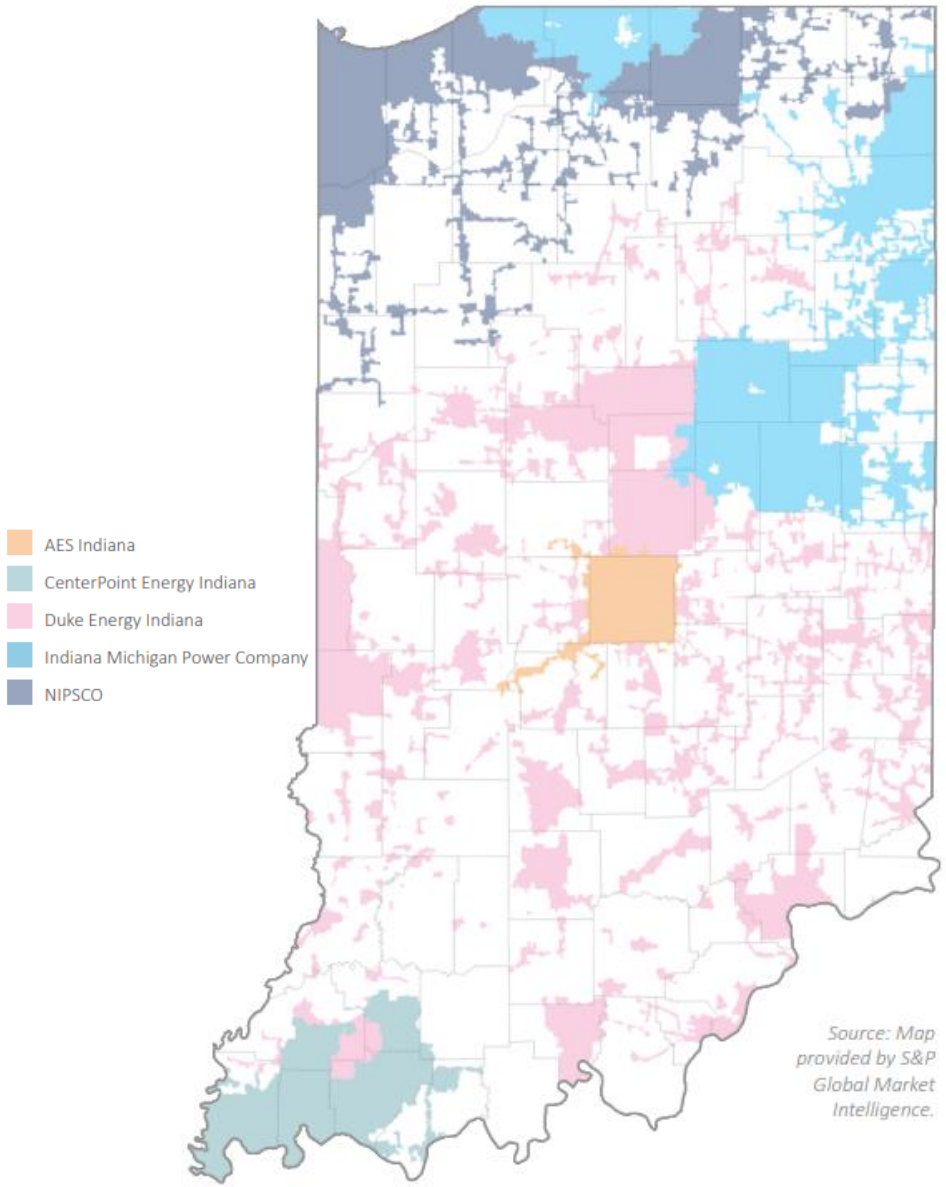
- **Indiana Energy Saver Program**
  - $182M in federal funding for energy efficiency upgrades
    - Home Efficiency Rebate (HOMES)
      - Available to all Hoosiers who can achieve 20% energy savings.
    - Home Appliance Rebate (HEAR)
      - For low- & moderate-income households to upgrade to energy efficiency appliances.
  - Learn more at **IndianaEnergySaver.com**

INDIANA'S REGULATORY LANDSCAPE

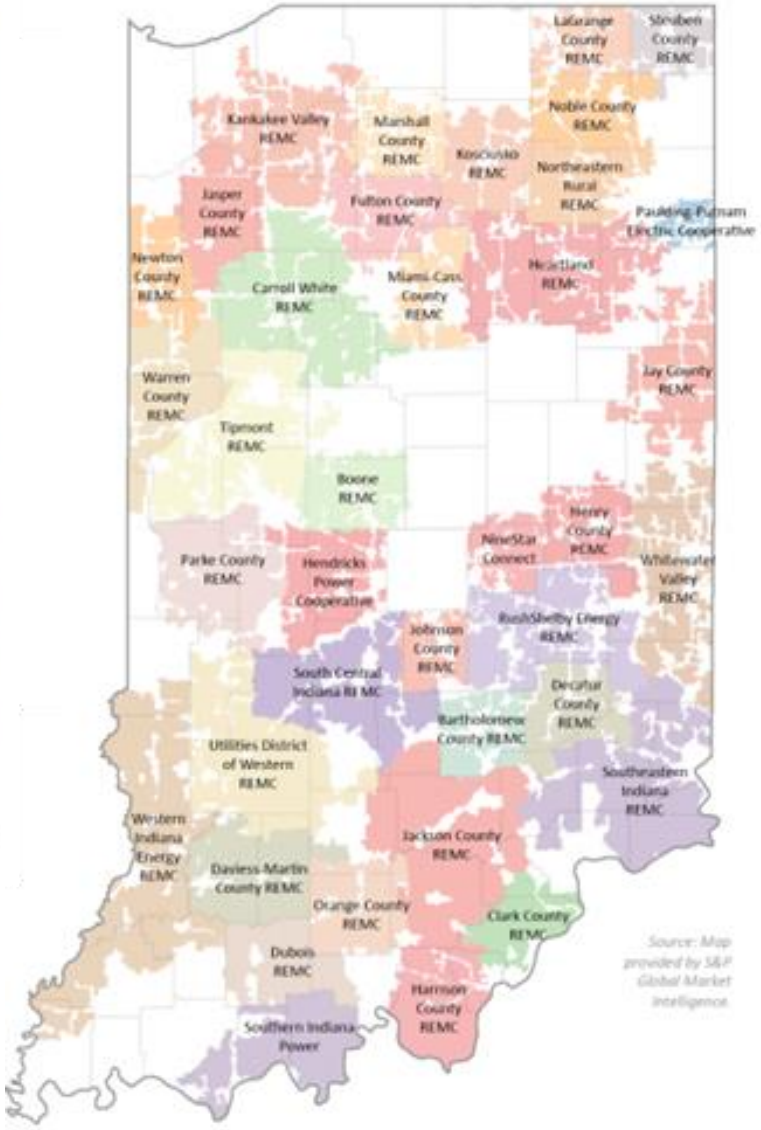
Indiana's Regulatory Landscape

- Indiana electric utilities:
  - 5 investor-owed electric utilities
    - AES Indiana (serving Indianapolis)
    - CenterPoint Energy (serving southwest Indiana)
    - Duke Energy Indiana (largest utility in the state)
    - Indiana Michigan Power (serving parts of northern & eastern Indiana)
    - NIPSCO (serving mainly northwest Indiana (outside Chicago))
  - 79 municipal electric utilities
  - 38 rural electric membership cooperatives

IOU ELECTRIC SERVICE TERRITORIES



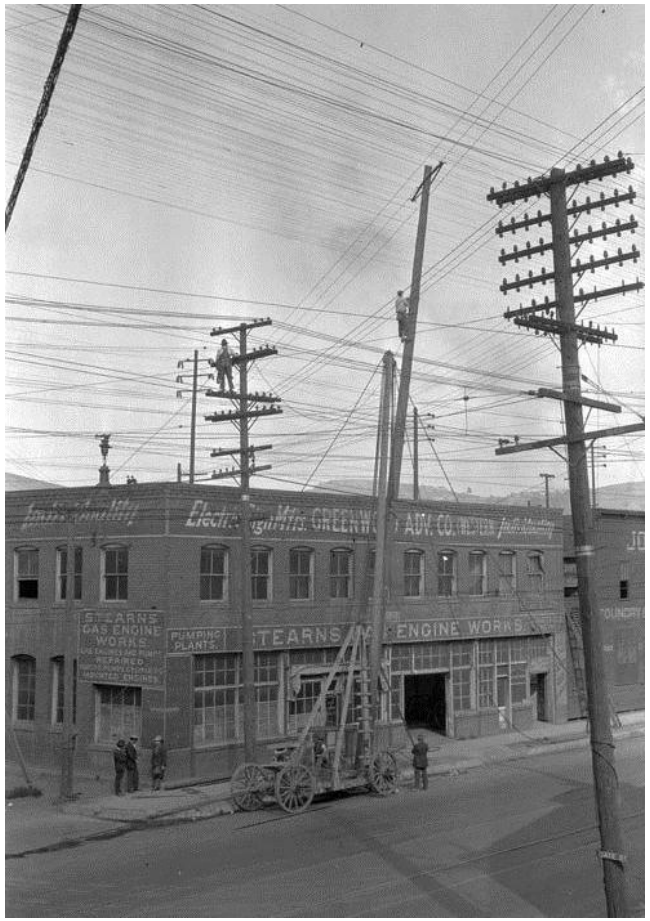
INDIANA ELECTRIC COOPERATIVES SERVICE TERRITORIES

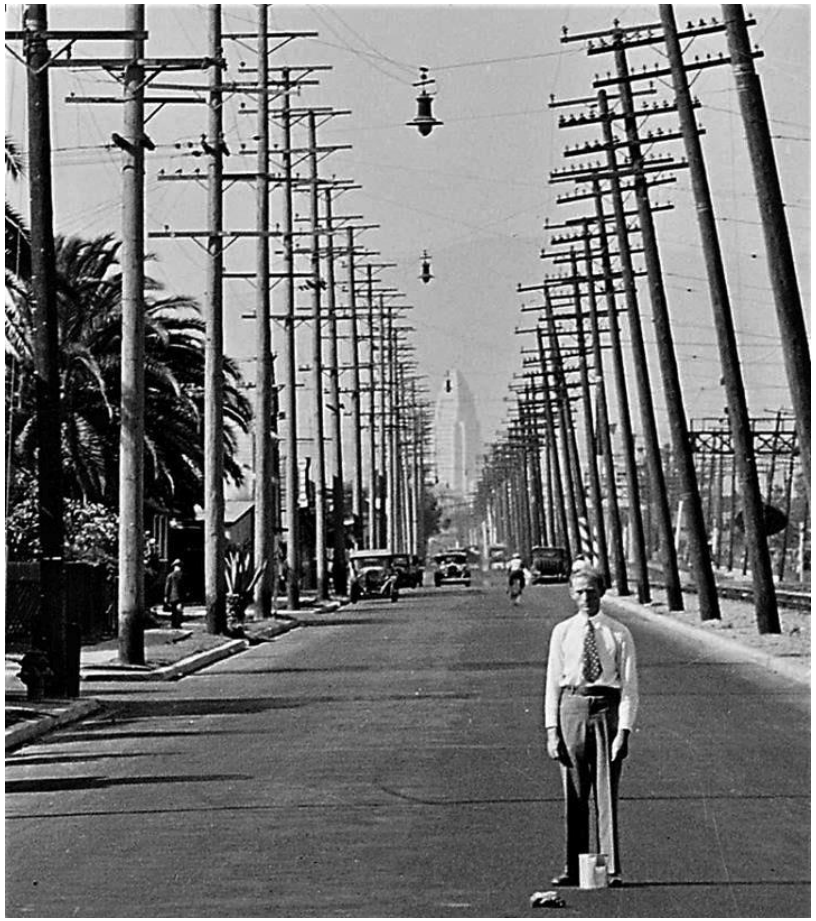


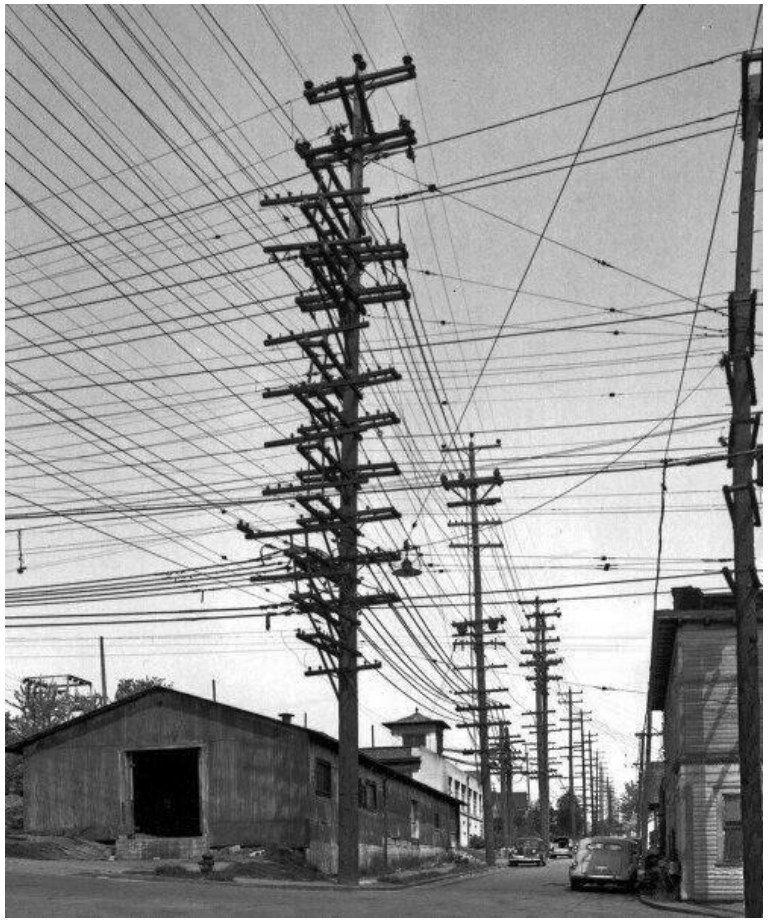
MUNICIPAL ELECTRIC SERVICE TERRITORIES

Source: IURC 2025 Annual Report

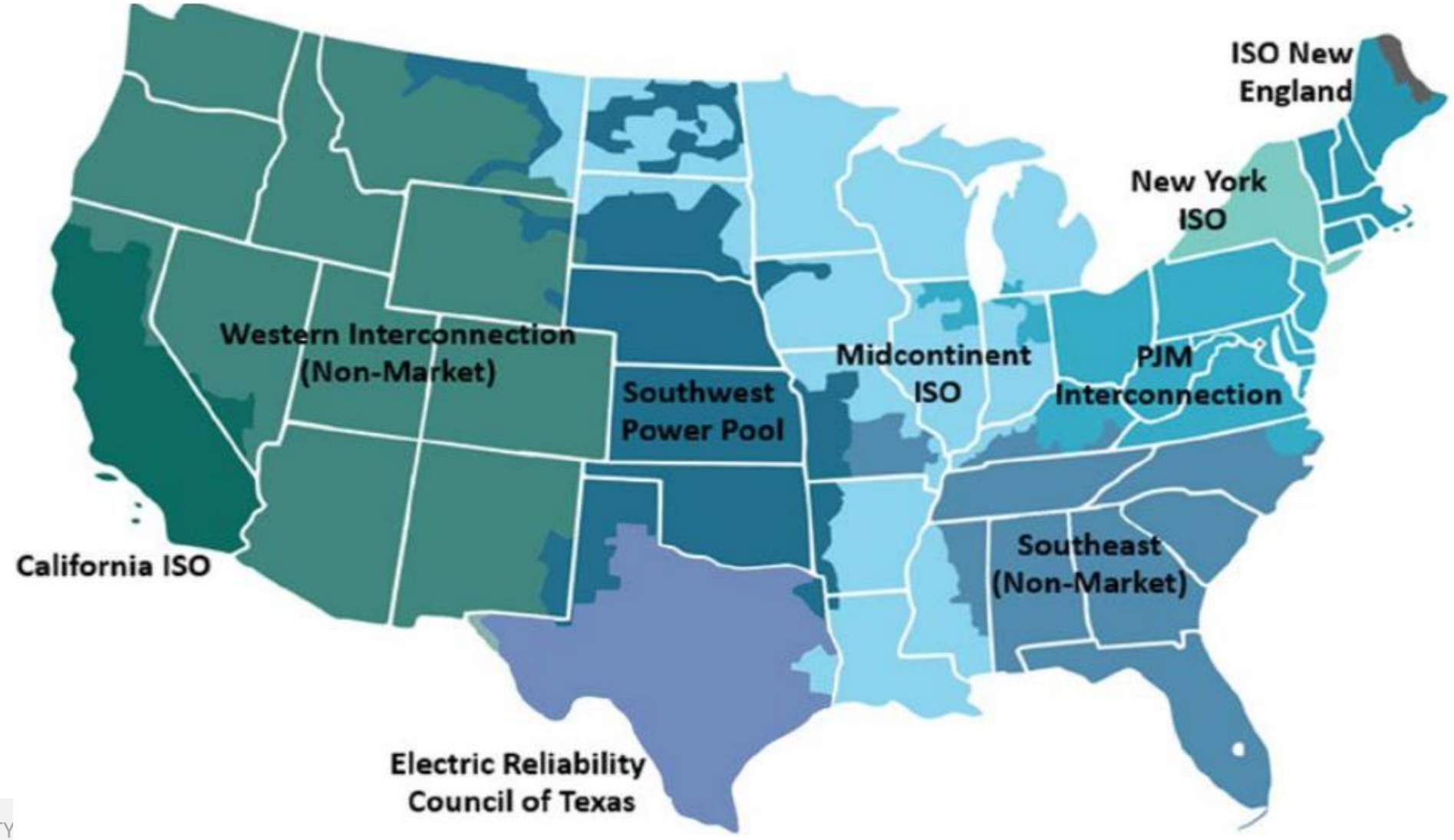
UTILITY REGULATION







REGIONAL TRANSMISSION ORGANIZATIONS (RTOS)



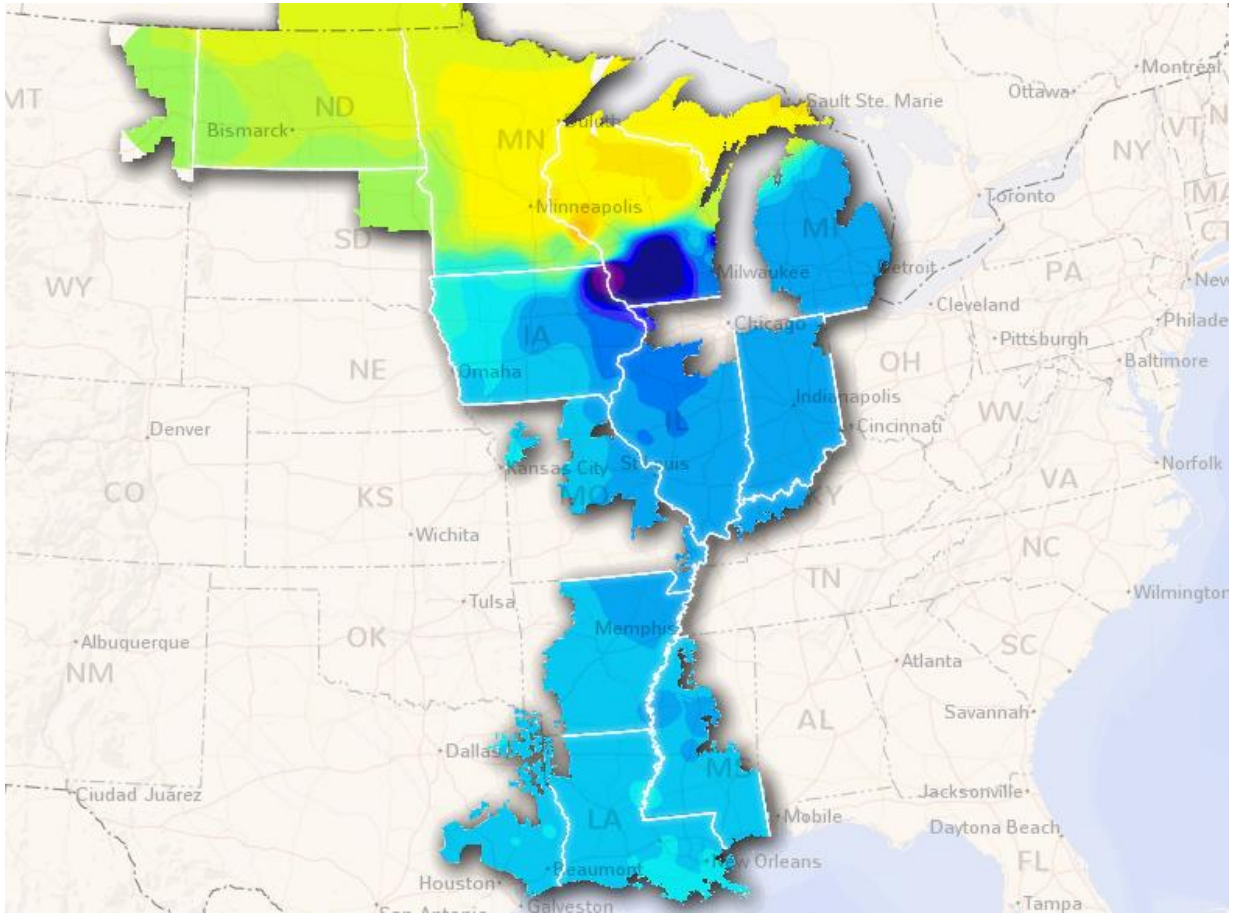
REGIONAL TRANSMISSION ORGANIZATIONS (RTOS)

- RTOs are independent organizations that plan and control the transmission grid to improve the economics and reliability of the wholesale electric markets.

- They provide three main functions:
  - **Planning** - transmission system and regional resource needs.
  - **Operations** – matches supply with demand by coordinating generation output and transmission.
    - Think air traffic controller for electrons.
  - **Markets** – provides economic dispatch of resources to ensure the lowest cost combination of resources are used.
    - Think stock market for electrons.

REGIONAL TRANSMISSION ORGANIZATIONS (RTOS)

12:30pm



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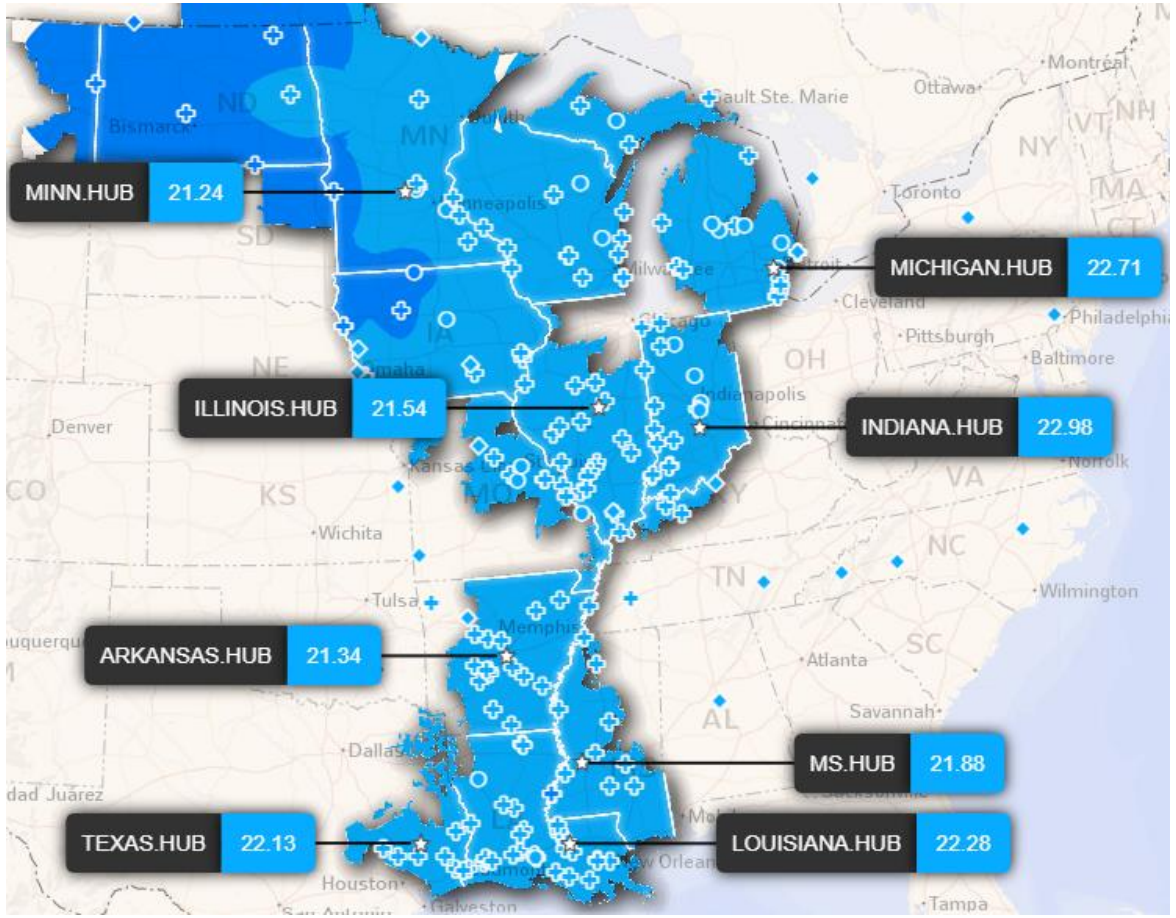
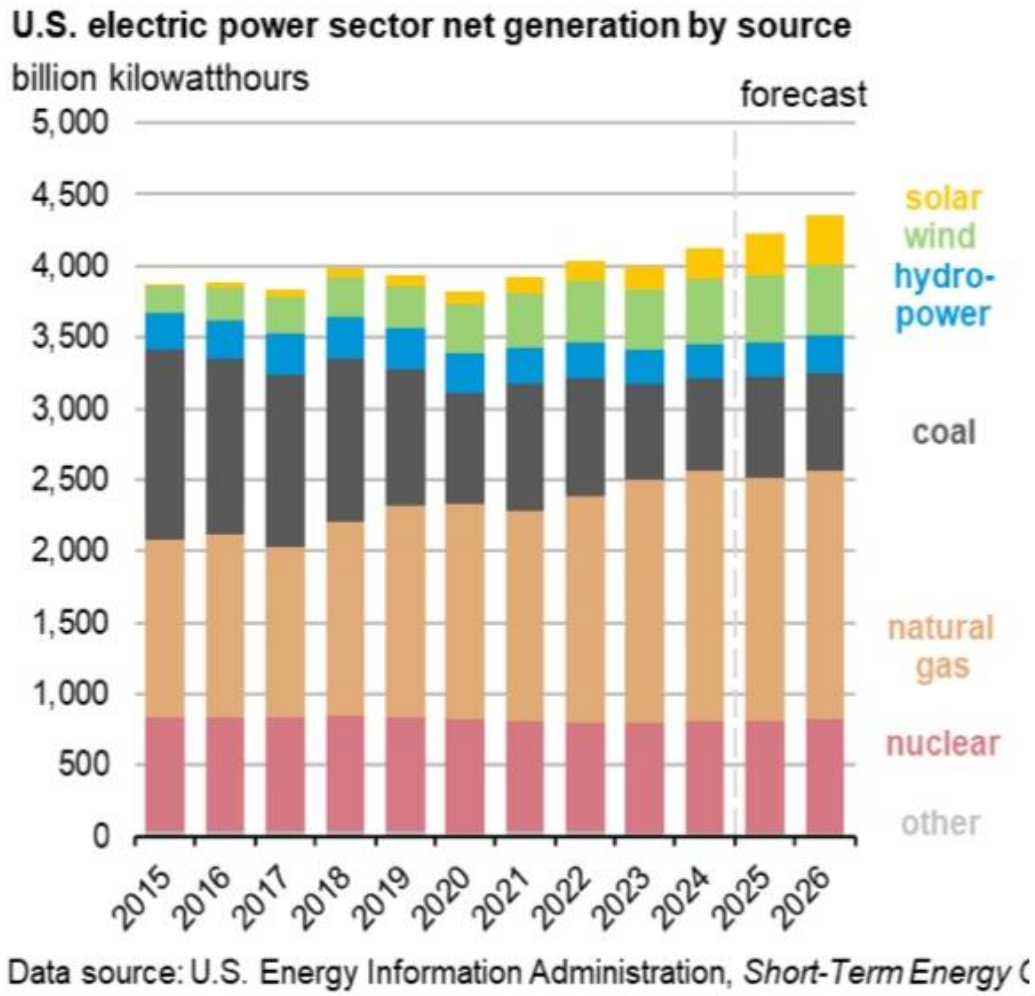


GENERATION MIX

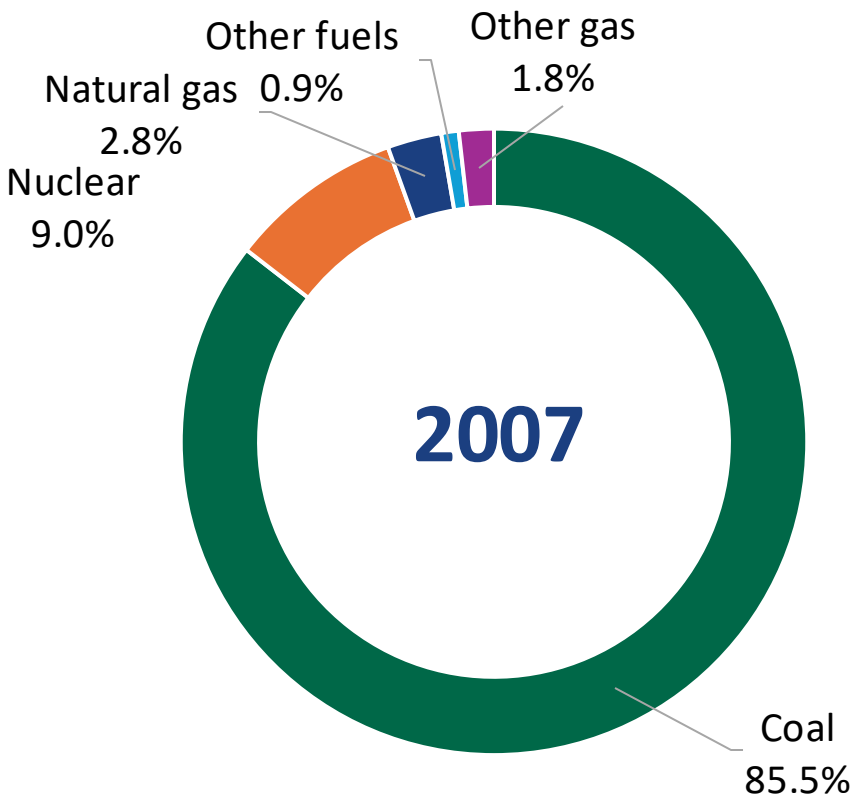
United States Generation Fuel Mix



*Numbers are rounded from EIA data

Generation Mix Transition

Indiana's Generation Fuel Mix



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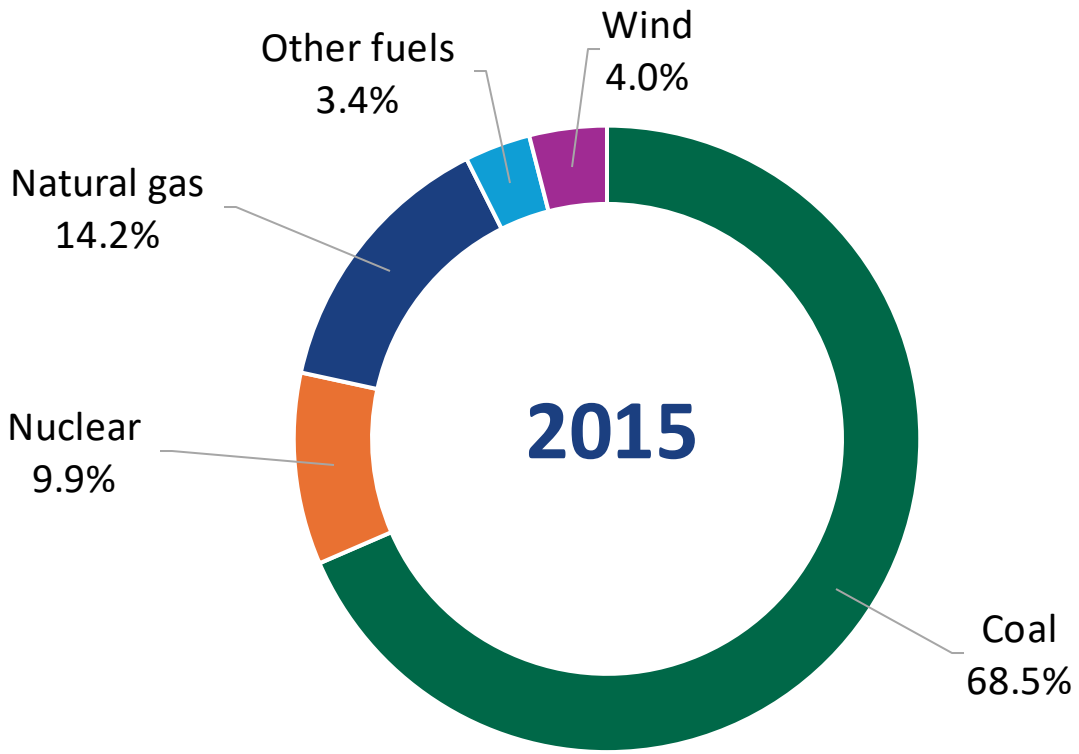
Generation Mix Transition

Indiana's Generation Fuel Mix



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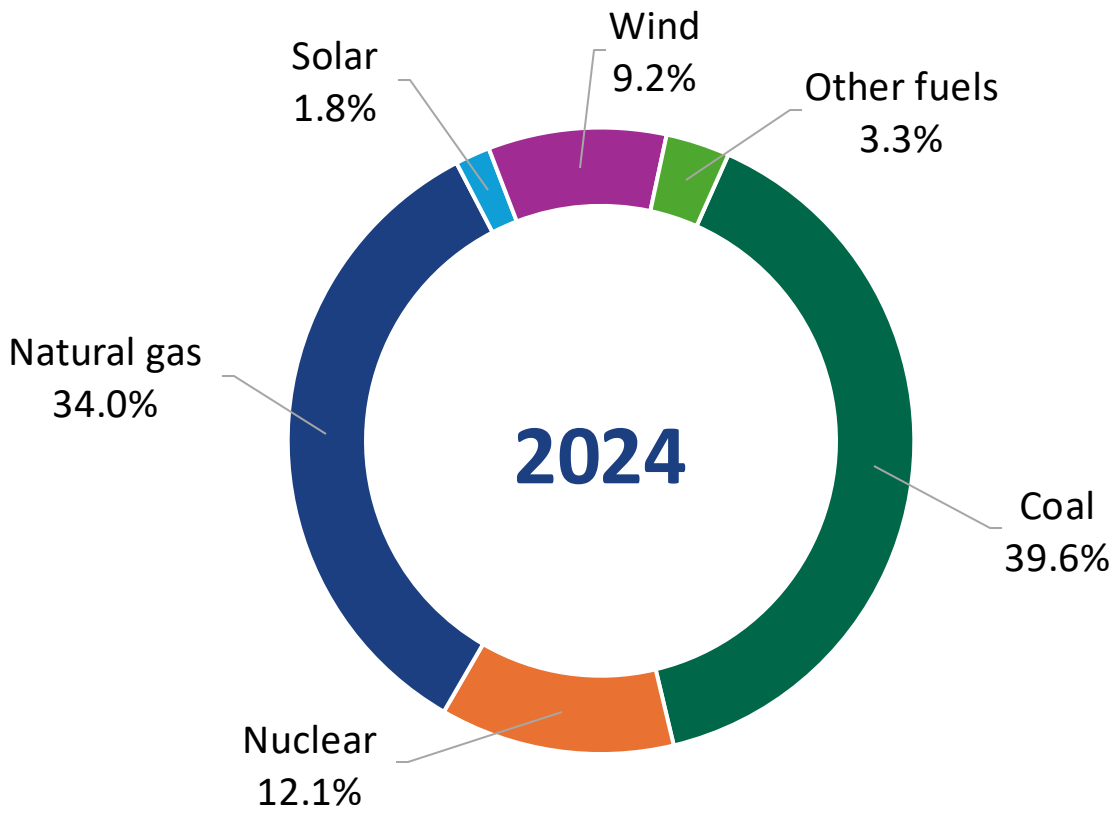
Generation Mix Transition

Indiana's Generation Fuel Mix



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Generation Mix Transition

Indiana's Generation Fuel Mix

Resource	2007	2015	2024	Change
Coal	85.5%	68.5%	39.6%	-45.9%
Natural Gas	2.8%	14.2%	34.0%	31.2%
Nuclear	9.0%	9.9%	12.0%	3%
Wind	0%	4.0%	9.2%	9.2%
Solar	0%	0.1%	1.8%	1.8%
Other (e.g. hydro)	2.7%	3.3%	3.3%	0.6%

**Numbers are rounded from EIA data*

GENERATION TRANSITION IMPACTS

SETTING THE STAGE

- Three main factors driving this transition:
  - Energy market economics
  - Federal and state policies
  - Aging generation plants (natural build cycle)

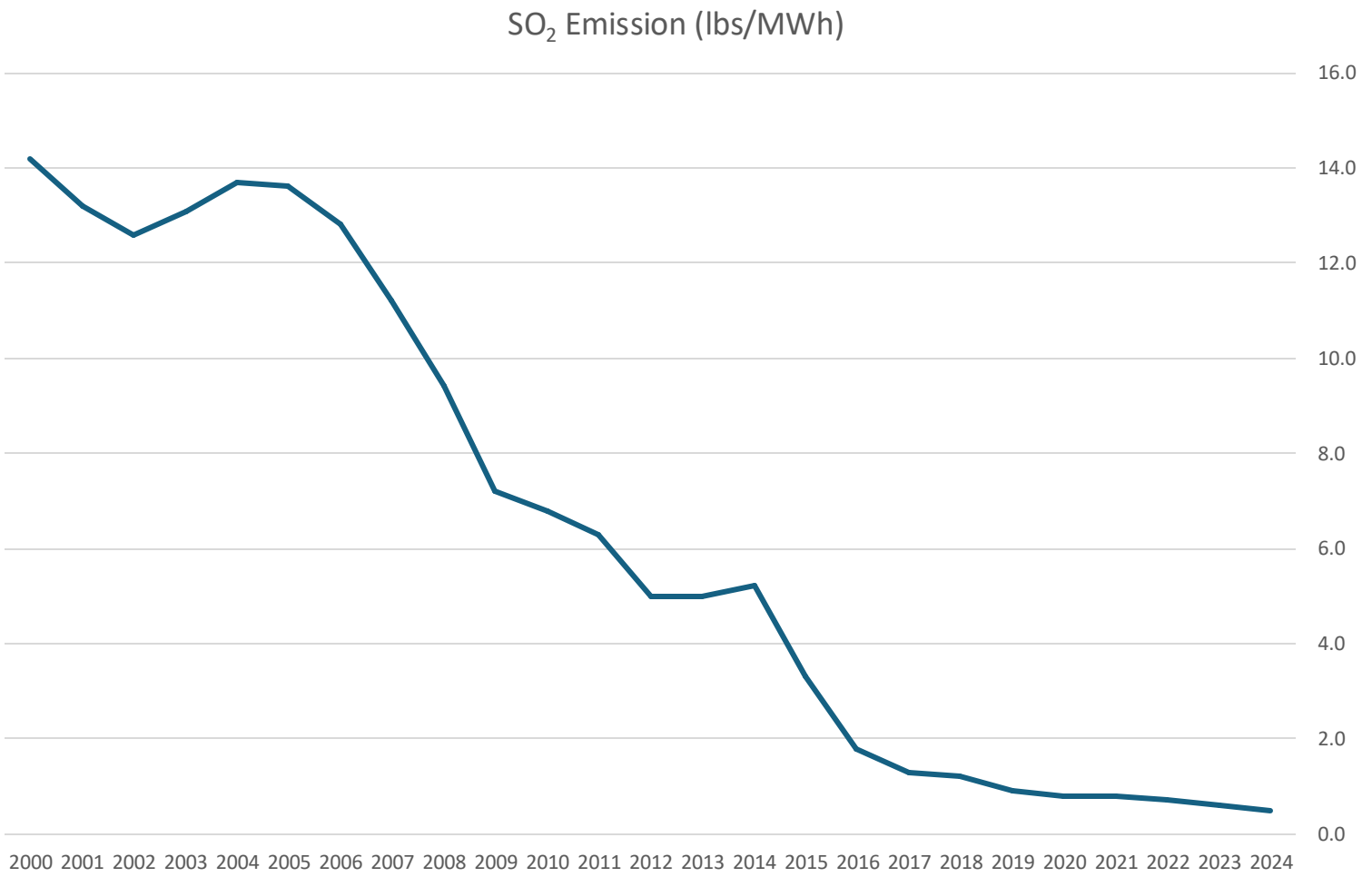
REGULATION & IMPACTS ON RATES

- One set of policy choices (i.e. regulation) that has impacted Indiana has been environmental regulations.

- Examples include:
  - Sulfur Dioxide & Nitrous Oxides
  - Clean Air Interstate Rule
  - Mercury & Air Toxins Standards
  - Cross-State Air Pollution Rule
  - Coal Combustion Residuals Rule
  - Effluent Limitation Guidelines

Emissions Reductions

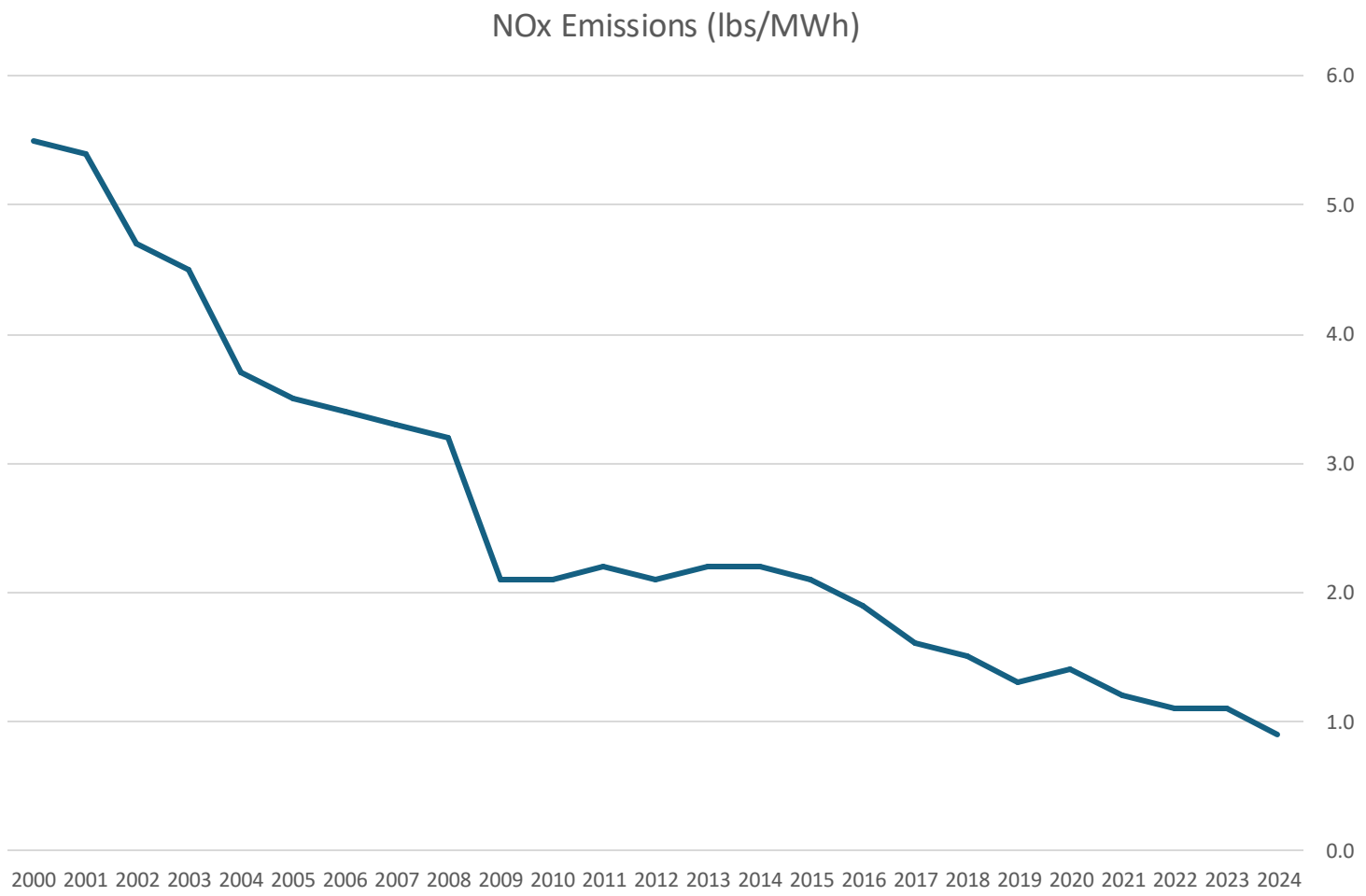
SO_2 Emissions
(measured by lbs/MWh)
down over 96%
since 2000.



Source: U.S. EIA data

Emissions Reductions

NO_x Emissions
(measured by lbs/MWh)
down over 84%
since 2000.

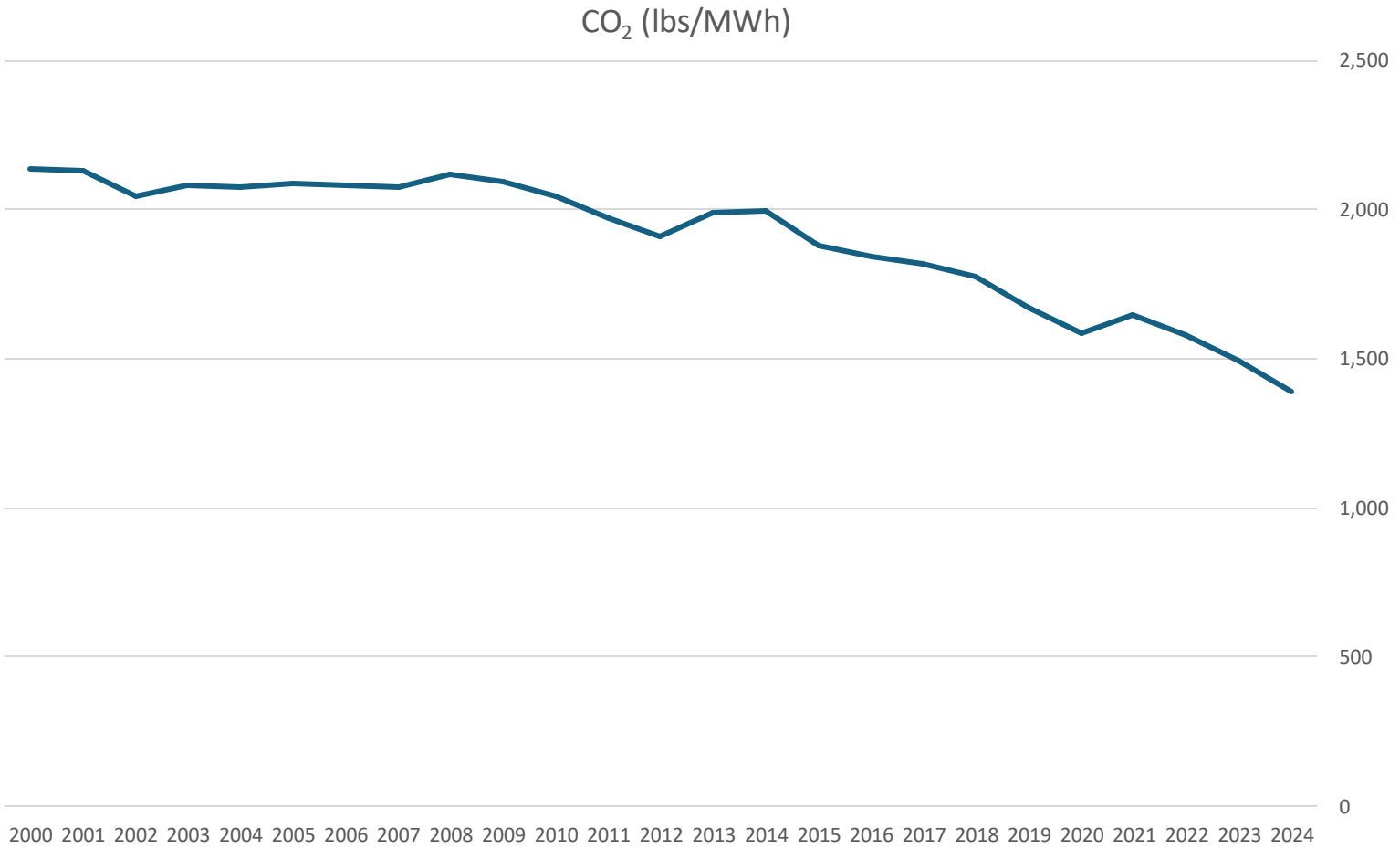


Source: U.S. EIA data

Emissions Reductions

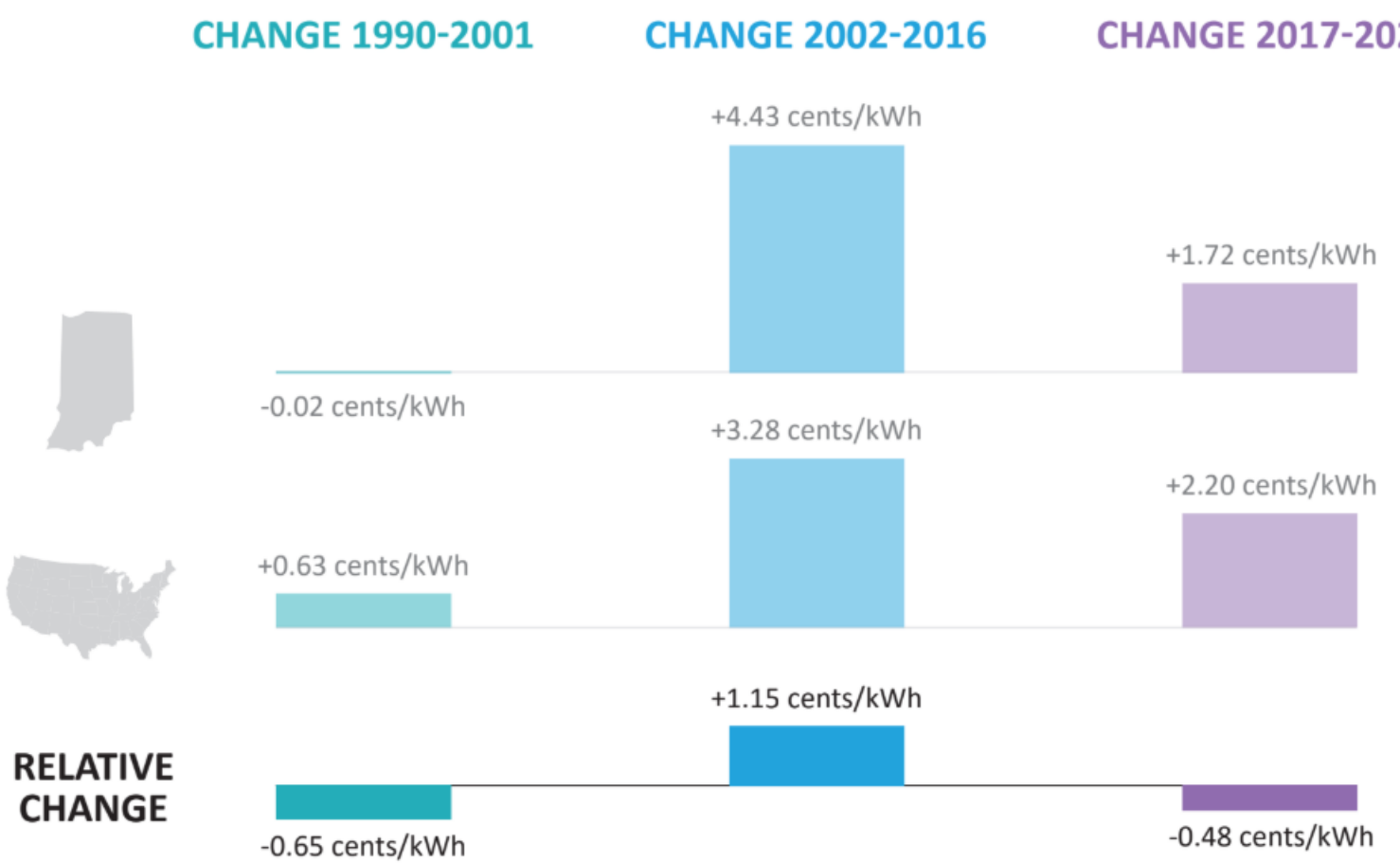
CO_2 intensity
(measured by lbs/MWh)

declined 35% since 2000.



Source: U.S. EIA data

ENERGY PRICES



Source: IURC

ENERGY PRICES

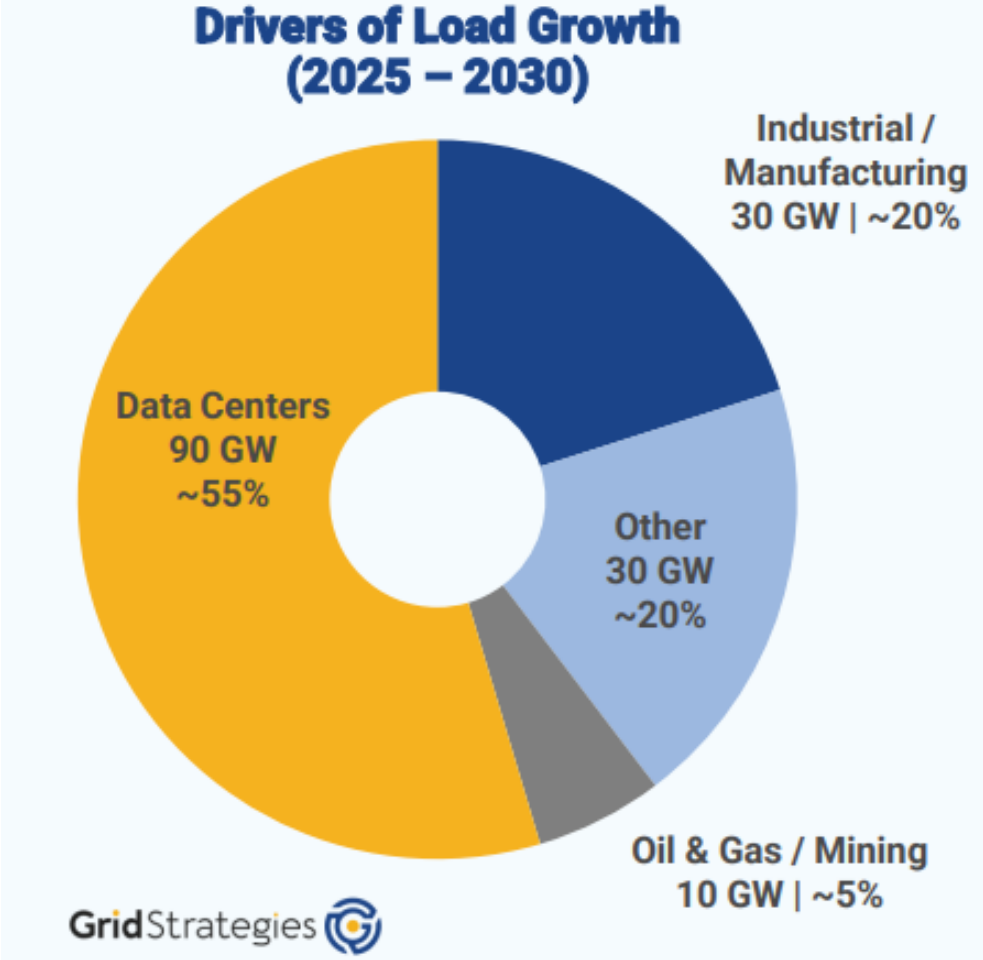
- Indiana's average electric price rank compared to other states

Source: IURC

GROWING ELECTRICITY DEMAND

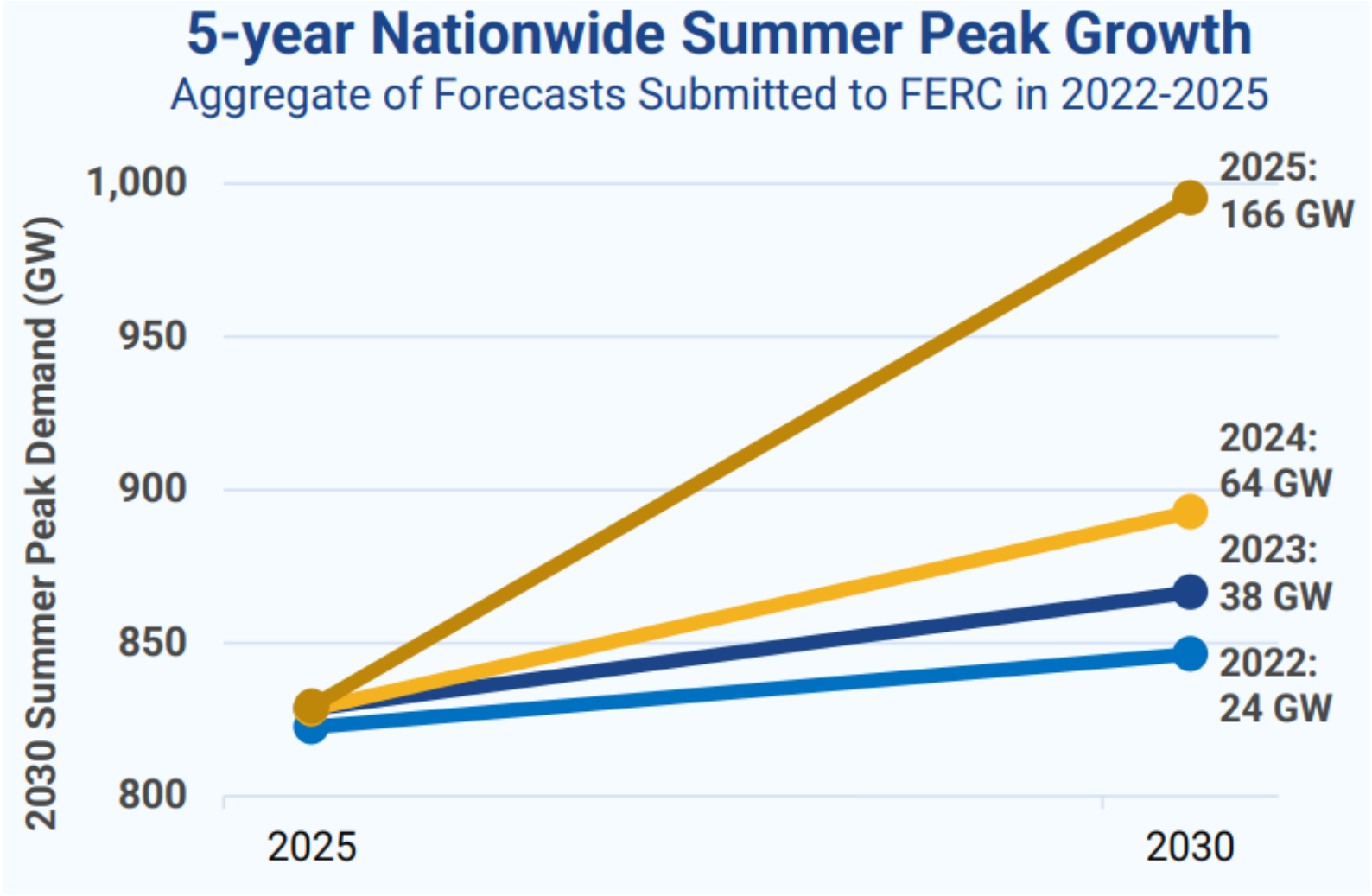
What is Causing Load Growth?

- Data centers
- Onshoring of manufacturing
- Broader electrification of the economy
  - Home heating switching from gas to electric
  - Electric vehicle adoption continues to grow



Source: Grid Strategies

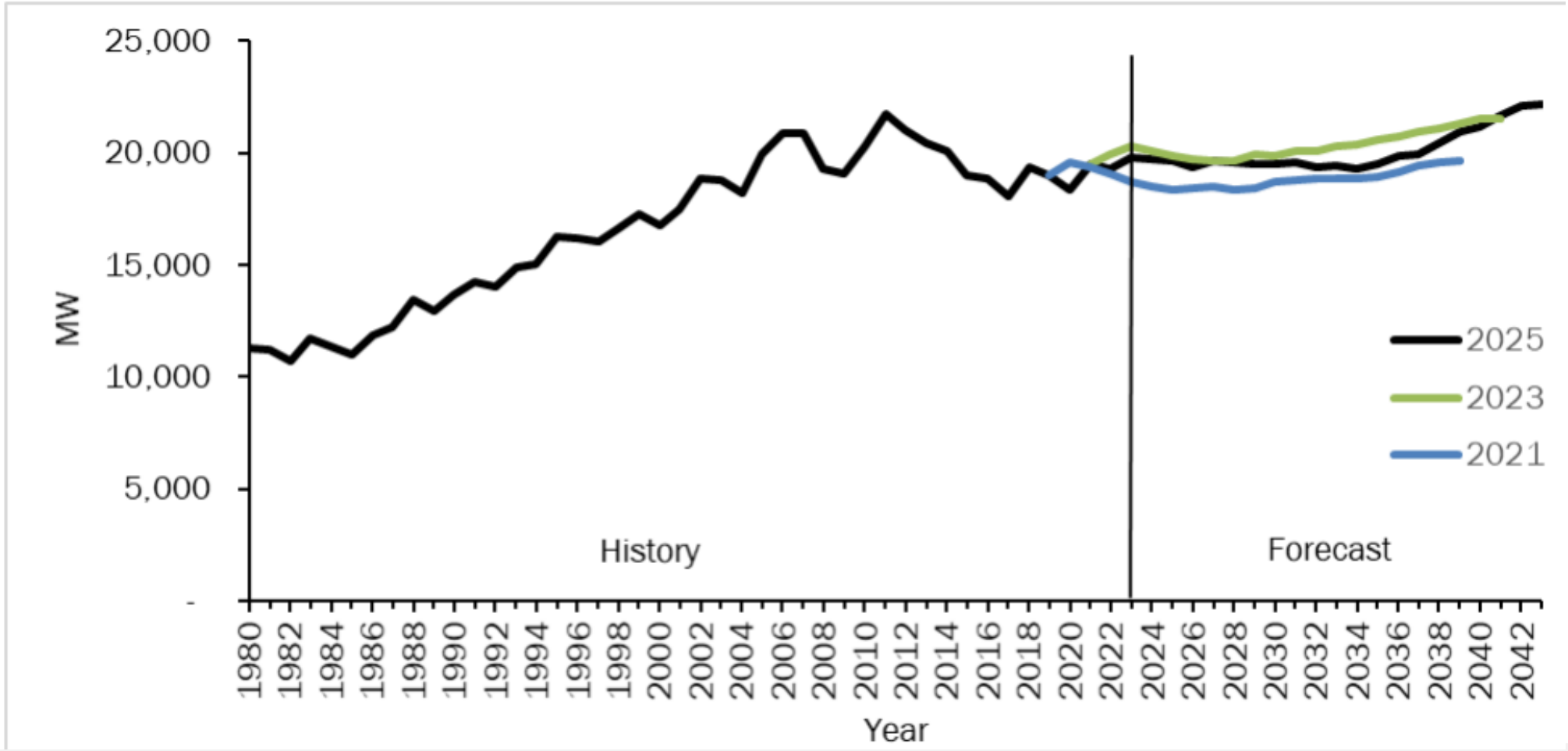
Load Growth is Happening Nationwide



Source: Grid Strategies

Flat Peak Demand

Figure 1-2. Indiana Peak Demand Requirements in MW (Historical, Current, and Previous Forecasts)

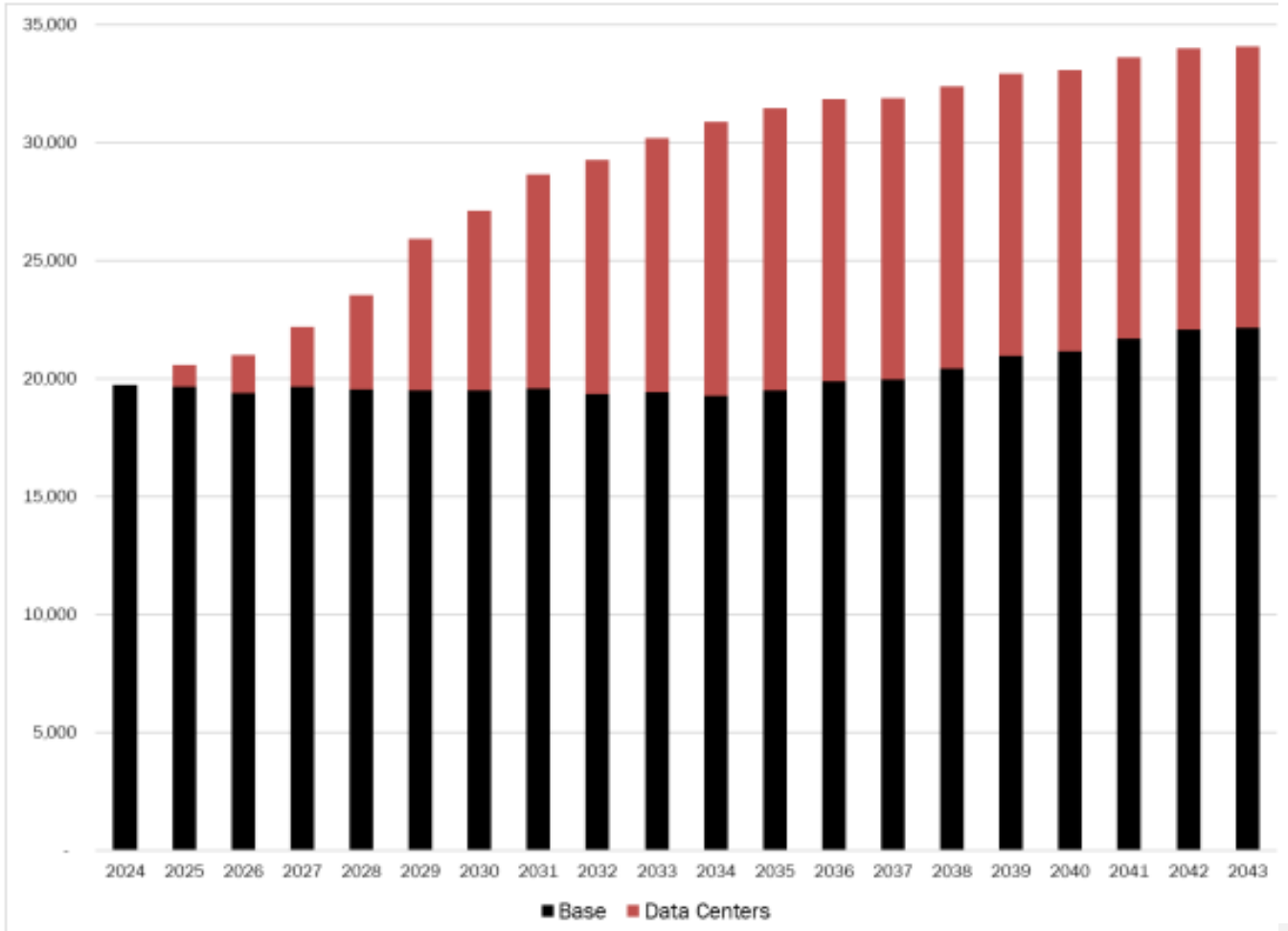


Source: Purdue SUFG 2025 Forecast

Significant Growth In Demand

- Data centers may increase peak demand by 35% by 2030.

Figure 1-7. Indiana Peak Demand (Summer) (MW) Base Scenario vs. Data Center Scenario



Source: Purdue SUFG 2025 Forecast

MEETING HIGHER ELECTRICITY DEMAND

Obligation To Serve

- Retail electric utilities are required to provide safe and reliable service (i.e. serving all customers within their service territory.)

- Utilities need to plan to meet peak demand + a reserve margin.
  - Commonly referred to as meeting their **resource adequacy requirement.**

- Participating in an RTO improves system reliability and economics.

Accredited Capacity

- Installed capacity ≠ production at time of system need.
- Right now, utilities meet their resource adequacy requirements through a diverse generation portfolio.
  - Wind
  - Solar
  - Natural Gas
  - Coal
  - Nuclear
  - Hydro

ACCREDITED OR EFFECTIVE CAPACITY

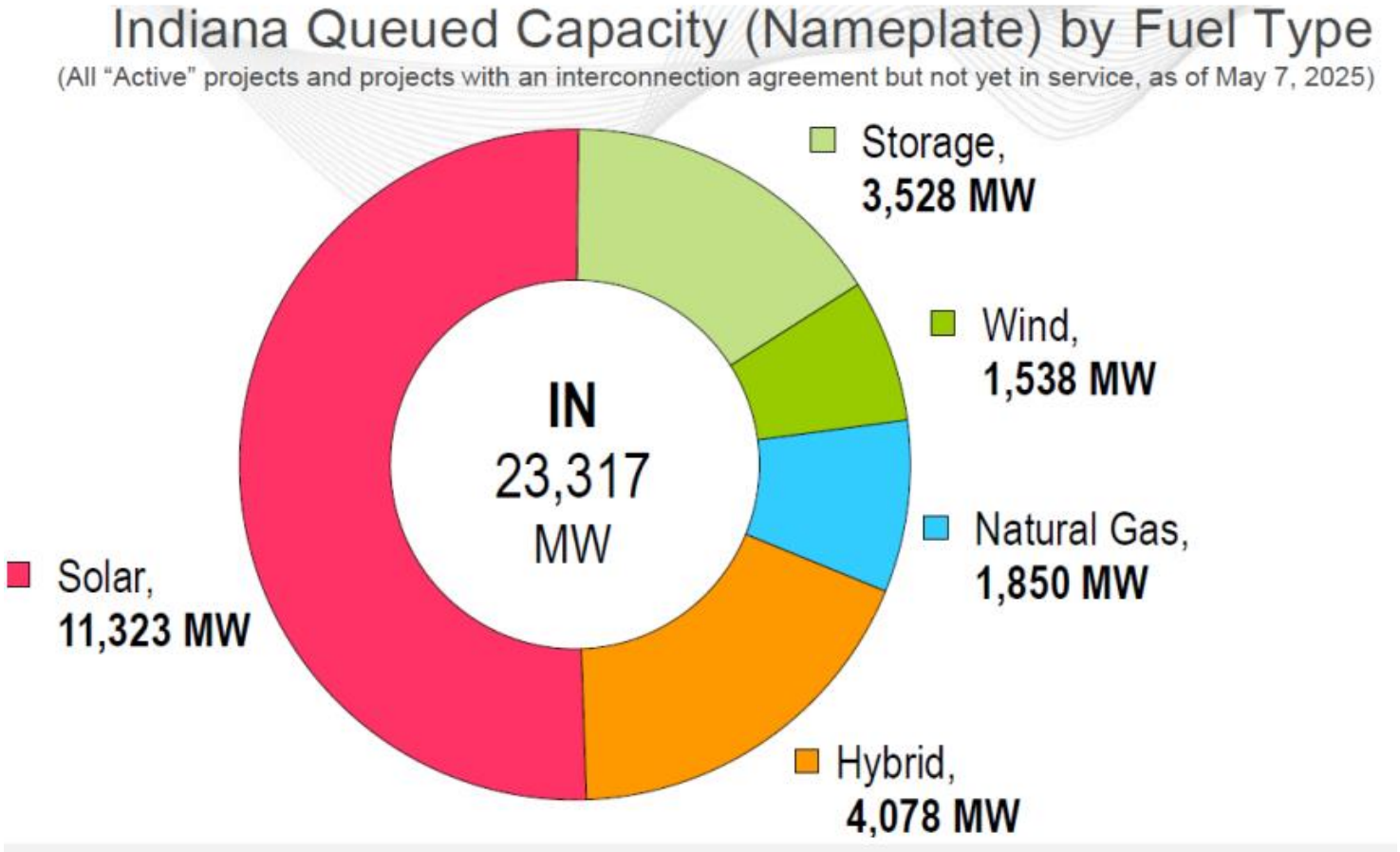
- Morgan Stanley Annual Energy Paper (2023):
  - "…we computed the amount of natural gas that can be disconnected when adding solar and wind to meet another 10% of demand. The result: due to wind and solar intermittency and the need to meet demand and maintain system reliability, **only 10-30 MW of natural gas could be disconnected for every 100 MW of new wind and solar capacity.** These capacity credits decline as more wind and solar are added to the system..."

Accredited Capacity

PY 2025-2026	Summer	Fall	Winter	Spring
Biomass	50%	46%	50%	49%
Coal	89%	84%	76%	73%
Dual Fuel Oil/Gas	87%	83%	79%	78%
Gas	88%	84%	65%	69%
Combined Cycle	95%	91%	77%	79%
Nuclear	94%	90%	90%	82%
Oil	77%	74%	74%	72%
Pumped Storage	98%	89%	76%	67%
Reservoir Hydro	89%	80%	76%	70%
Run-of-River Hydro	62%	52%	58%	63%
Solar	38%	21%	24%	32%
Wind	8%	15%	22%	14%
Storage*				
Status Quo**	39%	46%	66%	25%
Blended	50%	55%	70%	25%
Even Loss	62%	57%	71%	25%

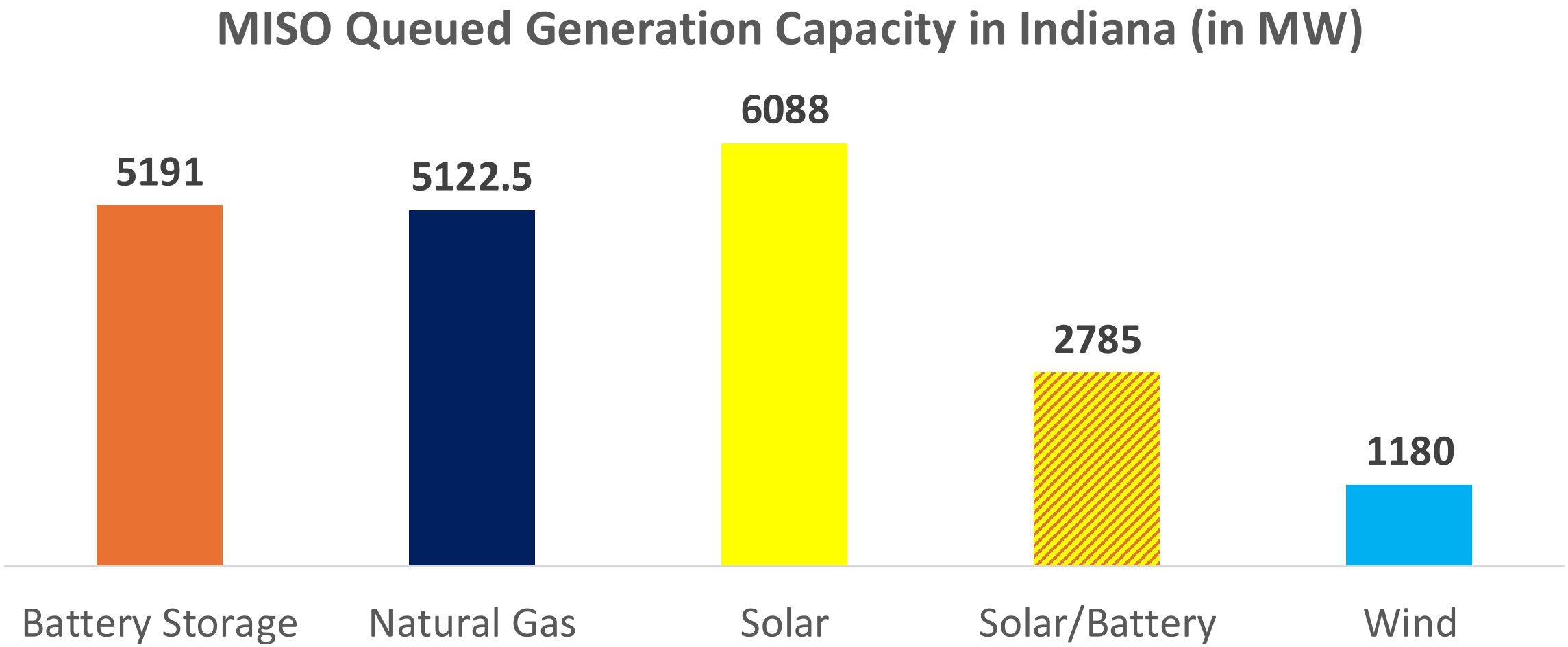
- Resource adequacy must be considered to meet demand 24/7/365.

What Are Utilities Building?

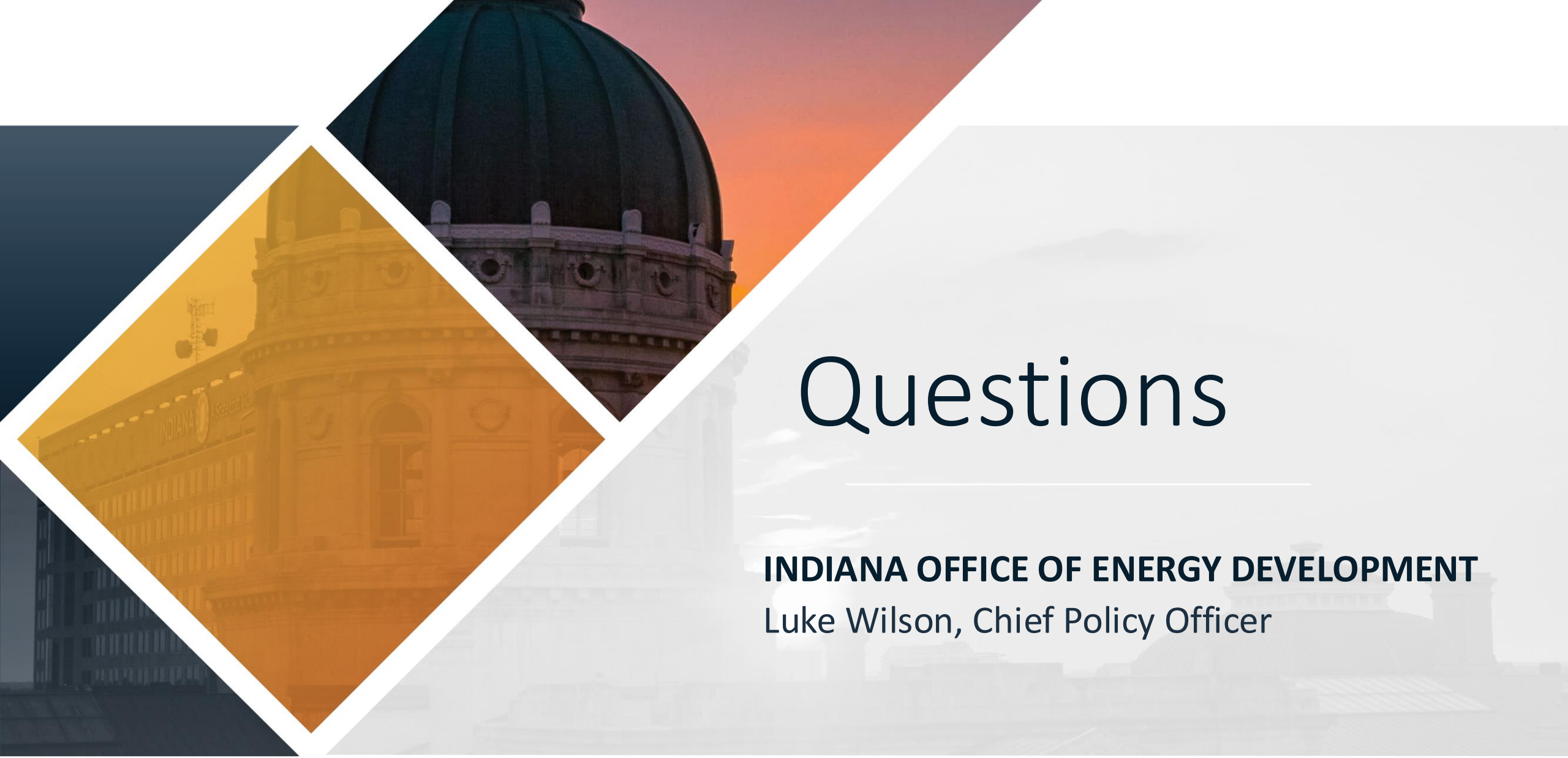


Source: PJM

What Are Utilities Building?



Source: MISO – June 2026



Questions

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