

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED )  
PETITION OF INDIANAPOLIS POWER & )  
LIGHT D/B/A AES INDIANA FOR )  
APPROVAL OF DEMAND SIDE )  
MANAGEMENT (DSM) PLAN, INCLUDING )  
ENERGY EFFICIENCY (EE) PROGRAMS, )  
AND ASSOCIATED ACCOUNTING AND ) CAUSE NO. 46081  
RATEMAKING TREATMENT, INCLUDING )  
TIMELY RECOVERY, THROUGH AES )  
INDIANA'S EXISTING STANDARD )  
CONTRACT RIDER NO. 22, OF )  
ASSOCIATED COSTS INCLUDING )  
PROGRAM OPERATING COSTS, NET LOST )  
REVENUE, AND FINANCIAL INCENTIVES. )

**VERIFIED PETITION**

Indianapolis Power & Light Company d/b/a AES Indiana (“Petitioner”, “AES Indiana” or the “Company”) petitions the Indiana Utility Regulatory Commission (“Commission”) for approval of AES Indiana’s Demand Side Management (“DSM”) Plan, including energy efficiency programs and associated accounting and ratemaking treatment, as summarized in the caption, and further described below. In support of this Petition, AES Indiana represents and shows the following:

**AES Indiana’s Corporate Status and Operations**

1. AES Indiana is a public utility corporation organized and existing under the laws of the State of Indiana with its principal office and place of business at One Monument Circle, Indianapolis, Indiana 46204. AES Indiana is engaged in rendering electric utility service in the State of Indiana.

2. AES Indiana provides retail electric utility service to approximately 524,000 retail customers located principally in and near the City of Indianapolis, Indiana, and in portions of the following Indiana counties: Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Owen, Putnam, and Shelby Counties. AES Indiana owns and operates electric generating, transmission and distribution plant, property and equipment and related facilities, which are used and useful for the convenience of the public in the production, transmission, delivery and furnishing of electric energy, heat, light, and power. AES Indiana has maintained and continues to maintain its properties in a reliable state of operating condition.

### **Petitioner’s “Public Utility” Status**

3. AES Indiana is a “public utility” under Ind. Code § 8-1-2-1 and Ind. Code § 8-1-8.5-1 and an “electricity supplier” as that term is codified at Ind. Code § 8-1-8.5-10 (“Section 10”). AES Indiana is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

### **Overview of Plan**

4. AES Indiana requests Commission approval of a DSM Plan for the two calendar year period of 2025 through 2026. The Section 10 plan is set forth in AES Indiana’s prefiled case-in-chief. The DSM Plan includes energy efficiency (“EE”) goals; a portfolio of EE programs and other DSM Programs designed to achieve the EE goals and demand savings; program budgets and program costs; and evaluation, measurement and verification (“EM&V”) procedures that include independent EM&V.

5. Approval of the multi-year plan is administratively efficient, promotes DSM/EE

program market continuity and consistency in AES Indiana’s service territory, and facilitates building long term relationships with customers and local market actors. Implementation of the DSM Plan will promote efficiency in the rendering and use of the retail energy service.

### **Energy Efficiency Goals and Demand Savings**

6. The DSM Plan is designed to achieve energy and demand savings as set forth in the Company’s prefiled testimony and attachments. The DSM Plan goals are reasonably achievable, consistent with AES Indiana’s integrated resource plan (“IRP”), and designed to achieve an optimal balance of energy resources in AES Indiana’s service area.

### **DSM Plan Programs**

7. The DSM Plan includes offerings to all customer classes, including low income customers, and provides for industrial customer opt out in accordance with Section 10(p).

### **Program Budgets and Program Costs**

8. AES Indiana’s program budgets reflect the direct (including EM&V) and indirect costs of the DSM Plan programs. AES Indiana estimates the program operating budgets associated with the Plan’s savings goals to be approximately \$95.2 million over the two-year period, not including net lost revenue and financial incentives. The total program operating budgets average approximately \$47.6 million for each year of the plan.

9. AES Indiana requests authority to carry over into the next program year any unused and approved budget funds that remain unspent at the end of a plan year. In addition, AES Indiana requests authority to carry over any unspent funds from its 2024 DSM Plan approved in Cause No. 45898 into the 2025-2026 DSM Plan period. As explained in AES Indiana’s prefiled case-in-chief, consistent with current and past practice, AES Indiana also

requests the Commission continue to grant AES Indiana spending flexibility of up to 10% of the portfolio direct costs for each year of the Plan; AES Indiana proposes that such spending flexibility be exercised based on a consensus or majority vote of the AES Indiana DSM Oversight Board (“OSB”).

10. The net lost revenue and financial incentives associated with the DSM Plan and sought to be recovered are identified in AES Indiana’s prefiled case-in-chief. So as to allow the Commission to have a complete picture of the DSM costs that will be reflected in AES Indiana’s Standard Contract Rider No. 22 during the two DSM Plan years, AES Indiana’s case-in-chief also presents the impact of the lost revenue which persists from DSM programs previously approved by the Commission (also referred to as legacy lost revenue).

### **EM&V**

11. The EM&V for the DSM Plan will be conducted by an independent evaluation vendor who will perform a process and an impact evaluation. The process evaluation will identify how well programs are implemented. The impact evaluation will examine the more technical effects of the programs such as energy savings.

### **Accounting and Ratemaking**

12. The books and records of AES Indiana supporting the proposed DSM/EE Program Cost Rider Adjustment are kept in accordance with the Uniform System of Accounts for Electric Utilities as prescribed by the Commission and generally accepted principles (“GAAP”).

13. The DSM Plan cost recovery proposal includes a request for continued accounting and ratemaking procedures to recover costs through AES Indiana Standard Contract Rider No.

22 (“Rider 22”), including the direct costs (including EM&V) and indirect costs of the energy efficiency and DSM programs, funds for emerging technology, net lost revenue, and the financial incentive.

14. With respect to the implementation mechanics of cost recovery via Rider 22, AES Indiana is not proposing to make any changes from the accounting and ratemaking treatment for the DSM Plan costs that is currently in effect. Consistent with current practice, costs will continue to be recovered contemporaneously through Rider 22 on a projected basis. Likewise, the DSM Rider will continue to include a reconciliation mechanism to correct for any variance between the forecasted program costs (including program operating costs, lost revenue and the financial incentive) and the actual program costs (including program operating costs, lost revenue and financial incentive based on the EM&V of the Plan programs).

15. AES Indiana also does not propose to make any changes from the current methodology being used to allocate DSM costs between customer classes. The allocation of the DSM Plan costs will be allocated to customer classes as authorized in Cause No. 45911 based on the cost of service approved in that docket.

16. AES Indiana’s proposal to recover lost revenues incurred for all programs for (a) the life of the measure, (b) three years from implementation of any measure installed, or (c) until measure related energy savings are reflected in new base rates and charges, whichever occurs earlier reflects the actual reduced kWh or kW sales resulting from the DSM programs, as determined by the independent EM&V evaluator.

17. AES Indiana requests authority to continue the tiered, performance-based financial incentive mechanism currently in place, calculated as a percentage of total spending on

direct program costs. Consistent with the mechanism currently in place, the Income Qualified Weatherization program would be excluded from the financial incentive.

### **Oversight and Reporting**

18. Consistent with current practice and as discussed in AES Indiana's prefiled case-in-chief, AES Indiana proposes to continue to utilize its existing OSB to oversee implementation of the 2025-2026 DSM Plan. AES Indiana proposes the OSB continue to have the ability to shift dollars within a program budget as needed as well as shift dollars among programs as long as the programs are found to be cost-effective, and the overall 2025-2026 DSM Plan approved budget is not exceeded. In addition, as stated above, AES Indiana proposes the OSB continue to be authorized to exercise spending flexibility to increase funding in the aggregate, without shifting dollars from other programs, by up to 10%, and to modify programs based on a review of initial program results as reported by an independent third-party evaluator and approve new cost-effective programs to fill marketplace needs as they arise so long as the new program would not increase total program operating costs above the spending level authorized by the Commission.

19. AES Indiana proposes to report the status of the DSM Plan program implementation consistent with current practice as further detailed in AES Indiana's prefiled case-in-chief.

### **DSM Rider 22**

20. In this docket, AES Indiana requests Commission approval of the DSM Plan program cost and authority to recover such cost in a timely manner through AES Indiana's ongoing annual DSM Rider 22 filings filed under Cause No. 43623 DSM-[X]. AES Indiana does not seek approval of updated Standard Contract Rider No. 22 billing factors in this proceeding.

### **Applicable Law**

21. AES Indiana considers the provisions of the Public Service Commission Act, as amended, including Ind. Code §§ 8-1-2-10, 12 and 42, and Ind. Code § 8-1-8.5-10, as well as 170 I.A.C. 4-8-1 *et seq.*, to be applicable to the subject matter of this Petition. In addition, House Enrolled Act 1007, codified at Ind. Code § 8-1-2-0.6, sets forth five attributes (also referred to as “pillars”) the Commission is to consider in DSM plan filings.

22. Approval of the proposed DSM Plan and associated cost recovery is consistent with the long standing public policy and is consistent with the Energy Independence and Security Act (“EISA”) of 2007, which provides that the rates allowed to be charged by any electric utility shall “(i) align utility incentives with the delivery of cost-effective energy efficiency; and (ii) promote energy efficiency investments.” 16 U.S.C. § 2621(d)(17)(A). Further, EISA provides that states shall specifically consider the following as policy options: “(i) removing the throughput incentive and other regulatory and management disincentives to energy efficiency; (ii) providing utility incentives for the successful management of energy efficiency programs; [and] allowing timely recovery of energy efficiency-related costs [...]” 16 U.S.C. § 2621(d)(17)(B). As explained in greater detail in AES Indiana’s case-in-chief, approval of the proposed DSM Plan is also consistent with the five pillars codified at Ind. Code § 8-1-2-0.6.

### **Request for Administrative Notice.**

23. Pursuant to 170 IAC 1-1.1-21, AES Indiana requests administrative notice to be taken of AES Indiana’s most recent IRP, which is the IRP filed with the Commission on December 1, 2022.

### **Procedural and Other Matters**

24. AES Indiana notified the other members of its DSM Oversight Board of its intent to file this Petition.

25. AES Indiana is filing its case-in-chief contemporaneous with its Petition, including direct testimony, attachments and workpapers. An index of the filing is attached to this Petition as Exhibit A.

26. In accordance with 170 I.A.C. 1-1.1-15(e), AES Indiana will seek to enter into a stipulation with the Indiana Office of Utility Consumer Counselor regarding a procedural schedule in lieu of a prehearing conference. Petitioner proposes the following schedule:

<b>Date</b>	<b>Event</b>
August 16, 2024	OUCC/Intervenors File Case-in-Chief
August 30, 2024	Petitioner's Rebuttal Testimony
Week of September 16th, 2024	Hearing
September 23, 2024	Petitioner's Proposed Order
September 30, 2024	OUCC/Intervenor Exceptions
October 4, 2024	Petitioner's Reply Brief

- a. Service. The parties will provide same day service filings via email, hand delivery or large file transfer.
- b. Discovery. Discovery is available to all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten (10) calendar days of the receipt of such request until August 16, 2024. Thereafter, any response or objection to a discovery request shall be made within five (5) calendar days of the receipt of such request. Any discovery communication received after noon on a Friday or after 5:00 p.m. on any other business day shall be deemed to have been received the following business day. The last discovery response due date shall be two (2) business days before the evidentiary hearing. The parties may conduct discovery through electronic means. Subject to the protection of confidential information, all parties will be served with discovery requests and responses.

27. So that the DSM Plan may be timely implemented commencing January 1, 2025, AES Indiana requests a final Commission order approving the relief sought in this Petition on or before December 18, 2024. In the event an order is not issued within this timeframe, AES



Indiana requests the Commission grant AES Indiana interim authority to continue the existing DSM Plan programs and associated cost recovery on a pro rata basis.

**Petitioner’s Authorized Representatives**

28. The names and address of AES Indiana’s attorneys in this matter who are duly authorized to accept service of papers in this Cause on behalf of AES Indiana are:

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

WHEREFORE, AES Indiana respectfully requests the Commission to promptly publish notice, make such investigation and hold such hearings as are necessary and advisable, and thereafter make and enter an order in this Cause:

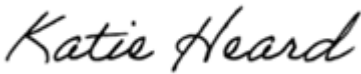
- (i) approving AES Indiana ’s 2025-2026 DSM Plan;
- (ii) authorizing and approving AES Indiana ’s proposed recovery, through the Standard Contract Rider No. 22, of the costs of the DSM Plan, including direct (including EM&V costs), and indirect costs of operating the programs, net lost revenue, and financial incentives;
- (iii) approving all accounting and ratemaking treatment requested by AES Indiana, including the authority to defer the over and under recoveries of projected DSM/EE program costs through the Standard Contract Rider No. 22 pending reconciliation prior to the time the


Commission issues an order authorizing AES Indiana to recognize these costs through the ratemaking process; and

(iv) granting to AES Indiana such other and further relief in the premises as may be appropriate and proper.

Dated this 31<sup>st</sup> day of May, 2024.

INDIANAPOLIS POWER & LIGHT COMPANY  
d/b/a AES INDIANA

By   
Katie Heard  
AES Indiana Manager, Energy Efficiency Programs

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

Attorneys for Indianapolis Power & Light Company  
d/b/a AES Indiana

VERIFICATION

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

Dated: May 31, 2024.

*Katie Heard*

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Katie Heard

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing was served this 31<sup>st</sup> day of May, 2024, 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. 18<sup>th</sup> Street, Suite C  
Indianapolis, Indiana 46202  
jwashburn@citact.org

copy to:  
rkurtz@citact.org

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

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

  
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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 Phone: (317) 231-7716  
Peabody Phone: (317) 231-6465  
Nyhart Email: tnyhart@btlaw.com  
Peabody Email: jpeabody@btlaw.com

Attorneys for INDIANAPOLIS POWER & LIGHT COMPANY  
D/B/A AES INDIANA

**Indianapolis Power & Light Company d/b/a AES Indiana  
2025-2026 DSM Plan  
Witness List and Filing Index<sup>1</sup>**

**I. Executive Summary**

<b>Summary</b>
<p>AES Indiana’s 2025-2026 DSM Plan is comprised of ten (10) programs, including six (6) residential programs and four (4) programs targeting business customers. AES Indiana projects that successful delivery of the cost effective 2025-2026 DSM Plan portfolio will require spending authority of \$95.2 million in program direct and indirect costs and expects gross energy savings of 364,541 MWh over the two-year period. The annual average program direct and indirect costs are projected at \$47.6 million and the forecasted average annual gross energy impacts are 182,270 MWh. The average annual cost including lost revenues and financial incentives is approximately \$72.0 million. The Plan continues spending flexibility, carry over authority and the AES Indiana Oversight Board. AES Indiana seeks continued timely cost recovery through AES Indiana’s existing annual Standard Contract Rider No. 22. The Company does not seek approval of new Rider factors in this proceeding.</p>

**II. AES Indiana Witness Index**

<b>AES Indiana Witnesses</b>		
<b>Name</b>	<b>Position</b>	<b>Major Subject Area</b>
Katie Heard	AES Indiana Demand Side Management Lead	<ul style="list-style-type: none"> <li>• Overview of DSM Plan and of relief sought.</li> <li>• Summary of DSM planning approach.</li> <li>• Competitive RFP process used to inform the DSM Plan.</li> <li>• Proposed DSM Plan programs and associated operating costs.</li> <li>• Continuation and governance of AES Indiana Oversight Board.</li> <li>• Ongoing reporting of DSM</li> </ul>

<sup>1</sup> This Index of the Company’s case-in-chief is intended to highlight issues and is not an exhaustive list of AES Indiana’s proposals in this proceeding. A complete account of AES Indiana’s requested relief can be found in AES Indiana’s petition, testimony, and attachments.

		<p>impacts and expenditures.</p> <ul style="list-style-type: none"> <li>• Indiana policy considerations as they relate to DSM planning.</li> <li>• Compliance with Section 10.</li> </ul>
Erik K. Miller	AES Indiana Director of Resource Planning	<ul style="list-style-type: none"> <li>• Cost and benefit analysis of the proposed DSM Plan.</li> <li>• DSM Plan EE goals are reasonably achievable.</li> <li>• DSM Plan EE goals are consistent with 2022 IRP.</li> <li>• Evaluation, measurement and verification (“EM&amp;V”).</li> <li>• Five Pillars.</li> </ul>
Kimberly Aliff	AES Indiana Revenue Requirements Manager in Regulatory Affairs	<ul style="list-style-type: none"> <li>• Cost recovery through Standard Contract Rider No. 22.</li> <li>• Financial Incentive calculation.</li> <li>• Calculation of lost revenues.</li> <li>• Bill impacts of DSM Plan.</li> </ul>

### III. FILING INDEX

Subject	Summary	Witness/Other Reference
Statutory Authority.	IC 8-1-8.5-10.	Verified Petition, ¶ 21.
DSM Plan	The 2025-2026 DSM Plan is set forth in AES Indiana’s case-in-chief with details compiled in Attachment KH-2 and further supported by AES Indiana’s workpapers.	<ul style="list-style-type: none"> <li>• Heard</li> </ul>

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<ul style="list-style-type: none"> <li><b>FILING INDEX SUMMARY Continued</b></li> </ul>								
Energy Efficiency Goals	<p style="text-align: center;"><b><u>Table KH-1</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Gross Energy Savings Goals (kWh)</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>176,024,473</td> </tr> <tr> <td>2026</td> <td>188,516,190</td> </tr> </tbody> </table> <p>The above table reflects gross energy savings; net savings are shown in Table EKM-5 (Miller testimony). Demand savings are shown in Attachment KH-2 (Heard testimony).</p>	Year	Gross Energy Savings Goals (kWh)	2025	176,024,473	2026	188,516,190	<ul style="list-style-type: none"> <li>• Heard</li> <li>• Miller</li> </ul>
Year	Gross Energy Savings Goals (kWh)							
2025	176,024,473							
2026	188,516,190							
Programs	<i>Residential</i> Demand Response Efficient Products Multifamily School Education Home Energy Reports Income Qualified Weatherization <i>C&amp;I</i> Custom Demand Response Prescriptive Small Business Direct Install	<ul style="list-style-type: none"> <li>▪ Heard</li> <li>▪ Attachment KH-2 (Program Details)</li> </ul>						
Program Budgets and Costs	The annual average program direct and indirect costs are projected at \$47.6 million. See Table KH-4 for complete budget.	<ul style="list-style-type: none"> <li>▪ Heard</li> </ul>						
Spending Flexibility and Carry Over Authority	Consistent with current practice, AES Indiana seeks to continue spending flexibility and carryover authority under OSB oversight.	<ul style="list-style-type: none"> <li>• Heard</li> </ul>						
Reasonableness of Plan	The overall reasonableness of the DSM Plan is shown by the Company’s case-in-chief and considerations of the factors enumerated in Section 10(j).	<ul style="list-style-type: none"> <li>• Heard</li> </ul>						

<b>FILING INDEX SUMMARY Continued</b>		
Oversight	AES Indiana proposes to maintain the current composition of the AES Indiana OSB, which includes voting members from AES Indiana, OUCC and CAC.	• Heard
<i>Section 10(j)(1)</i> Projected changes in customer consumption of electricity resulting from Plan	The annual projected energy and demand savings presented in Attachment KH-2 best describe the changes to customer consumption of electricity resulting from implementation of the 2025-2026 DSM Plan.	• Heard
<i>Section 10(j)(2)</i> A cost and benefit analysis of the plan, including the likelihood of achieving the goals of the energy efficiency programs included in the plan.	<p>The cost and benefit analysis was performed using the Participant Cost Test (“PCT”), Utility Cost Test (“UCT”), Ratepayer Impact Measure (“RIM”) Test and the Total Resource Cost Test (“TRC”).</p> <p>As presented in Table EKM-1, the two-year DSM Plan is cost effective at the overall Portfolio level, with a UCT score of 1.77 and TRC score of 1.25.</p> <p>The Residential Portfolio has a UCT of 1.11 when including the benefits and costs from the Income Qualified Weatherization (“IQW”) program.</p> <p>The Business Portfolio is cost effective with a UCT score of 2.32 and TRC score of 1.42.</p>	• Miller

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<b>FILING INDEX SUMMARY Continued</b>		
<p><i>Section 10(j)(3)</i> Whether the plan is consistent with the following:</p> <p>(A) The state energy analysis developed by the Commission under section 3 of this chapter.</p> <p>(B) The electricity supplier's most recent long-range integrated resource plan submitted to the Commission.</p>	<p>AES Indiana has considered the consistency with the state energy analysis and provided the State Utility Forecasting Group ("SUGF") with information related to AES Indiana's DSM Plan development for consideration by SUGF in the development of their Indiana Electricity Forecast.</p> <p>The proposed portfolio in this DSM Plan is designed to be consistent with the AES Indiana 2022 IRP. Table EKM-5 (Miller testimony) compares the forecasted level of DSM Plan net savings to the level of net savings selected by AES Indiana's 2022 IRP. Overall, the net energy savings in the proposed 2025-2026 DSM Plan are consistent with the amount of DSM selected in the IRP process.</p> <p>In summary, the DSM Plan portfolio of programs has been modeled in DSM<sup>More</sup>™ and is cost effective according to the UCT and TRC test using the same avoided costs modeled in the IRP.</p> <p>Based on the results of AES Indiana's analyses, the proposed portfolio in this DSM Plan is consistent with the Company's 2022 IRP.</p>	<ul style="list-style-type: none"> <li>• Heard</li> <li>• Miller</li> </ul>

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<b>FILING INDEX SUMMARY Continued</b>		
<p><i>Section 10(j)(4)</i>  The inclusion and reasonableness of procedures to evaluate, measure, and verify the results of the energy efficiency programs included in the plan, including the alignment of the procedures with applicable environmental regulations, including federal regulations concerning credits for emission reductions.</p>	<p>AES Indiana’s Plan includes independent EM&amp;V and AES Indiana will use the OSB approved <i>AES Indiana Evaluation Framework</i> (Attachment EM-1) as the guiding document with the third party evaluator.</p> <p>The AES Indiana evaluation plans are designed to meet or exceed the evaluation elements required by 170 IAC 4-8-4</p> <p>EM&amp;V on utility DSM/EE programs is typically performed at levels specified by the utility based on current, known, requirements. EM&amp;V standards and protocol regarding federal regulations for emission credit reductions are not known at this time. When those requirements are known, AES Indiana will work with both its independent evaluation vendor and OSB to incorporate the requirements needed to comply with any federal and/or state emissions credit plan.</p>	<ul style="list-style-type: none"> <li>• Miller</li> </ul>

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<b>FILING INDEX SUMMARY Continued</b>		
<p><i>Section 10(j)(5)</i> Any undue or unreasonable preference to any customer class resulting, or potentially resulting, from the implementation of an energy efficiency program or from the overall design of a plan.</p>	<p>AES Indiana has made every effort to offer a robust and diverse group of cost-effective DSM programs for all customers, including income qualified customers.</p> <p>AES Indiana expects no undue or unreasonable preference to any customer will result or potentially result from the implementation of the EE programs or from the overall design of the DSM Plan.</p>	<ul style="list-style-type: none"> <li>• Heard</li> </ul>
<p><i>Section 10(j)(6)</i> Comments provided by customers, customer representatives, the office of utility consumer counselor, and other stakeholders concerning the adequacy and reasonableness of the plan, including alternative or additional means to achieve energy efficiency in the electricity supplier's service territory.</p>	<p>AES Indiana meets regularly with the AES Indiana DSM OSB and trade allies and considered their input in the development of the proposed DSM Plan.</p> <p>Stakeholder input was also received and considered by AES Indiana as part of the IRP Stakeholder process.</p> <p>Additional input will be received through the participation of the OUCC and any intervenors in this docketed process.</p>	<ul style="list-style-type: none"> <li>• Heard</li> </ul>

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<b>FILING INDEX SUMMARY Continued</b>		
<p><i>Section 10(j)(7)</i> The effect, or potential effect, in both the long term and the short term, of the plan on the electric rates and bills of customers that participate in energy efficiency programs compared to the electric rates and bills of customers that do not participate in energy efficiency programs.</p>	<p>AES Indiana considered stakeholder perspectives when analyzing the cost effectiveness of the 2025-2026 DSM Plan including those of participating customers and non-participating customers. This type of effect is directionally measured by the RIM test which is also called the “non-participant test.” While typically energy efficiency programs score less than one under the RIM test, this test is limited for measuring DSM because it fails to indicate whether rates (over the long term) will increase more than they otherwise would if programs were not implemented. The UCT provides a better indicator of the long run impact to customers by measuring the utility’s revenue requirements from the DSM programs. Finally, the Participant Test measures the bill impact to program participants.</p> <p>Estimated bill impact with and without legacy lost revenues is shown in Tables KA-1 and KA-2 (Aliff testimony).</p>	<ul style="list-style-type: none"> <li>• Miller</li> <li>• Aliff</li> </ul>

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<b>FILING INDEX SUMMARY Continued</b>		
<p><i>Section 10(j)(8)</i> The lost revenues and financial incentives associated with the plan and sought to be recovered or received by the electricity supplier.</p>	<p>AES Indiana requests authorization to recover lost revenues incurred for all programs for the to recover lost revenues incurred for all programs for (a) the life of the measure, (b) three years from implementation of any measure installed, or (c) until measure related energy savings are reflected in new base rates and charges, whichever occurs earlier. AES Indiana will true-up lost revenues based on the most current EM&amp;V when the final annual EM&amp;V report for each Program Year is filed with the Commission.</p> <p>AES Indiana is proposing to earn a financial incentive on all programs except the Income Qualified Weatherization program.</p> <p>The financial incentive mechanism being proposed in this case maintains the performance tier structure as currently approved.</p> <p>The DSM lost revenues reflected in AES Indiana’s billing for retail service under Rider 22, including any reconciled amount of over/under recovery, will continue to be included in the FAC earnings test.</p> <p>To ensure the financial incentives can be retained, AES Indiana proposes that its authorized net operating income for purposes of the FAC earnings test be adjusted by the actual amount of financial incentives earned.</p>	<ul style="list-style-type: none"> <li>• Heard (policy)</li> <li>• Aliff (calculation)</li> <li>• Miller (net energy and demand savings used to forecast lost revenues)</li> </ul>

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<b>FILING INDEX SUMMARY Continued</b>		
<p><i>Section 10(j)(9)</i> The electricity supplier's current integrated resource plan and the underlying resource assessment.</p>	<p>The Company seeks Administrative Notice of its current integrated resource plan.</p> <p>AES Indiana Witness Miller discussed the Company's IRP modeling of DSM and explains the proposed Plan is consistent with the 2022 IRP.</p>	<ul style="list-style-type: none"> <li>• Petition</li> <li>• Miller</li> </ul>
<p><i>Section 10(j)(10)</i> Any other information the Commission considers necessary.</p>	<p><i>To be provided upon Commission request</i></p>	
<p>Program Cost Recovery</p>	<p>AES Indiana is seeking the same annual cost recovery mechanism as what has been previously authorized by the Commission most recently in Cause No. 45898. AES Indiana proposes to continue to use the forecast and reconciliation method currently approved for program operating costs, lost revenues, and financial incentives.</p>	<ul style="list-style-type: none"> <li>▪ Aliff</li> </ul>
<p>Scorecard and Reporting</p>	<p>AES Indiana proposes to continue its scorecard reports to the OSB and Commission. AES Indiana will also continue to submit a final EM&amp;V report on or before July 1 of each year that summarizes the prior year DSM efforts and evaluated results.</p>	<ul style="list-style-type: none"> <li>▪ Heard</li> </ul>