



NIPSCO Feed-In Tariff (Experimental Rate 665)

Frequently Asked Questions

What is Experimental Rate 665?

Experimental Rate 665 is NIPSCO's renewable Feed-In electric rate tariff. It is a pilot program designed to support the development of new renewable power generation in northern Indiana and deliver it for the benefit of customers and the environment.

Who qualifies as an Eligible Feed-In tariff Customer?

A current electric customer in good standing that owns and operates a solar, wind, biomass or new hydro-electrical generating facility with a nameplate capacity between 5 kilowatts (kW) and 5 megawatts (MW).

What Does a "Customer In Good Standing" Mean?

A customer whose account is not more than 30 days in arrears and who does not have any legal orders outstanding pertaining to NIPSCO, is considered a customer in good standing as it pertains to the tariff.

What Does "Nameplate" Capacity Mean?

Nameplate capacity is the full-load, continuous rating of a generator under specified conditions as designated by the manufacturer.

How will Feed-In tariff customers be compensated for provided electric?

Purchase rates for participating Feed-In electric rate customers are available for each qualifying technology and are proposed as follows:

- Wind projects less than or equal to 100 kW \$0.17 per kWh
- Wind projects between 100 kW and 2 MW \$0.10 per kWh
- Solar projects less than or equal to 10 kW \$0.30 per kWh
- Solar projects between 10 kW and 2 MW \$0.26 per kWh
- Biomass projects up to 5MW \$0.106 per kWh
- New Hydro projects less than or equal to 1 MW \$0.12 per kWh

With the exception of Biomass, a facility with a capacity greater than 2 MW or less than or equal to 5 MW or an Energy from Waste or Dedicated Crop Facility, a formula rate will apply. The rate will never be greater than the published tariff rate.

How Long Will The Term of the Power Purchase Agreement Or Contract Be?

Contract terms shall not exceed 15 years. In addition, the purchase rate will be subject to a 2% per year escalator. Biomass will receive payment for demonstrated generating capacity.

How Will A Feed-In Tariff Customer Receive Payment For Provided Electric?

NIPSCO will read the customer's meter as near as practical to the end of the normal billing cycle. NIPSCO will provide the customer the data and the customer will provide an invoice to NIPSCO for power generated based on the Power Purchase Agreement rate. Customer will be paid monthly, electronically.

Are There Any Installation Costs To Participate?

Yes and the costs can vary greatly. The customer is responsible for any installation costs of the renewable generation unit to ensure it meets NIPSCO's interconnection standards and agreement. In addition, depending on project size and location, customers may have to pay for system improvements to accommodate interconnect of the facility. These costs will be outlined in the application review process. Customers are recommended to wait until executing an interconnection agreement to purchase any generating equipment.

Is Insurance Coverage Required?

Yes. An eligible Feed-In tariff customer operating a qualifying facility shall maintain a reasonable amount of insurance against risks for which there is a reasonable likelihood of occurrence. NIPSCO corporate insurance department will review all insurance requirements and documents.

Who Maintains the Renewable Energy Credits?

NIPSCO maintains the renewable energy credits for customers that choose the Feed-In tariff.

How Do I apply for the Feed-In tariff Rate?

The process begins with a completed interconnect application; fees may apply depending on size of project. The application should be sent to the Business Link department. See NIPSCO.com for application and details. Upon receipt, the

application will be reviewed for credit worthiness, and if approved, forwarded to electrical system planning for technical review.

What Happens After Technical Review?

If the project is approved without additional engineering study; the project will be assigned to a distribution engineer. The engineer will contact the customer upon receipt of the approval to schedule an on-site inspection of the customer's facility to determine if the customer is eligible for interconnect. Once the inspection is complete, an Interconnection Agreement and Power Purchase Agreement have been executed, copies of proof of insurance and proof of qualified installation have been provided; a NIPSCO meter capable of measuring exported electricity will be installed and the customer's facility can be interconnected to NIPSCO's electric system.

When Can I Interconnect My Facility to NIPSCO's Electric System?

An Interconnection Agreement and Power Purchase Agreement between NIPSCO and the eligible Feed-In tariff customer must be executed before the eligible facility may be interconnected with the NIPSCO electric system.

Do I Have To Sell All Of The Energy Generated To NIPSCO Under The Feed-In Tariff?

No. The customer may elect to utilize up to 1 MW of its production for its own load at the same site, subject to the terms and conditions of Net Metering.

What Are The Procedures I Must Follow If I Choose Not To Receive Payment or Net Meter With My Renewable Energy Facility?

You must still complete the Application to Interconnect and submit it to NIPSCO so the company has a record of the facility for outage and system emergency purposes.

What Happens To My Agreements If I Sell My Property?

An assignment of agreement can be executed to transfer the agreement to the new owner.

What Is The Total Capacity Available Under The Feed-In Tariff?

The total capacity available under the Feed-In tariff rate is limited to 30 MW with no single renewable energy technology exceeding 50 percent of the 30 MW cap. Additionally, 500 kW of the 30 MW cap is reserved for solar projects less than or equal to 10 kW capacity; and 500 kW is reserved for wind projects less than or equal to 10 kW capacity.

If The Capacity Is Limited How Are The Applications Being Processed?

Applications are processed in the order received. If an application is received after the capacity is met for a particular technology, the applicant will be informed they are on a waiting list and neither the application nor fees will be processed. The customer officially goes in the queue for the Feed-In tariff when the Interconnection and Power Purchase Agreements have been executed.

Why Is NIPSCO Proposing The Feed-In Tariff On A Pilot Basis?

NIPSCO is proposing a pilot implementation for the Feed-In tariff program in order to gather information regarding customer participation, facilities and associated impacts. Since the intent of the Feed-In tariff program is to provide an incentive to encourage renewable projects, it is important for NIPSCO to gather and analyze the information over a defined period of time to understand if it should be continued, modified or suspended.

How Long Is The Pilot Feed-In Tariff Projected To Last?

The pilot Feed-In tariff program is proposed for approximately three years, through the end of 2013. The program may be continued, modified or suspended at that time based upon the information and analysis of the program during the first three years.