

INDIEC: Who We Are

- ▶ Indiana Industrial Energy Consumers, Inc. (“INDIEC”) was formed in the 1980’s to provide an independent voice on behalf of large volume energy consumers
- ▶ **MISSION**: To Influence Sound Energy Policy Development and Decision-Making to Ensure a Reliable and Cost-Effective Energy Supply to Indiana Industrial Energy Customers
- ▶ **VISION**: To be an Advocate for an Energy Supply and Cost Environment that Attracts New Business and Enables Existing Businesses to Thrive and Expand

INDIEC: Who We Are

Industrial Members:

1. Air Products and Chemicals, Inc.
2. Allison Transmission, Inc.
3. ALCOA
4. Arconic
5. ArcelorMittal
6. BP
7. CountryMark
8. Fiat Chrysler Automotive
9. Eli Lilly and Company
10. General Motors
11. Haynes International, Inc.
12. Honda of America Mfg., Inc.
13. Ingredion
14. Linde Group
15. Marathon Petroleum Company LLC
16. NLMK Indiana
17. Praxair, Inc.
18. Novelis Corporation
19. Subaru of Indiana Automotive, Inc.
20. Tate & Lyle
21. Toyota Motor Manufacturing Indiana
22. U.S. Gypsum
23. Vertellus Specialties, Inc.

Affiliate Members:

1. Indiana Cast Metals Association
2. BP Canada Energy Marketing Corp
3. CenterPoint Energy
4. Direct Energy business
5. EDF Energy Services
6. Impact Industrial Services



INDIEC
(Indiana Industrial
Energy Consumers, Inc.)

INDIEC's Five Principles

- PUBLIC UTILITY RATES Should be Based on Cost of Service;
- PUBLIC UTILITIES Should have the Opportunity to Earn a Fair Rate of Return;
- PUBLIC UTILITY RATES Should Reflect Efficient Operation;
- STATE REGULATORY PROCESSES Should be Responsible and Timely; and
- INDIANA SHOULD PURSUE ENERGY POLICIES that Preserve the Existing Industrial and Economic Base of Indiana and Related Employment as well as Promote Economic Growth

Three Important Notes About Manufacturing In Indiana

Manufacturing is a Major Part of Indiana's Economy

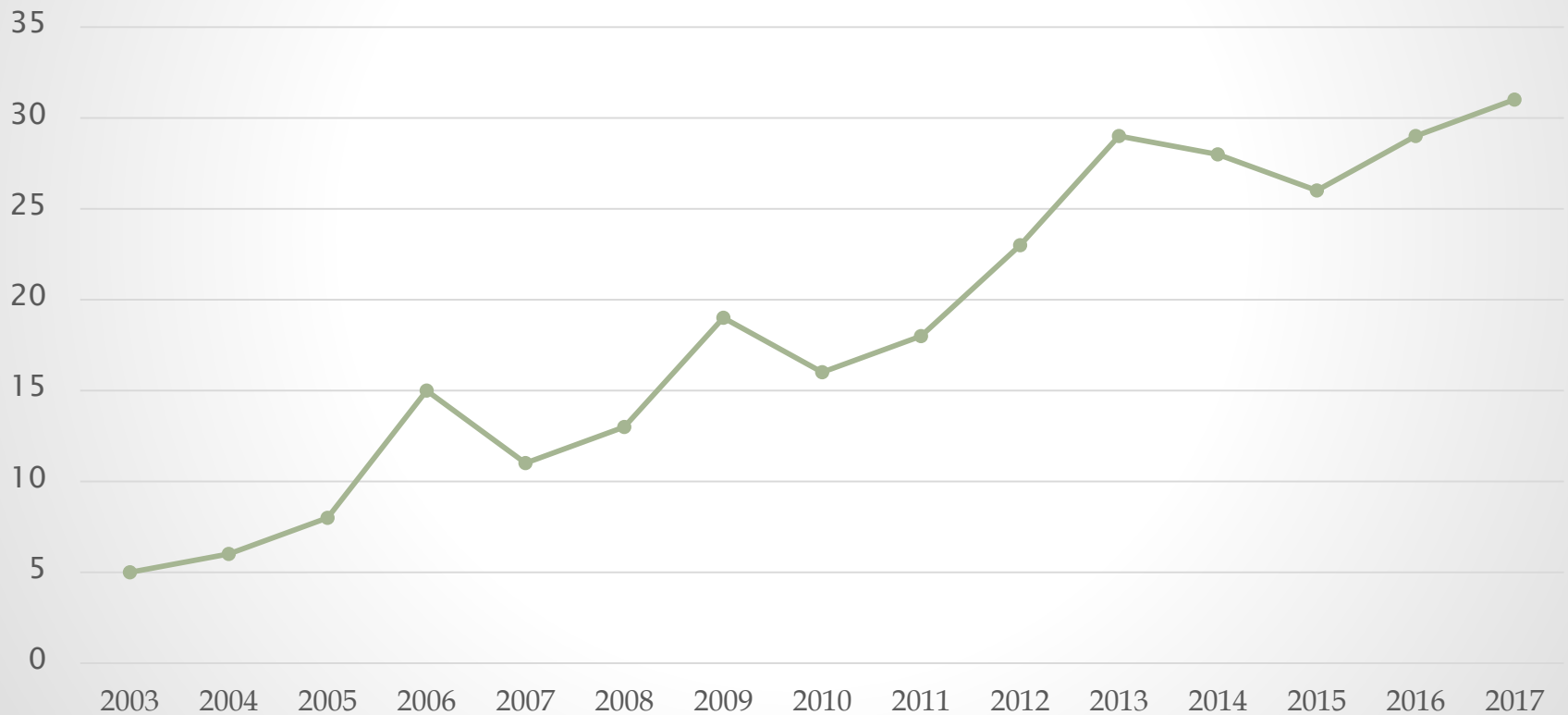
1 in 6 jobs in Indiana
and
\$31,000,000,000.00 in Wages

Many Indiana Manufacturers are Trade Exposed

Energy Costs are a Major Driver in Resource Allocation for Manufacturers

A Major Problem Facing Indiana Manufacturing

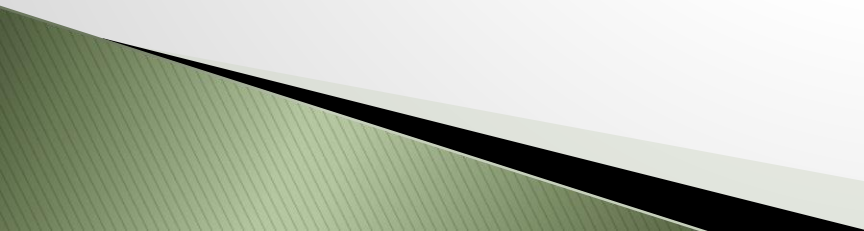
Indiana Industrial Electricity Price Rank Per U.S. Energy Information Administration



Challenges to Reversing Upward Price Trend

- ▶ Existing Generation Fleets
 - Environmental compliance costs
 - Conversion costs
- ▶ Approaching “Build Cycle”
 - Aging generation fleets are subject to retirement and replacement
 - Aging T&D infrastructure and needed expansion
- ▶ Regulatory Policies and Legal Barriers
 - Tracking mechanisms
 - Lack of comprehensive energy plan
 - Constraints on private energy projects

The Future Presents Opportunities

- ▶ Seize the Moment
 - Before build cycle conduct fair and comprehensive analysis of options and their costs
 - Consider new and old technologies, and their limitations
 - ▶ Greater Support for Private Energy Projects
 - Recognize value of private energy projects in reducing utility investment
 - Reduce barriers to utilization
 - ▶ Alternative funding mechanisms
 - Are utility rates the best way to fund R&D in new technologies?
 - ▶ Role of Sustainability Goals
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Thank You

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