

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED)
PETITION OF INDIANAPOLIS POWER &)
LIGHT FOR APPROVAL OF DEMAND SIDE)
MANAGEMENT (DSM) PLAN, INCLUDING)
ENERGY EFFICIENCY (EE) PROGRAMS,)
AND ASSOCIATED ACCOUNTING AND)
RATEMAKING TREATMENT, INCLUDING) CAUSE NO. _____
TIMELY RECOVERY, THROUGH IPL'S)
EXISTING STANDARD CONTRACT RIDER)
NO. 22, OF ASSOCIATED COSTS)
INCLUDING PROGRAM OPERATING)
COSTS, NET LOST REVENUE, AND)
FINANCIAL INCENTIVES.)

PETITIONER'S SUBMISSION OF DIRECT TESTIMONY OF
KATIE HEARD

Indianapolis Power & Light Company d/b/a AES Indiana ("Petitioner", "AES Indiana" or the "Company"), by counsel, hereby submits the direct testimony and attachments of Katie Heard.



Teresa Morton Nyhart (No. 14044-49)
Jeffrey M. Peabody (No. 28000-53)
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Telephone: (317) 231-7716
Peabody Telephone: (317) 231-6465
Facsimile: (317) 231-7433
Nyhart Email: tnyhart@btlaw.com
Peabody Email: jpeabody@btlaw.com

ATTORNEYS FOR PETITIONER
INDIANAPOLIS POWER & LIGHT COMPANY
D/B/A AES INDIANA

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 28th day of April, 2023, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

Office of Utility Consumer Counselor
115 W. Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
infomgt@oucc.in.gov

A Courtesy Copy to:
Jennifer A. Washburn
Citizens Action Coalition of Indiana, Inc.
1915 W. 18th Street, Suite C
Indianapolis, Indiana 46202
jwashburn@citact.org

Joseph P. Rompala
Lewis & Kappes, P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282-0003
JRompala@lewis-kappes.com

and a courtesy copy to:
ATyler@lewis-kappes.com
ETennant@Lewis-kappes.com



Jeffrey M. Peabody

Teresa Morton Nyhart (No. 14044-49)
Jeffrey M. Peabody (No. 28000-53)
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Telephone: (317) 231-7716
Peabody Telephone: (317) 231-6465
Facsimile: (317) 231-7433
Nyhart Email: tnyhart@btlaw.com
Peabody Email: jpeabody@btlaw.com

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INDIANAPOLIS POWER & LIGHT COMPANY
D/B/A AES INDIANA
DMS 26088227v1

**PRE-FILED VERIFIED DIRECT TESTIMONY
OF
KATIE HEARD
ON BEHALF OF
INDIANAPOLIS POWER & LIGHT COMPANY
DBA AES INDIANA**

SPONSORING PETITIONER'S ATTACHMENT KH-1 THROUGH KH-2

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PRE-FILED VERIFIED DIRECT TESTIMONY OF KATIE HEARD

1. INTRODUCTION

Q1. Please state your name, employer and business address.

A1. My name is Katie Heard. I am employed by Indianapolis Power & Light Company DBA AES Indiana (“AES Indiana,” “the Company”). My business address is One Monument Circle, Indianapolis, IN. 46204.

Q2. What is your position with AES Indiana?

A2. My title is Demand Side Management Lead.

Q3. On whose behalf are you submitting this direct testimony?

A3. I am submitting this testimony on behalf of AES Indiana.

Q4. Please describe your duties as Demand Side Management Lead.

A4. My primary responsibility is to oversee the successful and effective implementation of AES Indiana’s DSM programs. This responsibility includes program administration, program marketing, oversight of third-party program delivery vendors, budget and expenditure tracking, program impact tracking, quality assurance and quality control, and program process improvement.

Q5. Please summarize your education and professional qualifications.

A5. I hold a bachelor’s degree from Ball State University’s College of Arts and Science. I have attended workshops, seminars, and conferences pertaining to planning, implementation, and evaluation of DSM programs.

1 **Q6. Please summarize your prior work experience.**

2 A6. I started employment at CLEAResult as a Program Coordinator for residential programs
3 in October of 2013. From April 2015 through March 2021 I was a Program Manager at
4 CLEAResult. In this role, I worked with CenterPoint Energy, Inc, Northern Indiana
5 Public Service Company (NIPSCO), AES Indiana and Indiana Michigan Power
6 Company. My responsibilities included, but were not limited to the following: program
7 planning, program design, operations, training and financials. In August 2016, I hired
8 and led a team to design, train and implement residential customer programs for
9 CenterPoint Energy, Inc. My responsibilities included, but were not limited to the
10 following: customer program planning, program design, operations, quality assurance,
11 training and financials. I joined AES Indiana DSM team as a Program Manager in March
12 2021, and had similar responsibilities as a Program Manager at CLEAResult. I was
13 promoted to DSM Lead in January 2023.

14 **Q7. Have you testified previously before the Indiana Utility Regulatory Commission**
15 **(“Commission”) or any other regulatory agency?**

16 A7. No.

17 **Q8. What is the purpose of your testimony in this proceeding?**

18 A8. My testimony supports AES Indiana's request for Commission approval of the
19 Company's DSM Plan pursuant to Ind. Code § 8-1-8.5-10 (“Section 10”) for one year
20 beginning in 2024 (herein referred to as the “2024 DSM Plan” or “DSM Plan”). I discuss
21 the proposed programs in the 2024 DSM Plan (attached hereto as Petitioner's Attachment
22 KH-2) and associated program operating costs AES Indiana is projecting to meet the

1 energy efficiency goals. I describe the continuation and governance of the AES Indiana
2 Oversight Board (“OSB”) and ongoing reporting of DSM impacts and expenditures.
3 Additionally, I summarize the planning approach which led to the development of the
4 2024 DSM Plan as proposed in this proceeding. I describe Indiana policy considerations
5 as they relate to DSM planning, including AES Indiana’s proposed recovery of
6 reasonable lost revenues and financial incentives as allowed by Section 10. I conclude
7 my testimony with a description of the requirements and steps AES Indiana has taken to
8 comply with Section 10.

9 **Q9. Are you sponsoring any attachments?**

10 A9. I am sponsoring the following attachments:

11 Petitioner’s Attachment KH-1 AES Indiana’s Petition in this Cause

12 Petitioner’s Attachment KH-2 AES Indiana’s 2024 DSM Plan

13 **Q10. Did you submit any workpapers?**

14 A10. Yes. I am providing an electronic version of the 2024 DSM Plan, which I prepared for
15 this filing.

16 **Q11. Were these attachments and workpapers prepared or assembled by you or under
17 your direction and supervision?**

18 A11. Yes.

19 **2. PETITION**

20 **Q12. Are you familiar with the Petition in this Cause?**

21 A12. Yes.

1 **Q13. Did AES Indiana post an electronic copy of its Petition and proposed DSM Plan on**
2 **the Company's website?**

3 A13. Yes. The 2024 DSM Plan and associated Petition in this Cause were posted on AES
4 Indiana's website contemporaneous with the filing of the Petition with the Commission.

5 **Q14. Did AES Indiana provide a copy of its Petition and the proposed DSM Plan to the**
6 **Indiana Office of Utility Consumer Counselor ("OUCC")?**

7 A14. Yes.

8 **Q15. Please describe the differences between this request and what is currently in effect.**

9 A15. The proposed one-year DSM plan for 2024 is primarily the same as the current 2021-
10 2023 DSM programs approved in Cause No. 45370. The main difference between this
11 request and what is currently in effect is the removal of general service lighting ("GSL")
12 and specialty lighting. AES Indiana has removed GSL and speciality lighting from
13 customer programs to align with the federal codes and standards ("EISA"), thus causing a
14 shift in program implementation. Filing a one-year plan will provide AES Indiana the
15 opportunity to better evaluate the market and participation absent of lighting. AES
16 Indiana plans to work with expert consultants and program delivery vendors during 2023
17 to revamp program offerings and file a two-year DSM Plan for the 2025 and 2026
18 program delivery years.

19 **Q16. Please summarize the relief requested by AES Indiana in this proceeding.**

20 A16. AES Indiana seeks Commission approval for AES Indiana to deliver a reasonably
21 achievable and cost-effective portfolio of DSM programs with energy saving projections
22 totaling 156,202 MWh and demand savings projections of 681 to 78 MW for the one-

1 year period of 2024. The portfolio consists of seven (7) residential programs and four (4)
2 business programs.

3 Additionally, as discussed by AES Indiana witness Aliff, AES Indiana seeks
4 authorization for continued timely cost recovery for the DSM Plan program costs through
5 AES Indiana's existing Standard Contract Rider No. 22 ("DSM Rider" or "Rider 22").
6 The costs to be recovered include direct program costs, indirect costs, Evaluation,
7 Measurement & Verification ("EM&V") costs, reasonable lost revenues, and a
8 reasonable financial incentive.

9 **Q17. Please list and define the terms AES Indiana will be using throughout testimony in**
10 **this Cause.**

11 A17. Where available, the definitions for the terms used throughout testimony are consistent
12 with those found in the Commission's rules for DSM Planning (170 IAC 4-8-1) or in
13 Section 10. The following list is provided for ease of reference:

14 **Demand Side Management ("DSM")** - DSM refers to the planning, implementation,
15 and monitoring of a utility activity designed to achieve energy efficiency or demand
16 response.

17 **Energy Efficiency ("EE")** – expressed in energy terms (kWh, MWh), EE is defined as a
18 reduction in electricity use for a comparable level of electricity service.

19 **Demand Response ("DR")** – expressed in demand terms (kW, MW), DR is defined as a
20 reduction in electrical usage for limited intervals of time, such as during peak electricity
21 usage or emergency conditions.

1 **Program Costs** – program costs include direct and indirect costs of energy efficiency
2 programs, costs associated with the EM&V of program results, and other recoveries or
3 incentives approved by the Commission, including lost revenues and financial incentives.

4 **Program Operating Costs** – program operating costs include direct and indirect costs of
5 energy efficiency programs, costs associated with the EM&V of program results, but
6 exclude lost revenues and financial incentives.

7 **Direct Costs** – direct costs include (but are not limited to) program administrative costs,
8 vendor administrative costs, equipment, labor, EM&V costs, and customer rebates and
9 incentives.

10 **Indirect Costs** – indirect costs are any costs necessary to support achievement of the
11 2024 DSM Plan, but are not tied to a specific program. These costs include (but are not
12 limited to) outreach and education, consulting, memberships, staff training and
13 development, and indirect labor.

14 **Lost Revenues** – the difference, if any, between revenues lost and the variable operating
15 and maintenance costs saved by an electricity supplier as a result of implementing energy
16 efficiency programs.

17 **Financial Incentive** – reasonable financial incentives encourage the cost-effective
18 implementation of programs and eliminate or offset the financial bias against energy
19 efficiency programs in favor of supply side resources.

3. DSM PLAN SUMMARY

Q18. Please summarize AES Indiana's 2024 DSM Plan.

A18. The 2024 DSM Plan is comprised of eleven (11) programs, including seven (7) residential programs and four (4) programs targeting business customers. AES Indiana projects that successful delivery of the 2024 DSM Plan will require spending authority of \$35,540,218¹ in program direct and indirect costs, and expects gross energy savings of 156,202 MWh over the one year plan period. For additional detail, including annual demand savings projections, please refer to the summary tables prepared in Petitioner's Attachment KH-2, the 2024 DSM Plan.

Q19. Does the plan include energy efficiency goals required under Section 10?

A19. Yes. Section 10 defines energy efficiency goals as:

all energy efficiency produced by cost effective plans that are:

(1) reasonably achievable;

(2) consistent with an electricity supplier's integrated resource plan; and

(3) designed to achieve an optimal balance of energy resources in an electricity resource in an electricity supplier's service territory.

The 2024 DSM Plan energy efficiency goal is set forth in Table KH-1.

Table KH-1

| Year | Energy Efficiency Goals (kWh) |
|------|-------------------------------|
| 2024 | 156,202,053 |

¹ This amount excludes proposed costs for lost revenues, financial incentives, and spending flexibility, but includes EM&V costs.

1 **Q20. What programs are included in the 2024 DSM Plan to meet the energy efficiency**
2 **goals?**

3 A20. The 2024 DSM Plan includes the following named programs:

4 **Table KH-2**

| Program |
|---------------------------------|
| Residential |
| Appliance Recycling |
| Residential Demand Response |
| Efficient Products |
| Multifamily |
| School Education |
| Home Energy Reports |
| Income Qualified Weatherization |
| C&I |
| Custom |
| Business Demand Response |
| Prescriptive |
| Small Business Direct Install |

5 **4. DSM PLAN COSTS**

6 **Q21. Please describe the direct costs projected for the 2024 DSM Plan programs.**

7 A21. Consistent with the development of the savings projections and overall program delivery
8 strategies, the direct costs presented in Petitioner's Attachment KH-2 are largely
9 reflective of the planning efforts described later in my testimony. The program
10 implementation costs are comprised of vendor administrative and equipment costs, and
11 customer incentives necessary to successfully deliver the energy efficiency goals. In
12 addition to the direct implementation costs, the forecasted EM&V costs and direct AES
13 Indiana administrative costs are based on historical expenditures.

1 **Q22. Is AES Indiana seeking to recover indirect costs in addition to the direct costs as**
 2 **outlined above?**

3 A22. Yes. In addition to the direct costs of the programs described above, successful
 4 administration of the 2024 DSM Plan will require indirect costs including: 1) outreach &
 5 education; 2) consulting; 3) memberships; 4) staff development; and 5) indirect AES
 6 Indiana labor.

7 **Q23. Please list the indirect costs necessary for the 2024 DSM Plan.**

8 A23. Estimated indirect costs by year are listed in the table below.

9 **Table KH-3**

| Indirect Costs | 2024 |
|----------------------------|--------------------|
| Outreach & Education | \$750,000 |
| Consulting | \$435,000 |
| Memberships | \$20,000 |
| Staff Development | \$25,000 |
| Indirect AES Indiana Labor | \$250,000 |
| Total | \$1,480,000 |

10 **Q24. Please describe outreach & education.**

11 A24. Outreach and Education is comprised of general messaging activities not tied to specific
 12 program offerings, but nonetheless required to successfully promote energy and demand
 13 saving actions. Ultimately, AES Indiana must be able to make its customers aware of the
 14 information and programs available to assist them in taking advantage of these
 15 opportunities. In order to implement successful programs, AES Indiana must understand
 16 what messages will cause customers to consider their energy consumption and then
 17 motivate them to change their energy related purchasing decisions or consumption

1 behavior. Outreach efforts will incorporate key messages into a general awareness
2 campaign that will be delivered through a variety of channels.

3 **Q25. Please describe consulting expenses AES Indiana expects to incur.**

4 A25. In the 2024 program years, AES Indiana expects to incur consulting expenses for ongoing
5 DSM modeling and planning efforts in addition to licensing and maintenance fees
6 associated with Vision DSM™, AES Indiana's internal DSM tracking system. AES
7 Indiana also included a projection for DSMore™ licensing costs, which AES Indiana
8 uses for cost and benefit analysis of its DSM programs.

9 **Q26. Please describe the value of memberships.**

10 A26. Membership organizations act as an extension of AES Indiana DSM program staff, and
11 provide vast resources that emphasize industry best practices. Membership organizations
12 also present the opportunity for DSM staff members to attend ongoing education,
13 training, and development events such as seminars, conferences, and workshops.

14 **Q27. Please describe staff development.**

15 A27. Staff Development is comprised of expenses associated with attendance at DSM related
16 seminars, conferences, and workshops that provide opportunities for ongoing
17 professional development and continuous learning of DSM industry best practices.

18 **Q28. Please describe why indirect AES Indiana labor is necessary.**

19 A28. AES Indiana has threshold obligations to successfully administer its proposed 2024 DSM
20 Plan that are not tied to specific programs. These obligations include but are not limited
21 to:

- 1 • Attendance at, or participation in AES Indiana OSB meetings;
- 2 • Participation in external seminars, conferences, and/or workshops;
- 3 • Preparation of memoranda and/or reporting materials to be presented to
- 4 the AES Indiana OSB;
- 5 • Attendance to, preparation for, or participation in industry association
- 6 events and/or community events to promote AES Indiana's DSM
- 7 portfolio;
- 8 • General program oversight.

9 **Q29. Please describe AES Indiana's proposal for spending flexibility.**

10 A29. Consistent with prior Commission Orders,² AES Indiana requests spending flexibility of
11 up to 10% of the portfolio direct costs for the 2024 DSM Plan. Spending flexibility
12 provides AES Indiana, through the OSB, the ability to pursue cost-effective energy and
13 demand savings opportunities if interest in the market exceeds forecast customer
14 participation. Increasing the level of participation or inclusion of additional measures
15 may increase direct costs, prompting the need for additional funds.

16 AES Indiana has generally been successful in working with its OSB to modify budgets as
17 necessary throughout the course of previous program years. This proposal is consistent
18 with the Settlement Agreements approved in Cause Nos. 45370 and 44945.

19 **Q30. What is AES Indiana's proposal for the use of carry over funding and emerging**
20 **technology initiative funding in the 2024 DSM Plan?**

21 A30. Given the one-year nature of this plan, AES Indiana proposes to not carry over any
22 unspent funds from its 2021-2023 DSM Plan approved in Cause No. 45370 into the 2024
23 DSM Plan period. For the same reason, AES Indiana has not included funds for

1 emerging technology initiatives. AES Indiana expects to include a request for these types
2 of funding in its next multi-year DSM Plan filing.

3 **Q31. What will be the composition and role of the AES Indiana OSB?**

4 A31. AES Indiana proposes to maintain the current composition of the AES Indiana OSB,
5 which includes voting members from AES Indiana, OUCC, and the Citizens Action
6 Coalition (“CAC”). The AES Indiana OSB will have the ability to shift dollars within the
7 portfolio using spending flexibility as described above as well as shift dollars among
8 programs in the 2024 DSM Plan so long as the approved budget is not exceeded.
9 Additionally, AES Indiana requests that the AES Indiana OSB maintain its authority to
10 approve new DSM programs during the period that these approvals are in effect (calendar
11 year 2024). Funding for any new program addition would not be in excess of the total
12 approved spending as authorized in this proceeding. The funds would either be moved
13 from a program that is under performing or from the requested spending flexibility.

14 **Q32. Please describe AES Indiana’s proposal for ongoing reporting during the 2024**
15 **program delivery period.**

16 A32. In the Order in Cause No. 43623 (DSM-13) the Commission requested that AES Indiana
17 provide status reports on a quarterly basis. AES Indiana began submitting these quarterly
18 scorecard reports to the Commission in 2016. AES Indiana proposes to continue
19 reporting quarterly scorecard reports related to the 2024 DSM Plan to the Commission in
20 this docket, unless directed otherwise. AES Indiana will also continue to submit a final
21 EM&V report on or before July 1 of each year that summarizes the prior year DSM

² Cause Nos. 45370, 44945, 44972, 44328, and 43960.

1 efforts and evaluated results. Last, AES Indiana proposes to continue submitting
 2 scorecard reports to the OSB to be reviewed during AES Indiana’s monthly OSB
 3 meetings.

4 **Q33. What is the proposed budget for the 2024 DSM Plan?**

5 A33. AES Indiana projects the annual costs shown below will be necessary to successfully
 6 administer and implement programs as outlined in the 2024 DSM Plan.

7 **Table KH-4**

| | 2024 |
|--------------------------|---------------------|
| Direct Costs | \$34,060,219 |
| Indirect Costs | \$1,480,000 |
| Sub total | \$35,540,219 |
| Financial Incentives | \$3,810,758 |
| Lost Revenues | \$4,457,660 |
| Sub total | \$8,268,418 |
| Total | \$43,808,636 |
| Lost Revenues (Legacy) | \$13,822,639 |
| Total (w/ Legacy) | \$57,631,276 |

8 **Q34. How do the annual savings and program operating costs in the 2024 DSM Plan**
 9 **compare to the savings and costs in the 2021-2023 DSM Plan?**

10 A34. Overall, the savings are comparable from a year-to-year comparison. AES Indiana’s
 11 average gross annual energy efficiency goals for 2021-2023 DSM Plan (as modified by
 12 the Settlement Agreement) were approximately on average 164,000 MWh, compared to
 13 the one-year gross energy efficiency goals of approximately 156,000 MWh in the 2024
 14 DSM Plan. Average annual program operating costs in the 2021-2023 DSM Plan (as
 15 modified by the Settlement Agreement) were approximately \$35 million compared to the
 16 annual projected expenditure of approximately \$35 million in the 2024 DSM Plan.

1 **5. Program Implementation**

2 **Q35. What is the overall administrative and implementation strategy of the 2024 DSM**
3 **Plan?**

4 A35. AES Indiana intends to maintain its administrative responsibility over the 2024 DSM
5 Plan. Program implementation (including but not limited to participant acquisition,
6 rebate fulfillment, equipment and measure installations, onsite quality control and quality
7 assurance, and primary data collection and tracking) will largely be delivered by the
8 third-party implementation vendors. AES Indiana's role as administrator will continue to
9 consist of program planning, program coordination, internal and external reporting, data
10 aggregation and tracking, and overall program quality assurance and oversight. In
11 partnership with its OSB, AES Indiana will continue to maintain responsibility for
12 coordination and oversight of EM&V that is completed annually by the independent
13 third-party evaluator.

14 **Q36. Please describe the residential programs that are new or materially changing**
15 **compared to the 2021-2023 DSM Plan offerings.**

16 A36. In comparison to the 2021-2023 DSM Plan, there are no new or material changes to the
17 2024 DSM Plan program offerings.

18 **Q37. Are there significant changes that impacted residential program planning for the**
19 **2024 DSM Plan compared to current offerings?**

20 A37. Yes. There are two program modifications that were taken into consideration when
21 developing the 2024 DSM Plan. First, as agreed to with the OSB from the 2021-2023
22 settlement, GSL, including specialty bulbs has been removed from the portfolio due to

1 the impacts from federal codes and standards (“EISA”) which have eroded the savings
2 potential of utility sponsored EE programs. During the planning process, AES Indiana
3 worked with vendors and stakeholders to identify opportunities to backfill (but not
4 wholly replace) some of the savings lost due to GSL no longer being a viable EE
5 measure. Additionally, AES Indiana has removed GSL lighting from the Community
6 Based Lighting program within the Income Qualified Weatherization (“IQW”) program.
7 AES Indiana has replaced GSL lighting with weatherstripping, door sweeps and other
8 non-lighting energy efficiency products. Lastly relating to lighting, AES Indiana is also
9 proposing to replace GSL lighting with non-lighting energy efficiency measures for
10 School Education kits. AES Indiana proposes the kits include measures such as, but not
11 limited to door sweeps and weather stripping.

12 The second modification AES Indiana recommends is to automatically qualify customers
13 for participation in our low-income programs if they are participants in LIHEAP (Low
14 Income Home Energy Assistance Program) or other means tested benefit programs, such
15 as the following: EAP (Energy Assistance Program), United Way Winter Assistance
16 Fund, WAF CHIP (Children’s Health Insurance Program), SNAP (Supplemental
17 Nutrition Assistance Program), WIC (Special Supplemental Nutrition Program for
18 Women, Infants, and Children), SSI, or Section 8 subsidies.

19 **Q38. Are there significant changes that impacted business program planning for the 2024**
20 **DSM Plan compared to current offerings?**

21 A38. Yes. Changes that impacted lighting are similar for business programs, as presented in
22 QA 37 above.

1 **Q39. Will approval of the DSM Plan give an unfair competitive advantage to AES**
2 **Indiana vis-à-vis small businesses (170 IAC 4-8-8)?**

3 A39. No. AES Indiana and its program implementation vendors will work with trade allies
4 and other small businesses to support outreach and delivery of the programs as proposed
5 in the 2024 DSM Plan.

6 **6. DSM PLAN DEVELOPMENT**

7 **Q40. Please summarize the process which led to this filing.**

8 A40. AES Indiana established the following guiding principles to shape its DSM program
9 portfolio development. AES Indiana will offer a portfolio that: 1) is inclusive for all
10 customers; 2) is appropriate for our market and customer base; 3) is cost effective; and 4)
11 modifies customer behavior. A RFP was issued to select the vendors that are proposed in
12 these programs as part of the 2021-2023 DSM Plan. AES Indiana is renegotiating
13 contracts with the same vendors to delivery the portfolio, to avoid start up and
14 implementation costs. In addition to these guiding principles, and as summarized below,
15 three steps were coordinated by AES Indiana for the purpose of filing a one-year
16 achievable plan that meets all the requirements of Section 10.

17 **1. Market Potential Study (“MPS”)** – AES Indiana engaged a consulting
18 firm to develop a DSM MPS for the year 2024 with an extended market
19 potential projection through 2042. These matters are addressed in more
20 detail by AES Indiana Witness Miller.

21 **2. Development of DSM Resource Bundles** – In coordination with the MPS
22 consulting firm and various stakeholders, AES Indiana developed DSM
23 bundles using the results of the MPS to act as an input for IRP modeling
24 and economic resource selection. This approach provided sufficient
25 granularity such that DSM could be evaluated on a consistent footing with
26 supply side resources in the IRP model, while also providing program

1 design flexibility. These matters are addressed in more detail by AES
2 Indiana Witness Miller.

3 **3. IRP modeling** – As discussed by AES Indiana Witness Miller, AES
4 Indiana's resource planning team modeled the DSM decrements in the
5 capacity expansion model on a comparable basis to supply side resources.
6 DSM was chosen by the model to select an optimal mix of supply and
7 demand side resources.

8 **4. 2024 DSM Plan Development** – AES Indiana developed the 2024 DSM
9 Implementation Plan (Petitioner's Attachment KH-2) through contract
10 negotiations.
11

12 **Q41. Was there stakeholder involvement in the development of the 2024 DSM Plan?**

13 A41. Yes. AES Indiana provided a filing strategy for a 2024 DSM Plan and 2025 – 2026 DSM
14 Plan to the OUCC and CAC prior to submission of this filing. The OUCC and CAC were
15 both involved in the 2022 DSM Market Potential Study development and IRP stakeholder
16 meetings, and were provided transparent access to the underlying modeling. As part of
17 the MPS and IRP process, AES Indiana conducted regular meetings in 2022 to review
18 and discuss the DSM bundling approach used in the IRP model, and to discuss
19 underlying measures identified in the MPS. For these meetings, representatives from
20 AES Indiana, the OUCC, CAC, and the MPS consultant were present.

21 **Q42. How have stakeholders been involved in the development of the 2024 DSM Plan?**

22 A42. AES Indiana proposed a one-year filing to the CAC and OUCC in the January AES
23 Indiana OSB Meeting on January 25, 2023. No objections were made in the meetings to
24 the plan of a one-year filing. The goal of filing a one-year plan is to keep the programs
25 consistent in delivery. There were no adjustments made from CAC or OUCC feedback.

26 **Q43. Do the DSM Plan goals reflect forecasted large business customer opt out in the**
27 **2024 DSM Plan?**

1 A43. Yes. Savings for opt-out sensitive programs in the 2024 DSM Plan were developed in
2 coordination with AES Indiana's current program delivery vendor, which has significant
3 local market experience. As of January 1, 2023 there were 118 large business customer
4 opt outs, representing 39% of commercial load.

5 **7. FINANCIAL INCENTIVES AND LOST REVENUES**

6 **Q44. Is AES Indiana requesting approval to recover reasonable financial incentives and**
7 **reasonable lost revenues in this proceeding?**

8 A44. Yes. AES Indiana proposes to maintain the current financial incentive and lost revenue
9 recovery. This request is consistent with Section 10, which provides that:

10 (o) If the commission finds a plan submitted by an electricity supplier under
11 subsection (h) to be reasonable, the commission shall allow the electricity supplier
12 to recover or receive the following:

13 (1) Reasonable financial incentives that:

14 (A) encourage implementation of cost effective energy efficiency
15 programs; or

16 (B) eliminate or offset regulatory or financial bias:

17 (i) against energy efficiency programs; or

18 (ii) in favor of supply side resources.

19 (2) Reasonable lost revenues.

20 **Q45. How does AES Indiana calculate and track lost revenues?**

21 A45. Estimates of the kWh consumption and kW demand reductions per participant and the
22 number of participants for each program were determined from the analysis prepared for
23 the 2024 DSM Plan. Estimated participants allocated by rate code were then multiplied
24 by the estimated kWh consumption and kW demand reductions by participant to
25 determine the total kWh consumption and kW demand amounts by rate within each

1 program and then totaled by rate. Ultimately, recorded net savings and associated lost
2 revenues are trued up based on EM&V which provides a safeguard for AES's customers.

3 **Q46. Is AES Indiana proposing the same financial incentive structure as currently**
4 **approved?**

5 A46. Yes. The financial incentive mechanism being proposed in this case maintains a
6 performance tier structure and the percentage of expenditures approach currently
7 approved as part of the 2021-2023 DSM Plan. This approach will offset the financial
8 bias in favor of supply side resources the Company would have if no financial incentive
9 opportunity were present. AES Indiana witness Aliff discusses the mechanics of this
10 financial incentive approach in greater detail.

11 **Q47. What safeguards are built into the proposed financial incentive mechanism?**

12 A47. The proposed continuation of the existing mechanism will maintain safeguards currently
13 in place. More specifically, the financial incentive structure will use projected energy
14 savings levels and expenditures for purposes of forecasting performance tier achievement
15 and the associated financial incentives, but would be trued up using ex-post gross savings
16 from the annual EM&V completed by an independent third party. In other words,
17 EM&V results would determine the savings tier achieved by the Company, and the
18 associated percentage corresponding to the achieved savings tier would be multiplied by
19 actual expenditures during that period. In addition to the safeguards described above, the
20 financial incentive is effectively capped as a function of authorized expenditure of direct
21 costs. Direct costs approved by the Commission in this Cause, and any direct cost
22 funding that is approved through spending flexibility allocation per the OSB's
23 governance structure will provide the basis for the performance tier percentage to be

1 applied. In contrast, under the shared savings structure, the financial incentive result
2 contains a number of variables like net-to-gross, measure-life, participation rates, avoided
3 costs, incremental measure costs, and installation rates which make projections relatively
4 more prone to upward or downward reconciliation or true-up variation.

5 To bookend the financial incentive cap, and to further mitigate the financial bias in favor
6 of supply side resources, the existing financial incentive also has a floor. To the extent
7 programs do not produce at least seventy-five percent (75%) of the energy efficiency
8 goals, the proposed floor would allow AES Indiana to receive a financial incentive
9 equaling four percent (4%) of direct program costs.

10 **Q48. Why is recovery of financial incentives and lost revenues reasonable and necessary?**

11 A48. Timely recovery of all DSM program costs, including financial incentives and lost
12 revenues is a critical component to maintaining robust DSM programs. The importance
13 of incorporating all three program cost elements - program operating costs, lost revenues,
14 and financial incentives – into rates has been repeatedly recognized by policymakers. A
15 lack of timely cost recovery in any of these three areas creates a financial disincentive for
16 a utility to offer DSM programs. The policy to recover all three cost elements places
17 DSM on a more level playing field with utilities' supply-side resource options.

18

1 **8. SECTION 10**

2 **Q49. What factors does the Commission consider in determining the overall**
3 **reasonableness of the DSM Plan?**

4 A49. The statute enumerates the following ten factors for the Commission to consider in
5 determining the overall reasonableness of the plan. I have listed the considerations below
6 and identified the AES Indiana witnesses who address the factor:³

7 (1) Projected changes in customer consumption of electricity resulting
8 from the implementation of the plan. (AES Indiana witness Heard)

9 (2) A cost and benefit analysis of the plan, including the likelihood of
10 achieving the goals of the energy efficiency programs included in the plan.
11 (AES Indiana witness Miller)

12 (3) Whether the plan is consistent with the following:

13 (A) The state energy analysis developed by the Commission under
14 section 3 of this chapter. (AES Indiana witness Heard)

15 (B) The electricity supplier's most recent long-range integrated
16 resource plan submitted to the Commission. (AES Indiana witness
17 Miller)

18 (4) The inclusion and reasonableness of procedures to evaluate, measure,
19 and verify the results of the energy efficiency programs included in the
20 plan, including the alignment of the procedures with applicable
21 environmental regulations, including federal regulations concerning
22 credits for emission reductions. (AES Indiana witness Miller)

23 (5) Any undue or unreasonable preference to any customer class resulting,
24 or potentially resulting, from the implementation of an energy efficiency
25 program or from the overall design of a plan. (AES Indiana witness
26 Heard)

27 (6) Comments provided by customers, customer representatives, the office
28 of utility consumer counselor, and other stakeholders concerning the
29 adequacy and reasonableness of the plan, including alternative or
30 additional means to achieve energy efficiency in the electricity supplier's

³ I.C. § 8-1-8.5-10(j):

1 service territory. (AES Indiana witness Heard)

2 (7) The effect, or potential effect, in both the long term and the short term,
3 of the plan on the electric rates and bills of customers that participate in
4 energy efficiency programs compared to the electric rates and bills of
5 customers that do not participate in energy efficiency programs. (AES
6 Indiana witnesses Miller and Aliff)

7 (8) The lost revenues and financial incentives associated with the plan and
8 sought to be recovered or received by the electricity supplier. (AES
9 Indiana witnesses Heard and Aliff)

10 (9) The electricity supplier's current integrated resource plan and the
11 underlying resource assessment. (AES Indiana witness Miller)

12 (10) Any other information the Commission considers necessary.

13 **Q50. What are the proposed changes in customer consumption of electricity resulting**
14 **from the implementation of the DSM Plan (Section 10(j)(1))?**

15 A50. The annual projected energy and demand savings resulting from the proposed DSM Plan
16 are described above in my testimony and are presented in Petitioner's Attachment KH-2.
17 These projections best describe the changes to customer consumption of electricity
18 resulting from implementation of the 2024 DSM Plan.

19 **Q51. Have you considered whether the DSM Plan is consistent with the state energy**
20 **analysis to be developed by the Commission under Ind. Code § 8-1-8.5-3 (Section**
21 **10(j) (3)(A))?**

22 A51. Yes. AES Indiana has considered the consistency with the state energy analysis and
23 notes that AES Indiana provided the State Utility Forecasting Group ("SUFG") with
24 information related to our DSM Plan development. This AES Indiana provided
25 information was considered by SUFG in their development of the 2021 Indiana
26 Electricity Forecast.

1 **Q52. Will any undue or unreasonable preference to any customer result or potentially**
2 **result from the implementation of the EE programs or from the overall design of the**
3 **DSM Plan (Section 10(j)(5))?**

4 A52. No, AES Indiana does not expect this to be the case. AES Indiana has made every effort
5 to offer a robust and diverse group of cost-effective DSM programs for all customers.

6 **Q53. Section 10(j)(6) requires the Commission to consider comments provided by**
7 **customers, customer representatives, the OUCC, and other stakeholders concerning**
8 **the adequacy and reasonableness of the plan, including alternative or additional**
9 **means to achieve EE in the electricity supplier's service territory. Do you have any**
10 **comment on this consideration?**

11 A53. Yes. AES Indiana meets regularly with the AES Indiana DSM OSB and trade allies and
12 considers their input in the development of the proposed DSM Plan. Stakeholder input
13 was also received and considered by AES Indiana as part of the IRP Stakeholder process.
14 Additional input will be received through the participation of the OUCC and any
15 intervenors in this docketed process.

16 **9. SUMMARY AND RECOMMENDATIONS**

17 **Q54. Please summarize your testimony and recommendations.**

18 A54. In summary, AES Indiana is proposing a one-year DSM program cycle for 2024. The
19 purpose of filing a one-year DSM Plan is to allow a continuation of the current program
20 design. As discussed by AES Indiana witness Miller, the proposed one-year DSM Plan
21 for 2024 is aligned with the 2022 IRP and MPS. As I discuss above, the one-year plan
22 continues programs currently in place with savings targets and budgets comparable to the

1 previously approved 2021-2023 DSM Plan. Only two changes are proposed in this 2024
2 DSM Plan: 1) removal of GSL from program design and 2) changing the IQW
3 qualifications to be the federal poverty level. I recommend the Commission approve the
4 Company's proposed one-year DSM Plan and associated cost recovery.

5 **Q55. Does that conclude your pre-filed verified direct testimony?**

6 A55. Yes.

VERIFICATION

I, Katie Heard, Demand Side Management Lead for AES Indiana, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Katie Heard

Katie Heard

Dated: May 26, 2023

Petitioner's Attachment KH-1

[Verified Petition – Not Duplicated Herein]

Petitioner's Attachment KH-2
2024 DSM Plan

DSM PROGRAMS

| | | |
|----|--------------------------------------|----|
| 1 | appliance recycling | 5 |
| 2 | residential demand response | 7 |
| 3 | efficient products | 9 |
| 4 | multifamily..... | 11 |
| 5 | school education | 13 |
| 6 | home energy reports | 15 |
| 7 | income qualified weatherization..... | 17 |
| 8 | custom..... | 19 |
| 9 | business demand response | 21 |
| 10 | prescriptive..... | 23 |
| 11 | small business direct install | 25 |

2024 Summary

| Program | Budget | Energy Savings | | Demand Savings | |
|---------------------------------|--------------|----------------|------------|----------------|--------|
| | | Gross kWh | Net kWh | Gross kW | Net kW |
| Appliance Recycling | \$629,636 | 2,151,646 | 1,298,245 | 361 | 222 |
| Residential Demand Response | \$4,199,531 | 2,012,121 | 2,012,121 | 49,899 | 49,899 |
| Efficient Products | \$4,492,132 | 11,323,748 | 10,205,621 | 3,309 | 2,537 |
| Multifamily | \$715,689 | 2,678,148 | 2,675,512 | 29 | 29 |
| School Education | \$595,065 | 5,008,968 | 5,008,968 | 367 | 367 |
| Home Energy Reports | \$710,338 | 21,924,000 | 21,924,000 | 6,090 | 6,090 |
| Income Qualified Weatherization | \$2,303,898 | 5,073,246 | 5,073,246 | 127 | 127 |
| Custom | \$5,403,580 | 36,235,919 | 32,012,327 | 3,391 | 3,032 |
| Business Demand Response | \$15,000 | 0 | 0 | 452 | 452 |
| Prescriptive | \$13,307,204 | 65,251,819 | 50,136,761 | 14,228 | 11,127 |
| Small Business Direct Install | \$1,688,145 | 4,525,438 | 4,010,325 | 308 | 288 |

| | | | | | |
|-----------------|--------------|-------------|-------------|--------|--------|
| Residential | \$13,646,289 | 50,171,878 | 48,197,714 | 60,182 | 59,270 |
| Business | \$20,413,929 | 106,030,175 | 86,159,413 | 18,379 | 14,899 |
| Direct Subtotal | \$34,060,219 | 156,202,053 | 134,357,128 | 78,561 | 74,170 |

| | | | | | |
|-------------------|-------------|--|--|--|--|
| Indirect Subtotal | \$1,480,000 | | | | |
|-------------------|-------------|--|--|--|--|

| | | | | | |
|-----------------|--------------|-------------|-------------|--------|--------|
| Portfolio Total | \$35,540,219 | 156,202,053 | 134,357,128 | 78,561 | 74,170 |
|-----------------|--------------|-------------|-------------|--------|--------|

Program budgets are inclusive of the direct and indirect cost of DSM programs, including costs related to EM&V

APPLIANCE RECYCLING

| | |
|-----------------------------------|---|
| <p>Program Description</p> | <p>The Appliance Recycling program achieves energy savings by offering an incentive payment to customers to remove their old, inefficient appliances and recycle them. It includes refrigerators, freezers, room AC units, and dehumidifiers. The program offers free pickup of units from residences plus customer incentives and education about the benefits of secondary unit disposal to encourage their participation. There are no additional costs to participating customers. The contractor will pick-up, disable, and recycle the units. Once AES Indiana receives verification that the units have been recycled. The customer will receive a \$50 incentive per refrigerator/freezer recycled and a \$20 incentive per Room AC/dehumidifier recycled.</p> <p>In addition to educating residential customers about the benefits of secondary unit disposal, the program provides services to enable disposal of the units. The two program components are:</p> <p><u>Customer Incentives</u></p> <ul style="list-style-type: none"> • Pickup of units from homes will be by appointment directly with the program implementation contractor. • The program implementation contractor mails incentive checks (or an alternative form of payment) to customers after units have been removed. • To qualify, refrigerator, freezer, dehumidifiers or room air conditioning units must be in working condition, meet minimum size requirements, and be readily accessible for removal. <p><u>Environmental Disposal of Units</u></p> <ul style="list-style-type: none"> • Units will be removed to a collection facility and disassembled for environmentally responsible disposal of CFCs and recycling of remaining components. |
| <p>Objectives</p> | <p>The objectives for the Appliance Recycling program are:</p> <ul style="list-style-type: none"> • To permanently remove old, energy-inefficient appliances from the electric grid. • To recycle all appliances with strict adherence to local and federal regulations and in compliance with the Environmental Protection Agency’s (EPA) Responsible Appliance Disposal (RAD) requirements. • To provide responsive and effective program management services to AES INDIANA customers. • To provide AES INDIANA’s customers with seamless service that results in high customer satisfaction and a white-glove customer experience in every step of the program. |

| | | | | |
|----------------------------------|-----------------------------------|------------------|---------------------------------|------------------|
| Projected Savings | Gross Energy (kWh) Savings | | | |
| | Program | | 2024 | |
| | Appliance Recycling | | 2,151,646 | |
| | Gross Demand (kW) Savings | | | |
| | Program | | 2024 | |
| Appliance Recycling | | 361 | | |
| Projected Expenditures | Net Energy (kWh) Savings | | | |
| | Program | | 2024 | |
| | Appliance Recycling | | 1,298,245 | |
| | Net Demand (kW) Savings | | | |
| | Program | | 2024 | |
| Appliance Recycling | | 222 | | |
| 2024 Cost-Effectiveness | Budget (dollars) | | | |
| | Program | | 2024 | |
| | Appliance Recycling | | \$629,636 | |
| | | | Cost Effectiveness Tests | |
| | Program | UCT Ratio | TRC Ratio | RIM Ratio |
| Appliance Recycling ¹ | 0.71 | 0.81 | 0.21 | N/A |

¹ Benefit/Costs results for each program reflect scores for the entire 2024 program delivery period.

RESIDENTIAL DEMAND RESPONSE

| | |
|-----------------------------------|--|
| <p>Program Description</p> | <p>The Residential Demand Response (DR) program aims to deliver peak demand savings through the following end uses:</p> <ul style="list-style-type: none"> • Direct Load Control (“DLC”) Switch Maintenance. AES INDIANA’s current program consists of ~44,000 one-way load control switches and ~5,500 two-way load control switches. The Demand Response program delivers switch replacements while enhancing AES INDIANA’s relationship with the local HVAC service community. The implementation vendor will provide in-depth training and in-field support to a network of local HVAC trade allies who will perform switch replacements. This approach transforms the local HVAC community by educating local trade allies on the benefits of DR and alleviates the common issue of service technicians disconnecting DLC switches when they service customer’s AC units. • Smart Thermostats. AES INDIANA’s current program consists of ~11,000 smart thermostats that are demand response enabled through AES INDIANA’s program. The proposed approach offers a simplified avenue for recruiting AES INDIANA’s residential customers into the DR program using in-home visits and touch points within other residential offerings. It also allows customers the option of purchasing smart thermostat through several channels across AES Indiana manufacturers. Customers who purchase a smart thermostat through the Efficient Products program or receive a thermostat through the Income Qualified Weatherization program will receive thermostat incentives as well as bill credits through AES INDIANA Rider 13. • Hot Water Heaters. Taking advantage of hot water heaters for demand response is a new addition to AES INDIANA’s portfolio. The load shape for hot water heaters would provide a demand response opportunity that coincides with AES INDIANA’s winter peak, which is typically during the morning hours of winter months. There are several new technology innovations in this space that provide customers and the program administrator more insight and control over non-demand savings metrics, like continuous monitoring of water temperature (i.e. comfort). • Managed Electric Vehicle Chargers. Electric vehicle demand will continue to grow in AES INDIANA’s service territory over time. Typical Level II in-home chargers can require between 30-70 amps instantaneously, which presents a new and potentially material load potential for demand response. This measure in the demand response program presents an opportunity for AES INDIANA to better understand charging behavior, and to provide customers with charging solutions that meet their needs while managing peak demand. |
| <p>Objectives</p> | <p>The objectives for the Residential DR program include:</p> <ul style="list-style-type: none"> • Updating AES INDIANA’s existing infrastructure of one-way DLC switches; • Target both winter and summer peak demand through inclusion of hot water heaters and managed electric vehicle chargers; • Growing AES INDIANA’s relationship with the local trade ally community; • Maintaining the existing DR fleet; |

| | <ul style="list-style-type: none"> • Driving the adoption of smart thermostats, water heaters, and managed EV chargers in the AES INDIANA service territory; • Creating a foundation for the next generation DR program; • Leveraging synergies between AES INDIANA energy efficiency and DR programs. | | | | | | | | | | | | | | | | |
|--------------------------------|---|-----------|--------------------------|-----------------------------|-------------|---------|-----------|-----------------------------|-----------|-----------|-----------------------------|-----------------------------|-----------|---------|------|-----------------------------|--------|
| Projected Savings | <p>Gross Energy (kWh) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Residential Demand Response</td> <td>2,012,122</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Residential Demand Response</td> <td>49,899</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Residential Demand Response</td> <td>2,012,122</td> </tr> </tbody> </table> <p>Net Demand (kW) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Residential Demand Response</td> <td>49,899</td> </tr> </tbody> </table> | Program | 2024 | Residential Demand Response | 2,012,122 | Program | 2024 | Residential Demand Response | 49,899 | Program | 2024 | Residential Demand Response | 2,012,122 | Program | 2024 | Residential Demand Response | 49,899 |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Residential Demand Response | 2,012,122 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Residential Demand Response | 49,899 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Residential Demand Response | 2,012,122 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Residential Demand Response | 49,899 | | | | | | | | | | | | | | | | |
| Projected Expenditures | <p>Budget (dollars)</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Residential Demand Response</td> <td>\$4,199,531</td> </tr> </tbody> </table> | Program | 2024 | Residential Demand Response | \$4,199,531 | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Residential Demand Response | \$4,199,531 | | | | | | | | | | | | | | | | |
| 2024 Cost-Effectiveness | <table border="1"> <thead> <tr> <th rowspan="2">Program</th> <th colspan="4">Cost Effectiveness Tests</th> </tr> <tr> <th>UCT Ratio</th> <th>TRC Ratio</th> <th>RIM Ratio</th> <th>PCT Ratio</th> </tr> </thead> <tbody> <tr> <td>Residential Demand Response</td> <td>1.49</td> <td>2.12</td> <td>1.40</td> <td>N/A</td> </tr> </tbody> </table> | Program | Cost Effectiveness Tests | | | | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | Residential Demand Response | 1.49 | 2.12 | 1.40 | N/A | | |
| Program | Cost Effectiveness Tests | | | | | | | | | | | | | | | | |
| | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | | | | | | | | | | | | | |
| Residential Demand Response | 1.49 | 2.12 | 1.40 | N/A | | | | | | | | | | | | | |

EFFICIENT PRODUCTS

| <p>Program Description</p> | <p>The Efficient Products program will increase awareness and sales of energy efficient HVAC, smart thermostats and other ENERGYSTAR appliance products in the AES INDIANA service territory. AES INDIANA’s residential customers can purchase products at participating retail locations across its service territory and/or receive rebates through contractor (trade ally) driven projects. The program will reduce the cost barrier of products through markdowns at the point of sale or through rebates post purchase/installation. Additionally, AES INDIANA will leverage a customer facing portal to allow participants to submit online incentive applications for qualifying appliance purchases. Connecting a customer who has already chosen to purchase an energy efficient product through the Efficient Products program is an excellent warm lead for the other energy efficiency offerings.</p> <p>Smart thermostat purchases through retailers, trade allies, or through an online marketplace in this program will continue to provide AES INDIANA customers with multiple channels to enroll in AES INDIANA’s Demand Response program, avoiding many of the usual customer acquisition costs of a standalone bring-your-own-thermostat (BYOT) or direct install (DI) program.</p> | | | | | | | | |
|-----------------------------------|--|---------|------|--------------------|------------|---------|------|--------------------|-------|
| <p>Objectives</p> | <p>The objectives for the Efficient Products program include:</p> <ul style="list-style-type: none"> • Increasing consumer awareness of the benefits of energy efficient products in the residential market; • Working with trade allies to drive installation of energy efficient HVAC and other products; • Amplifying the availability of energy efficient products in local retail stores; • Improving retailers’ understanding of the benefits of energy efficient products through training; • Enhancing the local market penetration of energy efficient products through off-shelf merchandising tactics leading to higher sales; • Pursuing industry leadership initiatives to increase knowledge and develop strategic partnerships to strengthen local program effectiveness; • Educating customers on available incentives for ENERGY STAR products; • Strengthening the customer’s awareness of AES INDIANA as a trusted partner in energy efficiency; • Deliver cost-effective energy savings. | | | | | | | | |
| <p>Projected Savings</p> | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="483 1646 1070 1728"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Efficient Products</td> <td>11,323,748</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1" data-bbox="483 1824 1070 1906"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Efficient Products</td> <td>3,309</td> </tr> </tbody> </table> | Program | 2024 | Efficient Products | 11,323,748 | Program | 2024 | Efficient Products | 3,309 |
| Program | 2024 | | | | | | | | |
| Efficient Products | 11,323,748 | | | | | | | | |
| Program | 2024 | | | | | | | | |
| Efficient Products | 3,309 | | | | | | | | |

| | <p>Net Energy (kWh) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Efficient Products</td> <td>10,205,621</td> </tr> </tbody> </table> <p>Net Demand (kW) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Efficient Products</td> <td>2,537</td> </tr> </tbody> </table> | Program | 2024 | Efficient Products | 10,205,621 | Program | 2024 | Efficient Products | 2,537 | | | | | | |
|--------------------------------|---|-----------|--------------------------|--------------------|-------------|---------|-----------|--------------------|-----------|-----------|--------------------|------|------|------|-------|
| Program | 2024 | | | | | | | | | | | | | | |
| Efficient Products | 10,205,621 | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | |
| Efficient Products | 2,537 | | | | | | | | | | | | | | |
| <p>Projected Expenditures</p> | <p>Budget (dollars)</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Efficient Products</td> <td>\$4,492,132</td> </tr> </tbody> </table> | Program | 2024 | Efficient Products | \$4,492,132 | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | |
| Efficient Products | \$4,492,132 | | | | | | | | | | | | | | |
| <p>2024 Cost-Effectiveness</p> | <table border="1"> <thead> <tr> <th rowspan="2">Program</th> <th colspan="4">Cost Effectiveness Tests</th> </tr> <tr> <th>UCT Ratio</th> <th>TRC Ratio</th> <th>RIM Ratio</th> <th>PCT Ratio</th> </tr> </thead> <tbody> <tr> <td>Efficient Products</td> <td>1.55</td> <td>1.10</td> <td>0.32</td> <td>10.27</td> </tr> </tbody> </table> | Program | Cost Effectiveness Tests | | | | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | Efficient Products | 1.55 | 1.10 | 0.32 | 10.27 |
| Program | Cost Effectiveness Tests | | | | | | | | | | | | | | |
| | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | | | | | | | | | | | |
| Efficient Products | 1.55 | 1.10 | 0.32 | 10.27 | | | | | | | | | | | |

MULTIFAMILY

| Program Description | This program will provide no-cost, turnkey service delivery to property managers and tenants to help overcome first-cost and disruption barriers typically associated with this type of investment. Trained Energy Advisors will install low-cost energy saving measures (e.g., showerheads, programmable thermostats, bath and faucet aerators and pipe wrap) within residences at no cost. | | | | | | | | | | | | | | | | |
|-------------------------------|---|---------|------|-------------|-----------|---------|------|-------------|----|---------|------|-------------|-----------|---------|------|-------------|----|
| Objectives | <p>The objectives for the Multifamily program include:</p> <ul style="list-style-type: none"> • Providing education and support services for property owners/managers, tenants and manufactured home owners to promote the implementation of energy efficiency measures; • Creating jobs and developing the local market; • Enhancing the local market penetration of energy efficient products and services – helping customers save energy and money; • Providing manufactured home owners with access to energy efficient products; • Strengthening the customers awareness of AES INDIANA as a trusted partner in energy efficiency; • Delivering cost-effective energy savings. | | | | | | | | | | | | | | | | |
| Projected Savings | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="482 1031 1057 1115"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Multifamily</td> <td>2,678,148</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1" data-bbox="482 1209 1057 1293"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Multifamily</td> <td>29</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> <table border="1" data-bbox="482 1400 1057 1484"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Multifamily</td> <td>2,675,512</td> </tr> </tbody> </table> <p>Net Demand (kW) Savings</p> <table border="1" data-bbox="482 1579 1057 1663"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Multifamily</td> <td>29</td> </tr> </tbody> </table> | Program | 2024 | Multifamily | 2,678,148 | Program | 2024 | Multifamily | 29 | Program | 2024 | Multifamily | 2,675,512 | Program | 2024 | Multifamily | 29 |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Multifamily | 2,678,148 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Multifamily | 29 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Multifamily | 2,675,512 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Multifamily | 29 | | | | | | | | | | | | | | | | |
| Projected Expenditures | <p>Budget (dollars)</p> <table border="1" data-bbox="482 1770 1057 1854"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Multifamily</td> <td>\$715,689</td> </tr> </tbody> </table> | Program | 2024 | Multifamily | \$715,689 | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Multifamily | \$715,689 | | | | | | | | | | | | | | | | |

2024 Cost-
Effectiveness

The cost-effectiveness metrics of the Residential Demand Response program are as follows:

| Program | Cost Effectiveness Tests | | | |
|-------------|--------------------------|-----------|-----------|-----------|
| | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio |
| Multifamily | 1.73 | 1.73 | 0.25 | N/A |

SCHOOL EDUCATION

| Program Description | <p>The School Education program incorporates an educational module provided to grade school students, along with a take-home kit of energy efficiency measures. Measures include low-flow fixtures and weather stripping. The program targets students to help them learn about energy efficiency and how they can apply it at school and at home. Participating schools will receive education in the classroom and take-home kits filled with energy efficiency saving devices. The program is designed to educate both the students and their parents about simple energy efficiency and conservation practices, driving grassroots market transformation throughout the service territory.</p> | | | | | | | | | | | | | | | | |
|-------------------------------|---|---------|------|------------------|-----------|---------|------|------------------|-----|---------|------|------------------|-----------|---------|------|------------------|-----|
| Objectives | <p>The objectives for the School Education program include:</p> <ul style="list-style-type: none"> • Achieving verifiable, cost-effective electric savings through the installation of low-cost measures; • Helping customers identify opportunities to better manage their energy use; • Creating an exceptional customer experience for participating households; • Strengthening and supporting AES INDIANA’s energy efficiency branding, while providing an excellent opportunity to increase energy efficiency awareness; • Cross-promotion and uplift to other energy efficiency program offerings; • Promoting energy literacy among teachers, students, and families. | | | | | | | | | | | | | | | | |
| Projected Savings | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="483 1064 1057 1148"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>School Education</td> <td>5,008,968</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1" data-bbox="483 1247 1057 1331"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>School Education</td> <td>367</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> <table border="1" data-bbox="483 1436 1057 1520"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>School Education</td> <td>5,008,968</td> </tr> </tbody> </table> <p>Net Demand (kW) Savings</p> <table border="1" data-bbox="483 1619 1057 1703"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>School Education</td> <td>367</td> </tr> </tbody> </table> | Program | 2024 | School Education | 5,008,968 | Program | 2024 | School Education | 367 | Program | 2024 | School Education | 5,008,968 | Program | 2024 | School Education | 367 |
| Program | 2024 | | | | | | | | | | | | | | | | |
| School Education | 5,008,968 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| School Education | 367 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| School Education | 5,008,968 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| School Education | 367 | | | | | | | | | | | | | | | | |
| Projected Expenditures | <p>Budget (dollars)</p> <table border="1" data-bbox="483 1816 1057 1900"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>School Education</td> <td>\$595,065</td> </tr> </tbody> </table> | Program | 2024 | School Education | \$595,065 | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| School Education | \$595,065 | | | | | | | | | | | | | | | | |

| 2024 Cost-Effectiveness | Cost Effectiveness Tests | | | |
|-------------------------|--------------------------|-----------|-----------|-----------|
| | Program | UCT Ratio | TRC Ratio | PCT Ratio |
| | School Education | 0.50 | 0.50 | 0.24 |

HOME ENERGY REPORTS

| Program Description | <p>The Home Energy Reports program provides individualized Home Energy Reports that analyze customer’s energy usage and offer recommendations on how to save energy and money by making small changes to their energy consumption.</p> <p>Reports are sent quarterly or monthly (when AES INDIANA has a valid e-mail address) to customers throughout the year. A key behavioral component is peer comparison, where customers are shown their energy usage relative to similar, nearby households. Peoples’ intrinsic social competitiveness thereby increases the energy reductions and effectiveness of this program.</p> | | | | | | | | | | | | | | | | |
|---------------------------------|--|---------------------------------|------|---------------------|------------|---------|------|---------------------|-------|---------|------|---------------------|------------|---------|------|---------------------|-------|
| Objectives | <p>Objective for the Home Energy Reports program are to:</p> <ul style="list-style-type: none"> • Reduce energy consumption through socially driven and information-driven behavioral change; • Raise general awareness regarding energy efficiency; • Cross-promote and market other programs within the portfolio. | | | | | | | | | | | | | | | | |
| Projected Savings | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="496 942 1062 1026"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Home Energy Reports</td> <td>21,924,000</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1" data-bbox="496 1123 1062 1207"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Home Energy Reports</td> <td>6,090</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> <table border="1" data-bbox="496 1312 1062 1396"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Home Energy Reports</td> <td>21,924,000</td> </tr> </tbody> </table> <p>Net Demand (kW) Savings</p> <table border="1" data-bbox="496 1493 1062 1577"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Home Energy Reports</td> <td>6,090</td> </tr> </tbody> </table> | Program | 2024 | Home Energy Reports | 21,924,000 | Program | 2024 | Home Energy Reports | 6,090 | Program | 2024 | Home Energy Reports | 21,924,000 | Program | 2024 | Home Energy Reports | 6,090 |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Home Energy Reports | 21,924,000 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Home Energy Reports | 6,090 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Home Energy Reports | 21,924,000 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Home Energy Reports | 6,090 | | | | | | | | | | | | | | | | |
| Projected Expenditures | <p>Budget (dollars)</p> <table border="1" data-bbox="496 1694 1062 1778"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Home Energy Reports</td> <td>\$710,338</td> </tr> </tbody> </table> | Program | 2024 | Home Energy Reports | \$710,338 | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Home Energy Reports | \$710,338 | | | | | | | | | | | | | | | | |
| 2024 Cost-Effectiveness | <table border="1" data-bbox="496 1871 1458 1906"> <tr> <td colspan="2" style="text-align: right;">Cost Effectiveness Tests</td> </tr> </table> | Cost Effectiveness Tests | | | | | | | | | | | | | | | |
| Cost Effectiveness Tests | | | | | | | | | | | | | | | | | |

| Program | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio |
|---------------------|-----------|-----------|-----------|-----------|
| Home Energy Reports | 2.58 | 2.58 | 0.53 | N/A |

INCOME QUALIFIED WEATHERIZATION

| <p>Program Description</p> | <p>The Income Qualified Weatherization offers holistic weatherization measures, including air and duct sealing completed by trained Energy Advisors as well as the installation of attic and wall insulation by local weatherization contractors for electrically heated homes. The program will incorporate a channel for distribution of energy efficient in-home products through local food pantry services, as well as air infiltration reduction and other availability of low cost energy efficiency measure in income qualified multifamily properties.</p> <p>There are multiple points-of-entry into the program, including a web-based, self-administered home assessment through an online portal, or by scheduling an in-home Income Qualified Weatherization audit with a trained Energy Advisor.</p> | | | | | | | | | | | | |
|-----------------------------------|--|---------|------|---------------------------------|-----------|---------|------|---------------------------------|-----|---------|------|---------------------------------|-----------|
| <p>Objectives</p> | <p>The objectives for the Income Qualified Weatherization program include:</p> <ul style="list-style-type: none"> • Helping eligible customers understand how they are using energy, identify opportunities for energy savings specific to their home, and offer access to a wider range of energy efficiency measures; • Educating qualifying customers on the benefits of installing energy efficiency measures and of behavior change opportunities so they can begin saving energy and money immediately; • Providing education support services and funding for qualified customers to promote the implementation of energy efficiency measures; • Engaging AES INDIANA’s residential customers over the long term, delivering more holistic energy savings • Creating jobs and developing the local market through participating weatherization contractors; • Strengthening the customer’s awareness of AES INDIANA as a trusted partner in energy efficiency | | | | | | | | | | | | |
| <p>Projected Savings</p> | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="482 1423 1070 1505"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Income Qualified Weatherization</td> <td>5,073,246</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1" data-bbox="482 1602 1070 1684"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Income Qualified Weatherization</td> <td>127</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> <table border="1" data-bbox="482 1791 1070 1873"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Income Qualified Weatherization</td> <td>5,073,246</td> </tr> </tbody> </table> | Program | 2024 | Income Qualified Weatherization | 5,073,246 | Program | 2024 | Income Qualified Weatherization | 127 | Program | 2024 | Income Qualified Weatherization | 5,073,246 |
| Program | 2024 | | | | | | | | | | | | |
| Income Qualified Weatherization | 5,073,246 | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | |
| Income Qualified Weatherization | 127 | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | |
| Income Qualified Weatherization | 5,073,246 | | | | | | | | | | | | |

| | | | | | |
|-------------------------|---------------------------------|------------------|------------------|------------------|------------------|
| | Net Demand (kW) Savings | | | | |
| | Program | 2024 | | | |
| | Income Qualified Weatherization | 127 | | | |
| Projected Expenditures | Budget (dollars) | | | | |
| | Program | 2024 | | | |
| | Income Qualified Weatherization | \$2,303,898 | | | |
| 2024 Cost-Effectiveness | Cost Effectiveness Tests | | | | |
| | Program | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio |
| | Income Qualified Weatherization | 0.99 | 0.99 | 0.23 | N/A |

CUSTOM

| <p>Program Description</p> | <p>The Custom program will provide incentives to business customers for implementing energy efficiency projects that fall outside the scope of the Prescriptive program.</p> <p>The Custom program broadens the availability of financial incentives for more complex projects and offers non-cash incentives in the form of technical support for customers and trade allies. Program measures earn incentives based on \$/kWh savings achieved beyond baseline energy performance, such as state or federal codes and standards, industry-accepted performance standards, or other baseline energy performance standards.</p> <p>The program will also help business customers participate in AES INDIANA’s suite of business programs, creating additional savings opportunities for customers. Prescriptive measures can complement the deeper savings approach to energy efficiency achieved through the Custom program.</p> <p>Continuing recent program enhancements to AES INDIANA’s program portfolio, the Custom program also includes channels for Strategic Energy Management (“SEM”), and Retro-commissioning (“RCx”). SEM was launched in 2019 to provide a cohort-based program delivery channel that is designed to facilitate a culture of continuous energy improvement at customers’ facilities. RCx, also launched in 2019, is designed to improve performance in existing buildings. While RCx projects have historically been eligible measures in the Custom Program, a dedicated RCx channel was developed to improve the overall customer experience, including incentives for the initial RCx study to be completed.</p> | | | | |
|-----------------------------------|--|---------|------|--------|------------|
| <p>Objectives</p> | <p>The objectives for the Custom program include:</p> <ul style="list-style-type: none"> • Achieving savings goals cost-effectively by using data-driven customer outreach, segmentation and prioritization strategies; • Encouraging business customers to improve the energy efficiency of their facilities by offering program incentives; • Leveraging technical expertise to identify, scope and drive projects forward, working closely with customers and their contracted trade allies; • Enhancing existing relationships with the network of equipment suppliers who can also identify energy efficiency opportunities for utility customers and streamline their engagement with the program; • Coordinating program delivery of all AES INDIANA’s business programs where appropriate, including Prescriptive, and SBDI to improve customer experience; • Improving customer satisfaction and the perception of AES INDIANA as the customer’s energy efficiency expert and trusted advisor. | | | | |
| <p>Projected Savings</p> | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="496 1772 1062 1856"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Custom</td> <td>36,235,919</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> | Program | 2024 | Custom | 36,235,919 |
| Program | 2024 | | | | |
| Custom | 36,235,919 | | | | |

| | <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Custom</td> <td>3,391</td> </tr> </tbody> </table> | Program | 2024 | Custom | 3,391 | | | | | | | | | | |
|---|---|-----------|--------------------------|------------|-------------|--|-----------|-----------|-----------|-----------|--------|------|------|------|------|
| | Program | 2024 | | | | | | | | | | | | | |
| | Custom | 3,391 | | | | | | | | | | | | | |
| <p>Net Energy (kWh) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Custom</td> <td>32,012,327</td> </tr> </tbody> </table> | Program | 2024 | Custom | 32,012,327 | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | |
| Custom | 32,012,327 | | | | | | | | | | | | | | |
| <p>Net Demand (kW) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Custom</td> <td>3,032</td> </tr> </tbody> </table> | Program | 2024 | Custom | 3,032 | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | |
| Custom | 3,032 | | | | | | | | | | | | | | |
| Projected Expenditures | <p>Budget (dollars)</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Custom</td> <td>\$5,403,580</td> </tr> </tbody> </table> | Program | 2024 | Custom | \$5,403,580 | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | |
| Custom | \$5,403,580 | | | | | | | | | | | | | | |
| 2021-2023 Cost-Effectiveness | <table border="1"> <thead> <tr> <th rowspan="2">Program</th> <th colspan="4">Cost Effectiveness Tests</th> </tr> <tr> <th>UCT Ratio</th> <th>TRC Ratio</th> <th>RIM Ratio</th> <th>PCT Ratio</th> </tr> </thead> <tbody> <tr> <td>Custom</td> <td>2.72</td> <td>1.38</td> <td>0.30</td> <td>8.62</td> </tr> </tbody> </table> | Program | Cost Effectiveness Tests | | | | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | Custom | 2.72 | 1.38 | 0.30 | 8.62 |
| Program | Cost Effectiveness Tests | | | | | | | | | | | | | | |
| | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | | | | | | | | | | | |
| Custom | 2.72 | 1.38 | 0.30 | 8.62 | | | | | | | | | | | |

BUSINESS DEMAND RESPONSE

| Program Description | <p>The Business Demand Response program provides installation of direct load control (“DLC”) switch replacements while enhancing AES INDIANA’s relationship with the local HVAC service community. The implementation vendor will provide in-depth training and in-field support to a network of local HVAC trade allies, who will perform switch replacements. This approach offers the advantage of complimenting services provided by the HVAC community by educating local trade allies on the benefits of DR; alleviating the common issue of service technicians disconnecting DLC switches while they are in the field. It also serves to keep HVAC workers employed during the industry’s slow season, further improving AES INDIANA’s relationship with the HVAC community. The participating trade allies will also be available to provide year-round service to AES INDIANA customers that may have questions or HVAC issues they perceive to be associated with the Demand Response program.</p> | | | | | | | | | | | | | | | | |
|-------------------------------|---|---------|------|--------------------------|----------|---------|------|--------------------------|-----|---------|------|--------------------------|---|---------|------|--------------------------|-----|
| Objectives | <p>The objectives for the Business Demand Response program include:</p> <ul style="list-style-type: none"> • Updating AES INDIANA’s existing infrastructure of one-way DLC switches; • Providing a cost-effective solution that leverages local HVAC contractors; • Maintaining the existing one-way DR fleet until two-way conversion is complete; • Providing lead generation for the Small Business Direct Install program. | | | | | | | | | | | | | | | | |
| Projected Savings | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="496 1083 1062 1167"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Business Demand Response</td> <td>0</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1" data-bbox="496 1266 1062 1350"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Business Demand Response</td> <td>452</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> <table border="1" data-bbox="496 1455 1062 1539"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Business Demand Response</td> <td>0</td> </tr> </tbody> </table> <p>Net Demand (kW) Savings</p> <table border="1" data-bbox="496 1638 1062 1722"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Business Demand Response</td> <td>452</td> </tr> </tbody> </table> | Program | 2024 | Business Demand Response | 0 | Program | 2024 | Business Demand Response | 452 | Program | 2024 | Business Demand Response | 0 | Program | 2024 | Business Demand Response | 452 |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Business Demand Response | 0 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Business Demand Response | 452 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Business Demand Response | 0 | | | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Business Demand Response | 452 | | | | | | | | | | | | | | | | |
| Projected Expenditures | <p>Budget (dollars)</p> <table border="1" data-bbox="496 1833 1062 1917"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Business Demand Response</td> <td>\$15,000</td> </tr> </tbody> </table> | Program | 2024 | Business Demand Response | \$15,000 | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | |
| Business Demand Response | \$15,000 | | | | | | | | | | | | | | | | |

| 2021-2023 Cost- Effectiveness | Cost Effectiveness Tests | | | | |
|----------------------------------|--------------------------|-----------|-----------|-----------|-----------|
| | Program | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio |
| | Business Demand Response | 3.72 | N/A | 3.72 | N/A |

PRESCRIPTIVE

| <p>Program Description</p> | <p>The Prescriptive program provides rebates and associated savings for a prescribed set of qualifying products and end uses. The program generates energy savings for business customers by increasing customer awareness and understanding of energy efficiency opportunities in their facilities through education provided by the local program team and a qualified network of trained trade allies. The program will provide financial incentives to customers for installing a wide array of high efficiency measures. The Prescriptive program is a great introduction to energy efficiency for AES INDIANA customers and can serve as an entry point to further engage customers on a journey to more energy saving options available through AES INDIANA’s suite of business programs.</p> <p>Additionally, AES INDIANA proposes to continue a Midstream channel, which offers incentives for buy-downs to reduce the initial cost of high efficiency products through a network of local distributors.</p> | | | | | | | | |
|-----------------------------------|--|---------|------|--------------|------------|---------|------|--------------|--------|
| <p>Objectives</p> | <p>The objectives for the Prescriptive program include:</p> <ul style="list-style-type: none"> • Achieving AES INDIANA’s electric goals cost-effectively by using data-driven customer outreach, segmentation and prioritization; • Encouraging business customers to improve the energy efficiency of their facilities by offering financial incentives that improve the economics associated with installing a broad range of energy efficiency options that address major end uses and processes; • Enhancing the network of trade allies by offering program training on new measures and technologies that will continue to play a part in efficiency program planning and delivery; • Leveraging cost-efficiencies derived from the current portfolio; coordinating program delivery and customer support with existing trade ally networks; • Coordinating program delivery of all AES INDIANA’s business programs where appropriate, including Custom and SBDI • Improving customer satisfaction and the perception of AES INDIANA as the customer’s energy efficiency expert. | | | | | | | | |
| <p>Projected Savings</p> | <p>Gross Energy (kWh) Savings</p> <table border="1" data-bbox="496 1535 1062 1619"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Prescriptive</td> <td>65,251,819</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1" data-bbox="496 1717 1062 1801"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Prescriptive</td> <td>14,228</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> | Program | 2024 | Prescriptive | 65,251,819 | Program | 2024 | Prescriptive | 14,228 |
| Program | 2024 | | | | | | | | |
| Prescriptive | 65,251,819 | | | | | | | | |
| Program | 2024 | | | | | | | | |
| Prescriptive | 14,228 | | | | | | | | |

| | <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Prescriptive</td> <td>50,136,761</td> </tr> </tbody> </table> | Program | 2024 | Prescriptive | 50,136,761 | | | | | | | | | | | | | |
|--|--|------------|--------------|--------------|--------------|--------------------------|--|--|--|-----------|-----------|-----------|-----------|--------------|------|------|------|-------|
| | Program | 2024 | | | | | | | | | | | | | | | | |
| | Prescriptive | 50,136,761 | | | | | | | | | | | | | | | | |
| Net Demand (kW) Savings | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Prescriptive</td> <td>11,127</td> </tr> </tbody> </table> | Program | 2024 | Prescriptive | 11,127 | | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | | |
| Prescriptive | 11,127 | | | | | | | | | | | | | | | | | |
| Projected Expenditures | Budget (dollars) | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Prescriptive</td> <td>\$13,307,204</td> </tr> </tbody> </table> | Program | 2024 | Prescriptive | \$13,307,204 | | | | | | | | | | | | | |
| Program | 2024 | | | | | | | | | | | | | | | | | |
| Prescriptive | \$13,307,204 | | | | | | | | | | | | | | | | | |
| 2021-2023 Cost-Effectiveness | <table border="1"> <thead> <tr> <th rowspan="2">Program</th> <th colspan="4">Cost Effectiveness Tests</th> </tr> <tr> <th>UCT Ratio</th> <th>TRC Ratio</th> <th>RIM Ratio</th> <th>PCT Ratio</th> </tr> </thead> <tbody> <tr> <td>Prescriptive</td> <td>2.95</td> <td>1.61</td> <td>0.30</td> <td>11.70</td> </tr> </tbody> </table> | | | | Program | Cost Effectiveness Tests | | | | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | Prescriptive | 2.95 | 1.61 | 0.30 | 11.70 |
| Program | Cost Effectiveness Tests | | | | | | | | | | | | | | | | | |
| | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | | | | | | | | | | | | | | |
| Prescriptive | 2.95 | 1.61 | 0.30 | 11.70 | | | | | | | | | | | | | | |

SMALL BUSINESS DIRECT INSTALL

| | |
|-----------------------------------|--|
| <p>Program Description</p> | <p>The Small Business Direct Install program helps small business owners experience immediate savings by completing energy-efficient equipment upgrades. Customers with less than a threshold annual peak demand – currently 200 kW – are eligible for participation. Commercial Energy Auditors conduct a walkthrough assessment and provide recommendations for savings. In addition, the Auditors install faucet aerators, non-GSL LED bulbs, LED exit signs, occupancy sensors, pre-rinse spray valves, programmable thermostats, low-flow showerheads and water heater pipe insulation at no cost to the customer while onsite. The SBDI program design builds on the current model to better complement AES INDIANA’s Prescriptive offerings by increasing the incentive on select measures identified through the assessment for small business customers. This approach leads to higher project conversion rates, economic development and further positions AES INDIANA as a true partner with its small business customers and the communities it serves.</p> <p>While financial constraints are a very common barrier to implementing energy efficiency upgrades, cost barriers are often more acute for small business owners based on their smaller size and budgets. The SBDI Program aims to transform the small business market by increasing the installation of energy efficiency measures and encouraging follow-on building improvements through incentive-eligible projects offered through the Prescriptive program.</p> <p>The program will use a tablet-based audit tool to document facility data (e.g., size, fixture counts), direct installation of measures, and additional energy efficiency opportunities. The program provides customers with attractive and easy-to-understand project proposals with the cost and payback data customers need to make informed decisions about which projects to implement and build a business case for investment.</p> <p>New to the SBDI program in 2021 will be a Virtual Retro-commissioning channel which is designed to target small and medium sized business customers. A web-based portal will allow customers to view interval data and will provide personalized energy efficiency insights and recommendations meant to drive behavioral and process driven energy savings.</p> |
| <p>Objectives</p> | <p>The objectives for the SBDI program include:</p> <ul style="list-style-type: none"> • Encouraging small business customers to improve the energy efficiency of their facilities by installing a suite of targeted, highly cost-effective measures at no cost to demonstrate the benefits of investing in efficiency while building rapport that leads to further investment • Educating the customer about their existing energy use and how to operate their buildings in a way that saves energy and money, supporting long-term energy efficiency awareness and commitment leading to permanent improvements in the market for energy efficient products and services • Creating assessment reports that are compelling and that present additional energy efficiency opportunities and available financial incentives to make the case for further investment • Implementing a streamlined participation process that breaks down financial barriers for small business customers by offering immediate energy and cost |

| | <p>savings through direct installation of measures and bonus incentives for multi-measure implementation</p> <ul style="list-style-type: none"> • Following-up after assessments to drive participation in measures suited to the particular customer from the wider suite of AES INDIANA business programs by implementing cross-selling strategies that move customers to action • Using data-driven customer outreach, segmentation and prioritization strategies to reach the right customers with the right messages, including sector-specific messages for AES INDIANA’s most common small business customer types (e.g., small offices, restaurants, retail, grocery and warehouses) • Improving customer satisfaction and placing AES INDIANA at the center of the value steam as the customer’s energy efficiency expert and advocate for energy and cost savings | | | | | | | | | | | | | | | | |
|-------------------------------------|--|-----------|--------------------------|-------------------------------|-------------|---------|-----------|-------------------------------|-----------|-----------|-------------------------------|-------------------------------|-----------|---------|------|-------------------------------|-----|
| <p>Projected Savings</p> | <p>Gross Energy (kWh) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Small Business Direct Install</td> <td>4,542,438</td> </tr> </tbody> </table> <p>Gross Demand (kW) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Small Business Direct Install</td> <td>308</td> </tr> </tbody> </table> <p>Net Energy (kWh) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Small Business Direct Install</td> <td>4,010,325</td> </tr> </tbody> </table> <p>Net Demand (kW) Savings</p> <table border="1"> <thead> <tr> <th>Program</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Small Business Direct Install</td> <td>288</td> </tr> </tbody> </table> | Program | 2024 | Small Business Direct Install | 4,542,438 | Program | 2024 | Small Business Direct Install | 308 | Program | 2024 | Small Business Direct Install | 4,010,325 | Program | 2024 | Small Business Direct Install | 288 |
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| <p>2021-2023 Cost-Effectiveness</p> | <table border="1"> <thead> <tr> <th rowspan="2">Program</th> <th colspan="4">Cost Effectiveness Tests</th> </tr> <tr> <th>UCT Ratio</th> <th>TRC Ratio</th> <th>RIM Ratio</th> <th>PCT Ratio</th> </tr> </thead> <tbody> <tr> <td>Small Business Direct Install</td> <td>1.26</td> <td>1.26</td> <td>0.24</td> <td>N/A</td> </tr> </tbody> </table> | Program | Cost Effectiveness Tests | | | | UCT Ratio | TRC Ratio | RIM Ratio | PCT Ratio | Small Business Direct Install | 1.26 | 1.26 | 0.24 | N/A | | |
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