

2018 Indiana Forecast Update

Presented by:

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2018 Forecast Update

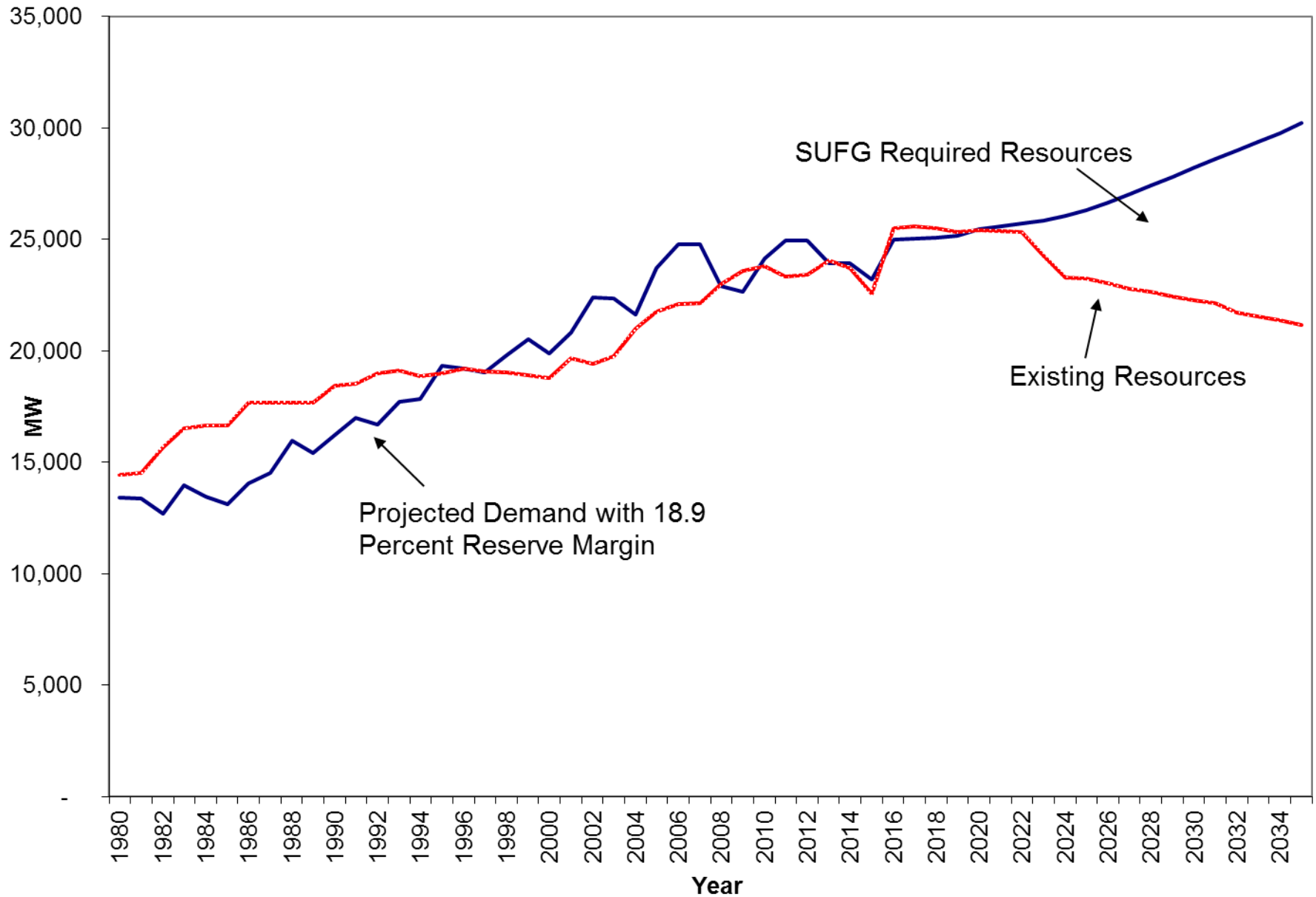
- Our 2017 forecast was released in December of that year
- We produced an update in 2018 that reflected more recent projections of future economic activity, population and fossil fuel prices
 - Also changed the corporate tax rate to reflect change in tax law
- We have started work on the 2019 forecast, which should be released in the fall

Forecast Results

- Long-term electricity sales are expected to grow more slowly than in the 2017 forecast
 - 0.88% per year vs. 1.12%
- Sales to the residential and commercial sectors are slightly higher
- Sales to the industrial sector do not grow as fast as in the 2017 forecast
 - lower natural gas prices

Future Resource Needs

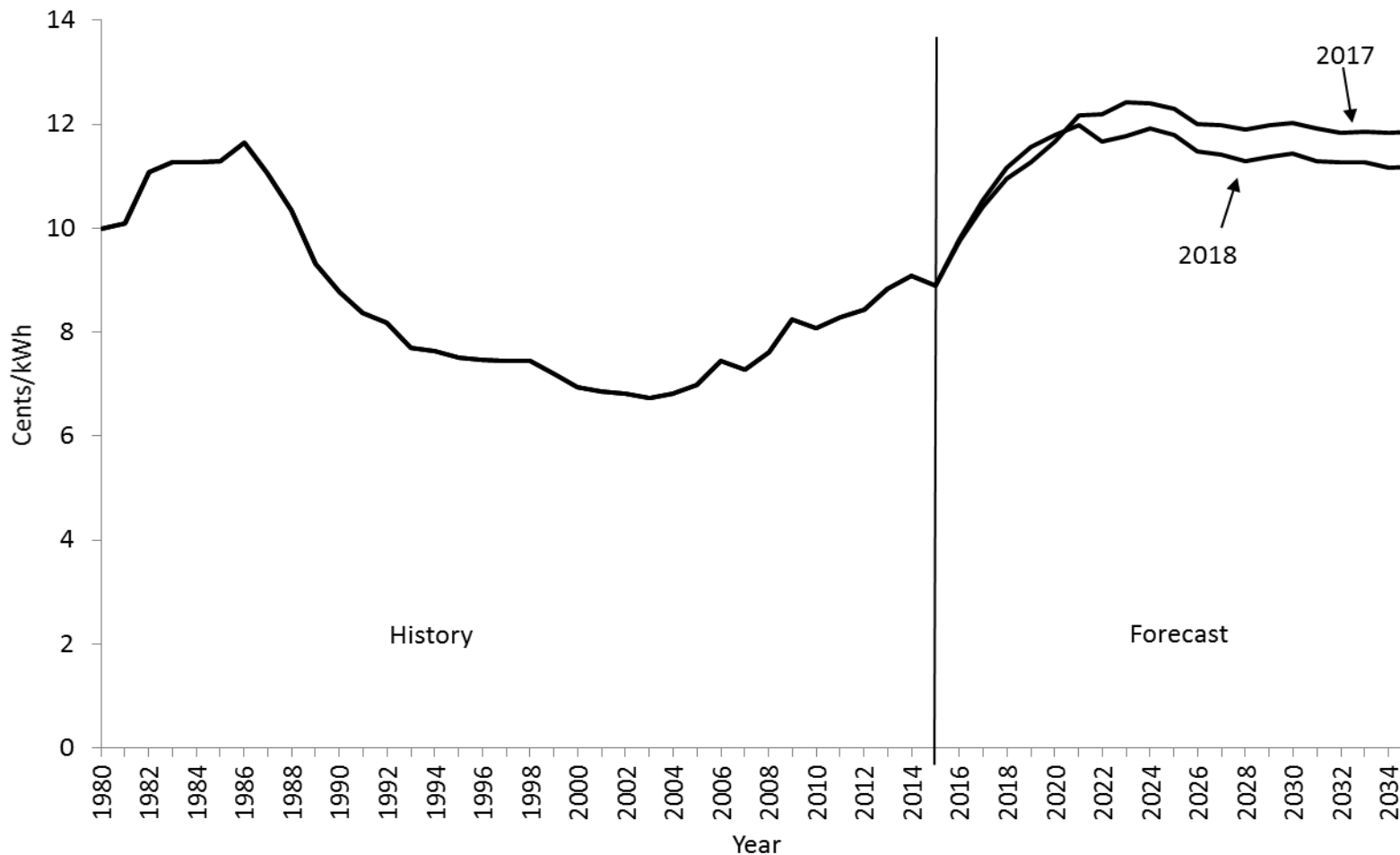
- Slower load growth means fewer additional resources needed in the future
 - New resources are indicated to be needed by 2023
 - Resource needs reflect planned unit retirements (from utility IRPs) at the time the report was prepared
 - Do not include additional retirements from most recent IRP filing



Future Prices

- As in the 2017 forecast, real (inflation-adjusted) prices are projected to increase in the next few years, then level off
- The price forecast is somewhat lower than previously projected
 - About 0.7 cents/kWh lower in the long term

Indiana Real (2015 Dollars) Price Projections



Further Information

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