

RIDER 881
DEMAND RESPONSE RESOURCE TYPE 1 (DRR 1) – ENERGY ONLY

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TO WHOM AVAILABLE

Available to a Customer on Rates 823, 824, 825, 826, 831, 832, or 833 or their successor Rate who has sustained ability to reduce its Energy requirements through indirect participation in the MISO wholesale energy market by managing its electric usage as described in MISO's Tariff Module E-1. This Rider is available to any load that is participating in Rate 831 and registered as a LMR; unless MISO rules change and do not permit load used by the Company as a Load Modifying Resource to also participate as a Demand Response Resource (DRR); provided, however, load may not participate as a DRR if such participation would be inconsistent with the provisions of either of the Company's Industrial Power Service Rates. The Customer shall enter into a written contract with the Company to reduce a portion of its electric load for single or multiple Interval Data Recorder (IDR) meters through participation with the Company acting as the Market Participant for the Customer. Customer shall be one and only one type of Customer for this Rider; an Asset Owner (AO), Non-Asset Owner (NAO), or Aggregator of Retail Customers (ARC).

DEFINITIONS

Aggregator of Retail Customers (ARC):

A third party that consolidates the applicable load of NIPSCO customers to NIPSCO in order to meet the minimum requirements under this Rider. A Customer either aggregating its load from different meters or serving as an ARC for other Customers is considered a third party ARC for purposes of this Rider. An ARC may only aggregate for purposes of Load Reduction on this Rider. Although a Customer may serve as an ARC, for purposes of this Rider, an ARC is not a NIPSCO Customer.

Consumption Baseline (CBL):

The default calculation of the Consumption Baseline (CBL) shall be calculated pursuant to the relevant BPM or MISO tariff currently in effect. In cases where the default calculation does not provide a reasonable representation of normal load conditions, the Company and the Customer may develop an alternative CBL calculation that more accurately reflects the Customer's normal consumption pattern subject to MISO approval.

Customer:

A Customer refers to all three types of Customers on Rider 881; Asset Owner, Non-Asset Owner, and Aggregator of Retail Customers.

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DEFINITIONS (Continued)

DRR 1-Energy Only:	Demand Response Resource Type 1 - Energy Only, an Energy only resource that is capable of supplying a specific quantity of Energy, through the Company as Market Participant, to MISO through physical Load Reduction. This product shall not be considered eligible for MISO capacity in any form.
Load Reduction:	The amount of load the Customer reduces from its CBL.
MFRR:	Marginal Foregone Retail Rate, exclusive of any Demand component effects, which is further defined as the full marginal retail rate inclusive of trackers (excluding the Fuel Cost Adjustment) and approved by the Commission.
Non-Asset Owner (NAO):	A Customer on Rates 823, 824, 825, 826, 832, 833, 831 Tier 1 or 831 Tier 2 whom is not an ARC.
Targeted Demand Reduction Level (TDRL):	This value is initially set through asset registration and may be overridden by the Customer (for AOs) or the Company (for NAOs and ARCs) via the schedule offer submittal through the MISO Market Portal. Service is limited to Tier 1 plus Tier 2 level.

MINIMUM LOAD REDUCTION AMOUNT

The Customer shall register TDRL of at least 1,000 kW of sustainable Load Reduction. ARCs may aggregate to meet the 1,000 kW minimum Load Reduction.

MAXIMUM LOAD REDUCTION AMOUNT

Customers taking service under Rate 831 shall have their Load Reduction limited to the sum of its Tier 1 and Tier 2 level. Customer shall be responsible for the compliance of their Load Reduction obligations in accordance with this Rider. All Load Reduction will be reconstituted for settlement purposes to the applicable Company Load Zone with MISO.

REGISTRATION

Registration will follow MISO's quarterly network model update cycle. During quarterly model updates, the Company will request registration of a CP Node which is required for participation under this Rider. Refer to market registration within MISO's BPM for details on the data required to register. The Customer must assist the Company in completing any MISO registration requirements.

Issued Date
12/04/2019

Effective Date
01/02/2020

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LOAD REDUCTION AMOUNT

The Customer participating in this Rider shall reduce its demand by the MISO-cleared offer amount relative to the CBL amount, or pay applicable MISO settlement charges/credits. The Customer and the Company shall enter into a contract which will specify the terms and conditions under which the Customer agrees to reduce usage. The Company and the Customer shall agree to the baseline methodology specified in the contract between the Company and the Customer. The MISO default baseline will be available as a choice for the Customer.

COMMUNICATIONS, METERING, TELEMETRY, HARDWARE, AND SOFTWARE REQUIREMENTS

The Company shall specify a communications plan, which includes a revenue quality meter and all implementation and operational software required under this Rider. It is the Customer's responsibility to comply with that plan. Customer will pay for the installed cost of additional metering, telemetry, hardware and software development, certificates, and licensing fees that may be required to facilitate service under this Rider. All such metering and software shall be compliant with any applicable current and future MISO and/or Commission requirements, including the potential of meter capture on a 5 minute basis. The Customer shall provide the Company with next day remote interrogation of the meter on an hourly level. Customer may elect to install its own metering, with the Company reserving the right to inspect the equipment and own the equipment once it is installed. At the Customer's request, metering may be installed by the Company and invoiced at the installed cost to the Customer. Estimated costs of metering and equipment shall be provided prior to installation by the Company, but the Customer shall be responsible for the actual costs of the equipment and installation.

APPLICATION AND CONTRACT

Customer participation in this Rider shall be subject to the approval of an application by the Company on a non-discriminatory basis. For ARCs, this process may include a review of the ARC's creditworthiness and an evaluation for need for appropriate financial assurance prior to participation. This financial assurance may include full collateral in the form of cash or other security instrument deemed appropriate by the Company.

Once approved for participation, the Company and Customer must enter into a contract, which shall be no more than one (1) Contract Year in duration. The contract shall be renewed for up to two (2) additional one (1) Contract Year terms subject to the right of either party to provide notice of termination sixty (60) days prior to the expiration of the initial or any subsequent term.

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THIRD-PARTY AGGREGATORS

Aggregation will be permitted under this Rider subject to (a) measurement and verification of Customer response in a manner satisfactory to the Company sufficient to allow the Company to comply with any and all MISO requirements, and (b) satisfaction of reasonable and appropriate qualifications for any participating Aggregator.

An ARC shall be subject to the terms of the contract between the Company and ARC and pursuant to the terms of this Rider. An ARC shall provide a list of all individual Customers who are participating with the ARC. A Customer may serve as an ARC for other Customers in the service territory, but shall be subject to the requirements set forth in this Rider for ARCs. The Company shall have final approval over final integration of business processes of all participating ARCs.

OFFERS

Asset Owner

Rate 831 Tier 3 Customers shall be registered as an Asset Owner within MISO and will be required to submit all offer requirements, through the MISO Market Portal, consistent with the timeline outlined in the MISO BPM. When first registered, a default offer will be established which will remain valid until updated or declared unavailable by the AO. All offers are applicable to every day noted in the offer. Default offers can only be made after the resource has been certified by MISO. The NIPSCO annual registration fee must be paid to the Company with submittal of the registration information.

Non-Asset Owner / Aggregator of Retail Customers

The NAO/ARC shall have the option of participating or not on any particular day, as applicable, as long as it notifies the Company prior to 8:00 a.m. C.P.T. on the day before it does not wish to provide an Energy offer. If the total Load Reduction amount available within a given hour is less than 1,000 kW, an offer of “Not Participating” will be made for that hour.

When first registered, a default offer will be established which will remain valid until updated or declared unavailable by the NAO/ARC. All offers are applicable to every day noted in the offer. Default offers can only be made after the resource has been certified by MISO. The NIPSCO annual registration fee must be paid to the Company with submittal of the registration information.

The NAO/ARC shall submit the required offer information in the prescribed electronic format to the Company’s designee no later than 8:00 a.m. C.P.T. for submittal to MISO by the Company. Up to fifteen (15) offer changes per month shall be entered at no charge to the NAO/ARC.

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MISO PERFORMANCE REQUIREMENTS

Performance requirements are stated in the MISO BPM and the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff. It shall be the Customer's responsibility to comply with all of the minimum performance criteria specified by MISO in effect and may be amended from time to time.

NIPSCO ADMINISTRATIVE FEES

The Company shall bill the Customer for NIPSCO administrative fees which may be amended from time to time with approval by the Commission utilizing the thirty (30) day Administrative Filing Procedures to the extent such amendment would otherwise qualify under said provisions.

Annual Registration with NIPSCO \$1,000

For offers cleared by MISO: 5% of the absolute value of the daily net MISO settlements which in no event shall Company portion be less than zero.

Change Fees for NAOs/ARCs: Up to fifteen (15) offer changes per month shall be entered at no charge to the NAO/ARC. NAO/ARC shall pay \$100 for each additional change, which shall be included in the monthly Bill and will first be netted against any settlement due to a result of a DRR Type 1 Event.

MFRR: The Marginal Foregone Retail Rate will not apply.

PENALTY FOR FAILURE TO PERFORM

If the Customer does not perform to its offer cleared by MISO in accordance with the contract, MISO may debit, credit or penalize the Customer (for AOs) or the Company (for NAOs and ARCs). Such financial settlements will be imposed on the Customer. The Company shall take its fee for offers cleared and subtract the MISO penalty or fee from the net of that amount. If MISO terminates the Customer's participation, the Company shall immediately terminate the Customer's participation.

In addition, in the event that a Customer has a debit on its Bill or invoice due to failure to perform, if the Customer does not pay the undisputed portion of that debit by the due date indicated on the Customer's Bill or invoice, the Customer shall be suspended from further participation until such time that the debit is paid. An ARC is accountable for all its Customers and all penalties incurred by its Customers for failure to perform will be issued to the ARC, not its Customers.

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SETTLEMENTS

The Company shall establish a weekly net Bill credit/charge to be given to the AO. The net Bill credit/charge, including prior period adjustments, will reflect settlements between the AO and MISO through a week of market settlement statements, along with any applicable NIPSCO administrative fees.

The Company shall establish a monthly net Bill credit/charge to be given to the NAO. The net Bill credit/charge, including prior period adjustments, will reflect settlements between the Company and MISO for the NAO through a calendar month of market settlement statements prior to the regular Bill, along with any applicable NIPSCO administrative fees.

The payment to ARCs shall take place ten (10) calendar days following the end of a calendar month and shall include a net credit/charge, including prior period adjustments, that reflect settlements between the Company and MISO for the ARC through a calendar month of market settlement statements, along with any applicable NIPSCO administrative fees.

GENERAL TERMS AND CONDITIONS

Except as provided in this Rider, all terms, conditions, rates, and charges outlined in the applicable Rate Schedule will apply.

Any interruptions or reductions in electric service caused by outages of Company's facilities and, therefore, not compensated by MISO, will not be compensated under this Rider. Agreements under this Rider will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable Rate Schedules. It will be the Customer's responsibility to monitor and control its Demand and Energy usage before, during, and after a notice period under this Rider.