2018 Indiana Forecast Update

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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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