

**RIDER 589**  
**EXCESS DISTRIBUTED GENERATION**

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**TO WHOM AVAILABLE**

This Rider is subject to the terms of Ind. Code ch. 8-1-40 and shall be applicable to the Rate Schedules as identified in Appendix A to a Customer that installs adequate distributed generation facilities and power supplies, which determinations shall be within Company's reasonable discretion.

NIPSCO shall provide customers applying for service under this rider with written communication outlining the rights and responsibilities of participants taking such service. NIPSCO may also request for an applicant or participant in this rider to confirm their generation facility meets the requirements and/or continues to meet the requirements of Indiana law for participation in such service.

**REQUIREMENTS**

This Rider is applicable to any Customer receiving Electric Service electing service hereunder who has installed on its Premises an eligible distributed generation energy resource or other renewable energy technologies determined appropriate by the Commission. Customer must meet the Metering Requirements, Distributed Generator System Requirements, and Interconnection Requirements specified below and as provided in Rider 579 – Interconnection Standards. Customer must not be eligible for Rider 580 – Net Metering (the “Net Metering Rider”).

An eligible excess distributed generation Customer whose account is not more than thirty (30) days in arrears and who does not have any legal orders outstanding pertaining to any account with the Company is qualified as an eligible excess distributed generation Customer in good standing.

Before the Company will allow interconnection with an eligible excess distributed generation Customer's facility and before excess distributed generating service may begin, the Customer will be required to enter into an interconnection agreement applicable to the facility as set forth in Rider 579 – Interconnection Standards.

The eligible excess distributed generation Customer interconnected to the Company's electric system shall install, operate, and maintain the facility in accordance with manufacturer suggested practices for safe, efficient and reliable operation.

**DEFINITIONS**

**Distributed Generation** – This term shall have the meaning set forth in Ind. Code § 8-1-40-3.

**Excess Distributed Generation** – (kWh) In accordance with Ind. Code § 8-1-40-5, the difference between (1) the electricity that is supplied by an electricity supplier to a Customer that produces distributed generation; and (2) the electricity that is supplied back to the electricity supplier by the customer as measured by the Customer's meter on an instantaneous basis.

**Inflow** – (kWh) The separate meter channel measurement of the electricity being used by the Customer, net of the electricity being produced by the Customer.

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**DEFINITIONS (Continued)**

**Outflow** – (kWh) The separate meter channel measurement of electricity being produced by Customer above the electricity being used by Customer.

**DG Billing Credit** – In accordance with Ind. Code §§ 8-1-40-17 and 8-1-40-18, the credit determined by multiplying Outflow by the Marginal DG Price. If the Outflow is zero, then the DG Billing Credit is zero.

**DG Billing Credit Balance** – In accordance with Ind. Code § 8-1-40-18, the excess DG Billing Credit, if any, that is carried forward and applied against future charges to the Customer for as long as the Customer receives retail electric service from Company at the Premises.

**Net Metering Approved Participant** – A Customer that has submitted a complete interconnection application to Company and has had this application approved, but whose facility has not yet been installed and is not operating.

**Net Metering Participation Cap** – In accordance with Ind. Code ch. 8-1-40, participation in the Net Metering Rider is limited to one and one-half percent (1.5%) of Company's most recent summer peak load.

**Marginal DG Price** – In accordance with Ind. Code § 8-1-40-17, the average hourly real-time price of energy paid by the Company in the MISO market at the NIPS.NIPS commercial pricing node during the most recent calendar year, multiplied by one and twenty-five hundredths (1.25). The Marginal DG Price shall be updated at least annually and is set out below.

**Net Metering Queue** – In accordance with IURC General Administrative Order (“GAO”) 2019-2, a prioritized list for each of the three customer-generator types (residential, biomass and non-reserved) by date of operation of distributed generation energy resource, date of completed application by the Customer to the Company, and date of application approval by the Company.

**Net Metering Operating Participant** – A Customer that has installed its facility and has an operating (energized) facility interconnected with Company. The operational date is the date on which the Customer's facility is initially operating / energized.

**Net Metering Queue Participant** – A Customer that has submitted a complete interconnection application to Company. The application date is the date the completed interconnection application has been received by Company. At this point, the application has been received, but not yet reviewed and approved by Company.

**Premises** – A single Tract of Land on which a Customer consumes electricity for residential, business, or other purposes. This definition shall control for purposes of this Rider, notwithstanding other definitions of “premise” contained in the Tariff.

**Tract of Land** – Any area of land that is under common ownership or control and is contained within a contiguous border.

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**BILLING**

Company will determine an eligible excess distributed generation Customer's monthly bill as follows:

1. During the monthly billing cycle, Company will capture the total kWh of Inflow and the total kWh of Outflow as measured by the Customer's meter over each period measured by the meter.
2. The Inflow kWh for the monthly billing cycle shall be the amount of energy billed in accordance with the Customer's standard Rate Schedule, with all applicable rates and charges (herein defined as *Standard Charges*).
3. The Outflow kWh (Excess Distributed Generation) for the monthly billing cycle shall be multiplied by the Marginal DG Price to determine the DG Billing Credit.
4. For each monthly billing cycle, the Customer will be billed the monthly Minimum Charge as defined in the Customer's applicable Rate Schedule. If the portion of the Customers' bill for the monthly billing cycle attributed to the DG Billing Credit is in excess of the amount attributed to Standard Charges less the monthly Minimum Charge, the amount in excess will be accumulated in a DG Billing Credit Balance for use in a subsequent period.
5. If the portion of the Customer's bill for the monthly billing cycle attributed to the Standard Charges is in excess of the DG Billing Credit, any remaining DG Billing Credit Balance will be applied until the bill becomes the monthly Minimum Charge or until the DG Billing Credit Balance becomes zero.
6. When Customer discontinues service under this Rider and no longer receives retail electric service from the Company at the Premises, any unused and remaining DG Billing Credit Balance will be forfeited by the Customer and passed back to Company's other customers through the Fuel Cost Adjustment (Rider 570) or successor mechanism.

**MARGINAL DG PRICE**

**Marginal DG Price:** \$0.036675/kwh for all Outflow

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**METERING REQUIREMENTS**

An eligible excess distributed generation Customer will be required to have a meter installed which can separately measure Inflow and Outflow. If Customer's standard meter is not capable of separately measuring Inflow and Outflow, Company will install and maintain, at Company's expense, a meter to meet the requirements of this Rider.

For Customers receiving Three-Phase service, Company will install and maintain, at Company's expense, a meter to meet the requirements of this Rider.

"Meter Testing" will be in accordance with the IURC Rules (170 IAC 4-1-9).

**ELIGIBILITY**

Customers who are eligible for the Net Metering Rider shall not be eligible for service under this Rider. Eligibility for this Rider and the Net Metering Rider will be determined based upon the Company's Net Metering Queue, maintained on the Company's website in accordance with GAO 2019-2.

The following provisions shall apply to all Customers except Residential and biomass Customers (i.e., non-reserved Customers), on and after the effective date of this Rider. The following provisions shall apply to all Customers, including Residential and biomass Customers, on and after July 1, 2022.

1. For all Net Metering Queue Participants, eligibility will be determined at the time the Net Metering Queue Participant becomes a Net Metering Approved Participant.
2. A Customer that becomes a Net Metering Approved Participant before the Participation Cap under the Net Metering Rider is met will be eligible for the Net Metering Rider once operational in accordance with the requirements of Ind. Code ch. 8-1-40.
3. A Customer that becomes a Net Metering Approved Participant after the Participation Cap under the Net Metering Rider is met, will be eligible for the Net Metering Rider once operational in accordance with the requirements of Ind. Code ch. 8-1-40, provided that the Customer:
  - a. has not been a Net Metering Approved Participant for greater than one year without becoming operational; and
  - b. was a Net Metering Approved Participant on or before December 31, 2021.

If these two conditions are not met, then the Net Metering Approved Participant will not be eligible for the Net Metering Rider and will become eligible for this Rider.

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**ELIGIBILITY (Continued)**

4. Net Metering Operating Participants as of December 31, 2021 will remain eligible for the Net Metering Rider in accordance with Ind. Code ch. 8-1-40.
5. The eligibility of Net Metering Operating Participants after December 31, 2021 will be determined based upon a Customer's status as a Net Metering Approved Participant in accordance with the specifications listed above.
6. If a Customer under the Net Metering Rider increases the size of its facility above the approved capacity and there is no available capacity available for that increase, the Customer will be allowed to either reduce the installed capacity down to the capacity available under the Net Metering Rider or submit a new application for the total capacity amount, which would then transfer the entire capacity for the facility to this Rider.

The following provisions shall apply to all Residential and biomass Customers between the effective date of this Rider and June 30, 2022. However, to the extent either the Residential or biomass Customer category reaches the applicable statutory capacity threshold for the applicable category on or before December 31, 2021, the provisions above applicable to non-reserved Customers shall apply.

1. For Residential or biomass Net Metering Queue Participants, eligibility will be determined at the time the Residential or biomass Customer Net Metering Queue Participant becomes a Net Metering Approved Participant.
2. A Residential or biomass Customer that becomes a Net Metering Approved Participant before the Participation Cap under the Net Metering Rider for the applicable category is met will be eligible for the Net Metering Rider once operational in accordance with the requirements of Ind. Code ch. 8-1-40.
3. A Residential or biomass Customer that becomes a Net Metering Approved Participant after the Participation Cap under the Net Metering Rider is met for the applicable category will be eligible for the Net Metering Rider once operational in accordance with the requirements of Ind. Code ch. 8-1-40, provided that the Residential or biomass Customer:
  - a. has not been a Net Metering Approved Participant for greater than one year without becoming operational; and
  - b. was a Net Metering Approved Participant on or before June 30, 2022.

If these two conditions are not met, then the Residential or biomass Net Metering Approved Participant will not be eligible for the Net Metering Rider and will become eligible for this Rider.

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**ELIGIBILITY (Continued)**

4. Residential or biomass Net Metering Operating Participants on or before July 1, 2022 will remain eligible for the Net Metering Rider in accordance with Ind. Code ch. 8-1-40.
5. The eligibility of Residential or biomass Net Metering Operating Participants after June 30, 2022 will be determined based upon a Customer's status as a Net Metering Approved Participant in accordance with the specifications listed above.
6. If a Residential or biomass Customer under the Net Metering Rider increases the size of its facility above the approved capacity and there is no available capacity available for that increase, the Residential or biomass Customer will be allowed to either reduce the installed capacity down to the capacity available under the Net Metering Rider or submit a new application for the total capacity amount, which would then transfer the entire capacity for the facility to this Rider.

**GENERAL TERMS AND CONDITIONS**

Any Customer requesting service under this Rider shall enter into a written contract in the form attached hereto for an initial period of not less than 1 Contract Year, and such contract shall continue from year-to-year thereafter unless terminated by either party giving to the other at least 60 days' prior written notice of the termination of such contract.

Notwithstanding the foregoing, contracts under this Rider shall terminate in accordance with Rule 5.8 of the Company Rules.

Customer conformance with these requirements does not convey any liability to the Company for damages or injuries arising from the installation or operation of the generator facility.

**DISTRIBUTED GENERATOR FACILITY REQUIREMENTS**

Customer's distributed generator facility must initially and continuously meet the requirements for Distributed Generation in accordance with Ind. Code § 8-1-40-3 and as defined in this Rider. The Company retains the right to periodically verify adherence to these requirements. Lack of adherence to the requirements revokes the applicability of this Rider.

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**DISTRIBUTED GENERATION AGREEMENT**

This AGREEMENT, is between Northern Indiana Public Service Company LLC, an Indiana limited liability company, (Company) and \_\_\_\_\_ (Customer).

**WITNESSETH:**

Based on the mutual obligations contained in this Agreement, Customer and Company agree as follows:

**I. TERMS AND CONDITIONS**

1. This Agreement is effective as of \_\_\_\_\_ and has an initial term of one year. This Agreement automatically renews for additional one year periods until terminated as provided below. Either party may terminate this Agreement, at any time, by giving the other party at least sixty (60) days' prior notice. Company may immediately terminate this Agreement if: (1) there is any regulatory or legislative action that affects the Company's base electric rates, or if the Company were to unbundle its retail electric rates and services; or (2) there is any regulatory or legislative action that affects the Company's obligations with respect to the purchase of electricity from suppliers such as Customers.
2. Customer's distributed generation facility is located at: \_\_\_\_\_
3. Company will determine an eligible excess distributed generation Customer's monthly bill as follows:
  - a) During the monthly billing cycle, Company will capture the total kWh of Inflow and the total kWh of Outflow as measured by the Customer's meter over each period measured by the meter.
  - b) The Inflow kWh for the monthly billing cycle shall be the amount of energy billed in accordance with the Customer's standard Rate Schedule, with all applicable rates and charges.
  - c) The Outflow kWh (Excess Distributed Generation) for the monthly billing cycle shall be multiplied by the Marginal DG Price to determine the DG Billing Credit.

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- d) For each monthly billing cycle, the Customer will be billed the monthly Minimum Charge as defined in the Customer's applicable Rate Schedule. If the portion of the Customers' bill for the monthly billing cycle attributed to the DG Billing Credit is in excess of the amount attributed to Standard Charges less the monthly Minimum Charge, the amount in excess will be accumulated in a DG Billing Credit Balance for use in a subsequent period.
  - e) If the portion of the Customer's bill for the monthly billing cycle attributed to the Standard Charges is in excess of the DG Billing Credit, any remaining DG Billing Credit Balance will be applied until the bill becomes the monthly Minimum Charge or until the DG Billing Credit Balance becomes zero.
  - f) When Customer discontinues service under this Rider and no longer receives retail electric service from the Company at the Premises, any unused and remaining DG Billing Credit Balance be forfeited and passed back to Company's other customers through the Fuel Cost Adjustment (Rider 570) or successor mechanism.
4. Qualifying Standards For Customer's generated Electricity to be eligible for excess distributed generation, Customer must satisfy the following standards:
- a) Customer must be in good standing with the Company, whereby the Customer account may not be more than thirty (30) days in arrears during the terms of the program, who may operate a solar, wind, or hydro electrical generating facility.
  - b) Customer's distributed generating facility shall be operated by the Customer and consist of an arrangement of equipment for the production of electricity from the movement of water or wind, or by photoelectric transformation.
  - c) The Electricity must comply with all applicable rules and regulations imposed by NERC, ReliabilityFirst, and any FERC-approved Regional Transmission Organization.
  - d) The Electricity produced must come from generators or other devices (e.g., distributed generating facility) that meets the requirements of Ind. Code § 8-1-40-3.
  - e) Customer's distributed generating facility has a total nameplate capacity less than or equal to one (1) megawatt (MW). Nameplate capacity shall be defined to mean the full load continuous rating of a generator under specified conditions as designated by the manufacturer.
  - f) Distributed generating facility is used primarily to offset all or part of the Customer's own electricity requirements.

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5. Distributed Generation Facility actual information
  - a) Name of the Distributed Generation Customer \_\_\_\_\_
  - b) Location of the Distributed Generation Facility \_\_\_\_\_
  - c) Type of Distributed Generation Facility (hydro/wind/solar) \_\_\_\_\_
  - d) Size and inverter power rating of the Distributed Generation Facility  
\_\_\_\_\_
  - e) Inverter manufacturer and model number  
\_\_\_\_\_
  - f) A general description of the inverter electrical installation and associated electrical equipment  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. This distributed generation agreement, specifying the interconnection terms and conditions, shall be executed by the Company and the Customer before the distributed generation facility is interconnected to the Company distribution facility.
7. Customer's distributed generation facility shall comply with Underwriters Laboratories (UL) standard 1741, latest revision.
8. The Customer shall install, operate, and maintain the distributed generation facility in accordance with manufacturer suggested practices.
9. Customer shall install, operate, and maintain the distributed generation facility in accordance with the manufacturer's suggested practices for safe, efficient, and reliable operation in parallel to the Company's distribution facility.
10. The Company may isolate the distributed generation facility if the Company believes continued interconnection creates or contributes to a system emergency. At the Customer's expense, Customer shall install a lockable manual or power operable disconnect switch, or lockable circuit breaker shall be installed between the generation source and Company's electric system, and be accessible to Company personnel at all times.

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11. The Company may perform reasonable on-site inspections to verify the proper installation and continued safe operation of the new metering facility and interconnections, at reasonable times and upon reasonable advance notice to the Customer.
12. Customer will grant Company access to Customer's property, at all reasonable times, to allow the Company to carry out its duties under this Agreement.
13. Customer will provide Company with ten (10) days' notice of any changes that it intends to make to the Customer Equipment or the Customer's facilities that may affect the Company's Equipment or the Company's system. Whenever Customer becomes aware that it may be violating the above Qualifying Standards, Customer shall promptly contact the Company with whatever information Customer may have and shall confirm such information by formal notice to Company within ten (10) days.
14. Customer shall provide Company proof of liability insurance, as specified below, before excess distributed generation billing shall go into effect.

**II. INTERCONNECTION AND DELIVERY POINT**

1. Interconnection shall mean the physical, parallel connection of a distributed generation facility with a Company distribution facility.
2. The delivery point for the Electricity will be the first cut off point on the Company's side of the Company Meter (Delivery Point). Customer will transfer title of the Electricity, free and clear of all liens, to the Company at the Delivery Point.

**III. METERING**

1. If either party can demonstrate that the Company Meter failed to accurately record the Electricity delivered by Customer during any period of time, then the Electricity delivered during that period will be estimated by the Company using what the Company determines is the best evidence available, which may include Customer's meters, if any, or the results from a similar period of operation.
2. All Company owned meters will be kept under seal. The Company will not break the seal without giving the Customer notice. The Customer will be given a reasonable amount of time to have a proper representative present when the seal is broken.
3. Company will seal and inspect the meter, and testing will be performed by the Company or an accredited representative and in accordance with the rules and regulations of the Indiana Utility Regulatory Commission (IURC).

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4. The Company will read the Company Meter as near as practical to the end of the normal billing cycle. The Company will provide the excess distributed generation metering readings, including Inflow and Outflow, to the Customer as part of the monthly billing data.

**IV. DEFAULTS AND REMEDIES**

1. If Company determines that Customer is failing to meet the Qualifying Standards, or that Customer is creating or contributing to an emergency for Company's system, then Company may, without notice, disconnect the Customer's facilities from Company's system. If Company disconnects Customer's facilities from Company's system, then Company will provide Customer with an explanation for the disconnection. If Customer can demonstrate to Company that the basis for Company's disconnection has been remedied and no additional basis for disconnection then exists, then Company will reconnect Customer's facilities to Company's system.
2. If either party believes that the other party has breached a material provision of this Agreement, the non-breaching party may terminate this Agreement. The non-breaching party must give the breaching party notice of the breach, and this Agreement will terminate thirty (30) days after the breaching party receives such notice if the breach has not been cured by that date.

**V. INDEMNIFICATION AND LIMITATION OF LIABILITY**

1. Customer shall have and maintain a homeowners, commercial or other insurance providing coverage in the amount of at least one hundred thousand dollars (\$100,000) for the liability of the insured against loss arising out of the use of a distributed generation facility. Proof of insurance will be provided to the Company prior to commencement of net metering operation by the Customer. Company may request verification of continued coverage annually as a prerequisite of continuation of the distributed generation agreement.
2. The Customer shall protect, indemnify and hold harmless the Company against any claims made against or costs incurred by the Company, including reasonable attorneys' fees that arise from the Customer's Equipment or the Electricity prior to its transfer to Company at the Delivery Point.
3. The Company shall protect, indemnify and hold harmless the Customer against claims made against or costs incurred by the Customer, including reasonable attorneys' fees that arise from the Company's Equipment or the Electricity after its transfer to Company at the Delivery Point.

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4. NEITHER THE CUSTOMER NOR THE COMPANY IS LIABLE TO THE OTHER FOR SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING CLAIMS FOR LOSS OF PROFITS DUE TO BUSINESS INTERRUPTIONS, IN COMPUTING ANY CLAIM, DAMAGE, LIABILITY OR EXPENSE UNDER THIS AGREEMENT.

**VI. UNUSUAL EVENTS**

1. Neither party is liable to the other for any failure or delay in its performance if such failure or delay is caused by events beyond the reasonable control of the party who failed to perform, unless that failure or delay is caused by that party's gross negligence or willful misconduct.

**VII. ASSIGNMENT**

1. This Agreement may not be assigned by Customer except with Company's express written consent. If Customer sells the facilities that generate Electricity, this Agreement will terminate on the effective date of that sale.

**VIII. NOTICES**

Any notice required to be given in this Agreement must be in writing and delivered in person or sent by U.S. registered mail to the following address:

To Company:       New Business Department  
                          Northern Indiana Public Service Company  
                          801 E. 86th Avenue  
                          Merrillville, IN 46410-6271

To Customer:       \_\_\_\_\_

                          \_\_\_\_\_

                          \_\_\_\_\_

                          \_\_\_\_\_



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**IX. MISCELLANEOUS**

1. Any termination of this Agreement will not affect the parties' obligations with respect to any deliveries of Electricity that occurred prior to the termination.
2. If a court determines that any provision of this Agreement is unenforceable or invalid, the parties intend for the remainder of this Agreement to be enforced to the fullest extent possible.
3. The parties do not intend the rights and remedies specified in this Agreement to be exclusive and preserve all other rights and remedies available to them at law or in equity.
4. This Agreement is to be construed and enforced in accordance with the laws of the State of Indiana, exclusive of Indiana's conflicts of law principles.
5. This Agreement is subject to the approval of any regulatory bodies having jurisdiction over either the Company or the Customer. If such a regulatory body determines that this agreement is not proper, then this Agreement will be considered void and terminated.
6. The Company's General Rules and Regulations Applicable to Electric Service, on file with the IURC, are incorporated into this Agreement. Customer acknowledges receipt of the current General Rules and Regulations Applicable to Electric Service.
7. For the purpose of making upgrades or repairs other than emergency repairs, Company reserves the right to disconnect the Customer's electric system on any day or days, provided that notification of Company's intention to interruption is given to at least seven (7) calendar days prior to the hour of interruption. Company will use best efforts to schedule such interruption at a time acceptable to Customer and Company, and, other than emergency repairs, such outages shall be limited in duration to seven (7) consecutive days unless otherwise agreed by Company and Customer, and shall occur no more than twice per calendar year.

Intending to be bound by this Agreement, the parties have executed this Agreement.

NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CUSTOMER

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_