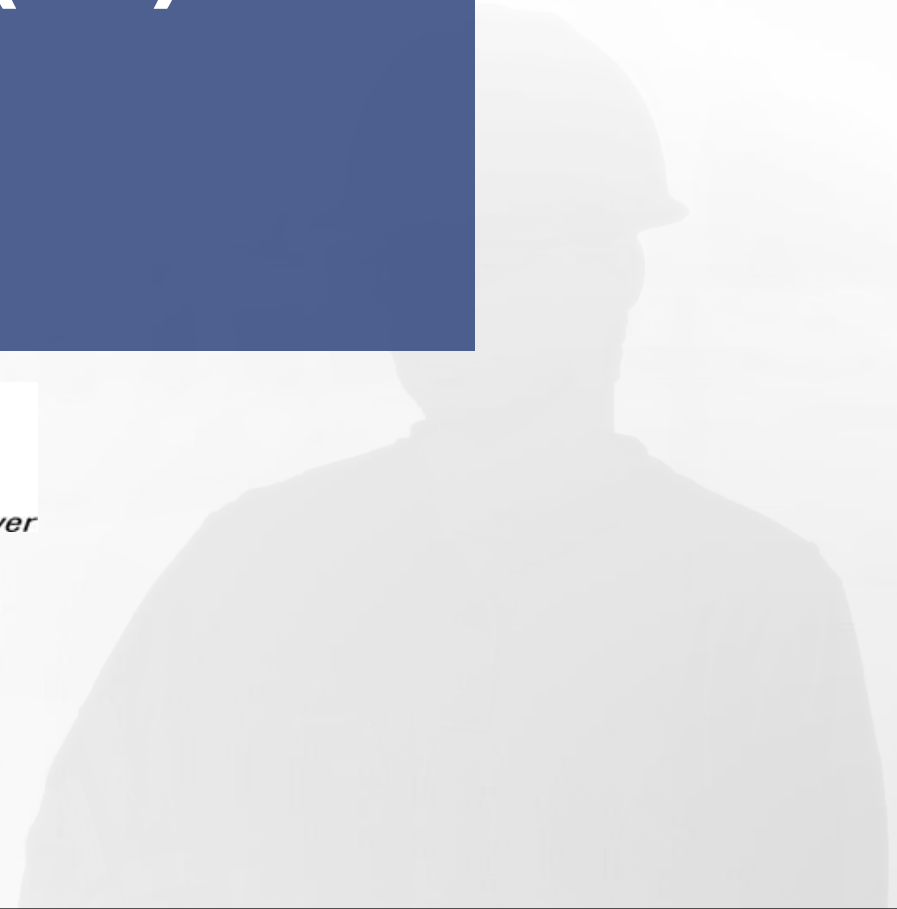


Joint Integrated Resource Plan (IRP) Stakeholder Presentation February 3, 2016





3

IRP BUILDING BLOCKS & DEVELOPMENT (IPL)

IRP Building Blocks & Development Outline

- Purpose of Integrated Resource Planning (IRP)
- Development process
- Building blocks
- Results



IRP Building Blocks & Development

- Purpose of IRP:
 - “IRPs describe how the utility plans to deliver safe, reliable, and efficient electricity at just and reasonable rates”.
- Process to screen options, model variables, produce possible resource plans for multiple scenarios
- Complex effort to balance multiple stakeholder interests
- Includes qualitative and quantitative information

*Source: IURC



IRP Building Blocks

Load Forecast

Economic drivers

EE standard impacts

Resources

Supply side-generation

Demand side – EE, DR, DG

Costs

Fuel – NG, coal, other

Market prices – energy & capacity

Risks – e.g. environmental costs

1

2

3

4

5

6

7

8

IRP Building Blocks

Load
Forecast

Resources

Costs

Scenarios
&
Sensitivities

1

2

3

4

5

6

7

8

Process & Results

- Develop scenarios or future views of the world to shape inputs and frameworks for analysis
- Include sensitivity analysis of specific variables
- Results in multiple resource plan options
- Model outputs include parameters of each plan such as:
 - Present Value Revenue Requirements (PVRR)
 - Fuel consumption
 - Environmental impacts

