

Economic Evaluation – Portfolio Optimization Conclusions

► Power supply results indicate the following:

- Retirement of Blue Valley, with reduced O&M costs incurred by IPL, lower the power supply costs
- Continued operation of the combustion turbines provides a lower cost option for both capacity requirements and on-system generation
- Dogwood and market capacity purchases are lower cost options for replacing capacity requirements (i.e. potential third-party contracts)
- The addition of on-system resources (i.e. reciprocating engines) to replace combustion turbines is higher cost than continuing to operate the combustion turbines
- Sensitivity evaluation for variances in gas prices, energy prices, and load do not materially change the paths