

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANAPOLIS)
POWER & LIGHT COMPANY D/B/A AES)
INDIANA PURSUANT TO IND. CODE 8-1-2.5-)
5 AND 8-1.2.5-6 FOR THE COMMISSION TO)
DECLINE TO EXERCISE JURISDICTION)
OVER AND APPROVE AN ALTERNATIVE) CAUSE NO. 45584
REGULATORY PLAN FOR THE OFFERING)
OF A CLEAN ENERGY SUBSCRIPTION)
OPTION WITH FLAT MONTHLY BILLING)
FOR RESIDENTIAL CUSTOMERS ("AES)
INDIANA PLUS SUBSCRIPTION"))

PETITIONER'S RESPONSE
TO COMMISSION DOCKET ENTRY DATED JANUARY 3, 2022

Indianapolis Power & Light Company d/b/a AES Indiana, by counsel, hereby submits its attached response to the Indiana Utility Regulatory Commission's Docket Entry dated January 3, 2022, marked as AES Indiana Docket Response Attachment A. Included with the attached response is proposed tariff language marked as AES Indiana Docket Response 2-5 Attachment 1.

Respectfully submitted,



IURC
PETITIONER'S 5
EXHIBIT NO. 1-12-22
DATE REPORTER

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 7th day of January, 2022, by email transmission, or United States Mail, first class, postage prepaid to:

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D/B/A AES INDIANA

Data Request IURC DR 2 - 1

In Section A.I.a. of the Settlement, the Settling Parties agreed that a customer's Subscription Offer from Uplight, Inc. ("Uplight") for an AES Indiana Plus Subscription will consist of a Usage Adder that is capped at 4% of the customer's 12-month Usage Projection, an Expected Rate, and a Program Fee that is capped at 10% of the Expected Rate. Will Uplight apply the same Usage Adder and Program Fee percentages to all customers requesting a Subscription Offer? If the percentages vary between Subscription Offers, how will Uplight determine which percentages are applied to which customers?

Response:

The application of the Program Fee will be consistent for all Subscribers at that time of enrollment. The factors used to develop the Program Fee formula can vary as forecasts change; as a result, customers subscribing at different points in time may receive different Program Fees. Initially, the Program Fee will be set at 10% for all customers. As the pilot program develops, the Program Fee calculation may be further personalized by including more granular variables like tariff class, customer usage, and customer participation in demand side management ("DSM") or energy efficiency programs. While the methodology is expected to improve and become more personalized over time, the method will be consistent for all customers at any point in time.

The application of the Usage Adder will be set initially at 4%. Variation in the Usage Adder across customers for initial enrollment will be due to customers' participation in DSM measures. The Usage Adder may be different among different renewal years since the Usage Adder addresses behavioral response to the absence of price signals that may normalize over time. In the same timeframe, two customers with the same individual characteristics like: the same number of years in the subscription, the same usage behavior, in the same tariff class, and having the same DSM program enrollment(s) will have the same Usage Adder.

See also [AES Indiana Attachment SRS-5R](#) for AES Indiana's response to OUCC DR 3-9 which also addresses the application of the Program Fee and Usage Adder.

Data Request IURC DR 2 - 2

For purposes of 170 IAC 4-1-15 Creditworthiness of Customers; Deposits; Refunds, how will a delinquent AES Indiana Plus Subscription payment to Uplight be considered by Petitioner?

Response:

170 IAC 4-1-15 sets forth the criteria for when a Customer will be deemed creditworthy and not required to make a cash deposit as a condition of establishing service. AES Indiana will continue to address applications for service in accordance with this rule based on any amounts owed to AES Indiana by the Customer.

The *AES Indiana Plus* Subscription will be available only to established AES Indiana residential customers in good standing. As stated in Ms. Schroder's direct testimony (p. 20 footnote 15) a Customer with an active AES Indiana account and no billing arrears is considered to be in good standing. This is the same standard that is required of Customers enrolling in AES Indiana's existing Budget Billing program.

The *AES Indiana Plus* Subscription is an optional billing arrangement. A Customer that returns to standard tariff service from the *AES Indiana Plus* Subscription will not be considered to be establishing new service.

A Subscriber to the *AES Indiana Plus* Subscription will be required to make the monthly fixed fee payment to Uplight at the beginning of a monthly period (i.e. before consumption for that period). AES Indiana's standard tariff bills are issued after the end of the billing period (i.e. after consumption for that period, or in arrears) and payment is due seventeen days thereafter. If the tariff-based bill is not paid by the next billing date, the Customer receives a disconnect notice. The Customer will then have 14 days from the disconnect notice before being subject to disconnect. See AES Indiana Tariff Rules and Regulations, Section 26.1.a, 1st Revised No. 202.

A Customer that enrolls in the *AES Indiana Plus* Subscription is required to have a payment method on file so as to allow automated, timely payments. If a timely *Subscription* payment is not made, the Subscriber will be notified several times via the app that payment has failed and remains due. If the Subscriber does not remedy the outstanding *Subscription* balance due within thirty days of the Subscription payment due date, the Subscriber will have their Subscription terminated and will be returned to standard tariff service. Upon termination, the Customer will be notified that they must pay their AES Indiana tariff-based bill for that month to AES Indiana. Once removed from the *AES Indiana Plus* Subscription, the Customer will have one (1) month to pay any amount due to AES Indiana before standard AES Indiana disconnection processes begin. See also Schroder Direct at pp. 24-25. There will be no impact on the creditworthiness of the Customer if timely payment is made.

Data Request IURC DR 2 - 3

Section A.11. of the Settlement provides that Petitioner will notify the Settling Parties no later than six months prior to the end of the third year if the AES Indiana Plus Subscription Program will be renewed, modified, or terminated. When will Petitioner notify those customers subscribed to the program of the same?

Response:

AES Indiana intends to provide notice to Subscribers of AES Indiana's intent to renew, modify, or terminate the *AES Indiana Plus* Subscription program at the same time notice is given to the Settling Parties (no later than six months prior to the end of the third year).

Under the proposed alternative regulatory plan, Customers will be able to enter into 12-month Subscription contracts through the full term of the three-year pilot. Because it is possible that certain Customers will enter into agreements after the above-referenced notice is issued, AES Indiana intends to provide said notice to these Subscribers following the conclusion of the third year of the pilot.

Data Request IURC DR 2 - 4

Section A.12.d. of the Settlement provides that if a Subscriber fails to pay the AES Indiana Plus Subscription fixed fee, the Subscriber's subscription will be terminated and the Subscriber will revert back to being a tariffed customer of Petitioner responsible for paying the customer's tariff based bill and subject to disconnection in accordance with Petitioner's tariff. If one of Petitioner's customers accepts the Subscription Offer but fails to remit payment to Uplight, will Petitioner, Uplight, or both entities hold an arrearage? If Petitioner, will the customer owe the metered amount of usage at the tariff rate? If Uplight, will the customer owe the fixed fee in its entirety?

Response:

If a Subscriber fails to remit timely payment to Uplight, Uplight will not hold an arrearage under the program design. As explained in response to IURC DR 2-2, if the outstanding Subscription balance is not paid within thirty days, the Subscription will be terminated and the Subscriber will revert to standard tariff-based service. A Customer who timely pays the tariff-based bill would not be considered in arrears by AES Indiana.

Data Request IURC DR 2 - 5

Should the Commission approve the Settlement in its entirety, please provide the tariff language that Petitioner will propose for Commission approval to effectuate the implementation of the AES Indiana Plus Subscription program.

Response:

Please see IURC DR 2-5 Attachment 1 for the proposed tariff language. If approved, the Company will also update the tariff table of contents.

Indianapolis Power & Light Company
d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-18

Original No. 12.1

AES INDIANA PLUS CLEAN ENERGY SUBSCRIPTION PILOT PROGRAM
RESIDENTIAL SERVICE

AVAILABILITY:

Available on a voluntary basis to a limited number of residential Customers (first come first serve) in accordance with Commission order in Cause No. 45584. To be eligible Customer must be in Good Standing and must: have lived in their current residence for at least the previous 12 months; have had their electricity priced on the Company's Standard Residential Tariff Rate RS for at least the previous 12 months; have 12 months of actual meter reads (i.e., not estimated meter reads); have a load profile which can, at the sole discretion of the Company and Subscription Provider, be modeled with reasonable predictability; and must install and specify a valid payment method on the *AES Indiana Plus* App on Customer's cellular phone.

CHARACTER OF SERVICE:

Electric energy supplied hereunder must meet the character of service and usage specifications consistent with service under Company's Standard Residential Tariff Rate RS.

RATE:

Subject to the Terms and Conditions below, the *AES Indiana Plus* Clean Energy Subscription (*Plus* Subscription or Subscription) offers Subscribers 100% clean energy with a guaranteed electric bill for 12 months and protects Subscribers from unpredictable bills caused by weather-related usage and changes in electric rates.

Customer's *AES Indiana Plus* Subscription amount for 100% clean energy will be calculated starting with a 12-Month Usage Projection based on past Actual Usage, considering factors outside Customer's control to account for any expected seasonal usage variations, and applying a Usage Adder and Program Fee, using the following formula:

$$\text{Subscription Offer} = [(12\text{-Month Usage Projection} * (1 + \text{Usage Adder } \%) * [\text{Expected Rate} * (1 + \text{Program Fee } \%)]) / 12$$

The Subscription Offer is calculated for each month in the projection, and then applied evenly to the twelve-month term as a fixed monthly charge. No other amounts will be added to this monthly charge.

DEFINITIONS:

12-Month Usage Projection: Customer's projected annual usage (kWh) calculated as set forth in Rate section above.

Actual Usage: Customer's actual energy usage for the month.

Effective _____, 2022

Indianapolis Power & Light Company
d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-18

Original No. 12.2

AES INDIANA CLEAN ENERGY PLUS SUBSCRIPTION PILOT PROGRAM (Continued)

Clean Energy: The 100% clean energy for the Subscription will be provided by renewable energy certificates ("RECs") furnished under AES Indiana Standard Contract Rider No. 21: Green Power Initiative. The price for each Subscriber's clean energy will be included in their Expected Rate in the Subscription Offer.

Expected Rate: The projected per kWh rates for Company's Standard Residential Tariff Rate RS, inclusive of tax and all Riders forecasted to be applicable during the Subscription Term.

Good Standing: Customer with an active AES Indiana account and no billing arrears. Customer may not have been disconnected for non-payment of electric service within the last 12 months.

Grace Period: Upon initial enrollment, Subscriber will have fourteen (14) days to terminate the Subscription without a Termination Fee. For reenrollment, Subscriber will have thirty (30) days from the date of reenrollment to terminate the Subscription without a Termination Fee.

LIHEAP: Low Income Home Energy Assistance Program.

Material Decrease in Energy Usage: Actual energy usage for the most recent consecutive three-month period is 15% less than the projected usage for the same consecutive three-month period.

Material Increase in Energy Usage: Actual energy usage is 45% greater than projected usage for one month or actual energy usage for the most recent consecutive three-month period is 15% greater than the projected usage for that same consecutive three-month period.

Program Fee Percentage: A fee to mitigate Subscription Provider risk for weather and price fluctuations, and administrative costs associated with the Subscription model. This fee shall not exceed ten percent (10%) of the Expected Rate.

Riders: All AES Indiana Rider charges forecasted to be applicable during the Subscription Term that are included in the Expected Rate.

Subscriber: Customer who participates in the *AES Indiana Plus* Subscription.

Subscription Agreement: Binding arrangement for Subscription Term between the Subscriber and Subscription Provider subject to applicable Terms and Conditions detailed below.

Subscription Provider: Uplight Inc.

Subscription Term: 12 consecutive months.

Effective _____, 2022

Indianapolis Power & Light Company
d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-18

Original No. 12.3

AES INDIANA CLEAN ENERGY PLUS SUBSCRIPTION PILOT PROGRAM (Continued)

Termination Fee: A \$50.00 Termination Fee charged to compensate Subscription Provider for costs associated with Subscriber leaving the program prior to end of the Subscription Term. The Termination Fee will be charged to any Subscriber who voluntarily terminates their *AES Indiana Plus* Subscription prior to the end of their 12-month Subscription Term and outside of the Grace Period. If Subscriber completes the Subscription Term and does not reenroll, no Termination Fee will apply. The Termination Fee will not apply to a Subscriber who is a LIHEAP participant or LIHEAP-qualified customer in the most recent 12-month period.

Usage Adder: A fee intended to account for the potential for a Subscriber's energy consumption to increase compared to their previous 12 months. This adder shall not exceed four percent (4%) of the 12-Month Usage Projection.

TERMS AND CONDITIONS:

1. To participate, Subscriber shall have a valid email address and valid online login for their AES Indiana customer account.
2. To participate, Subscriber shall accept the Terms of Service of the *AES Indiana Plus* App and the *AES Indiana Plus* Subscription Terms and Conditions.
3. To participate, Subscriber shall enter into a Subscription Agreement with Subscription Provider that shall specify the monthly *AES Indiana Plus* Subscription amount Subscriber will be required to pay during the Subscription Term.
4. Subscriber must make timely payments to Subscription Provider to remain in the *AES Indiana Plus* Subscription program. If timely payments are not made, Subscriber will be removed from the Subscription program and will revert to receiving and paying for service under Standard Residential Tariff Rate RS.
5. Each year, no later than forty-five (45) days prior to reenrollment Subscriber will be notified of the upcoming reenrollment. Thirty (30) days prior to reenrollment Subscriber will be informed of their new Subscription Offer for the following year. Notice of reenrollment will be provided to Subscriber on day of the reenrollment and when the first month's Subscription payment is charged. Subscriber will be automatically reenrolled at the new Subscription Offer amount for the following year unless Subscriber notifies Subscription Provider otherwise before end of the Grace Period.

Effective _____, 2022

Indianapolis Power & Light Company
d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-18

Original No. 12.4

AES INDIANA CLEAN ENERGY PLUS SUBSCRIPTION PILOT PROGRAM (Continued)

6. Removal from the program:

- A. Move From Current Residence To Another Location Within Service Area. If Subscriber moves from his or her current residence to another location within AES Indiana's service territory before the Subscription Term expires and chooses not to enroll or does not receive a new Subscription Offer, Subscriber will be removed from the Subscription program and will revert to receiving and paying for service under Standard Residential Tariff Rate RS. No Termination Fee will be charged.
- B. Move Outside Service Area. If Subscriber moves from his or her current residence to a location outside AES Indiana's service territory before the Subscription Term expires and is no longer eligible for the Subscription program, Subscriber will be removed from the Subscription program. No Termination Fee will be charged.
- C. Material Increase or Decrease in Energy Usage. A Subscriber who has a Material Reduction or Material Increase in actual energy usage will receive a new Subscription Offer. If Subscriber does not accept the new Subscription Offer, Subscriber will be removed from the Subscription program and revert to receiving and paying for service under Company's Standard Residential Tariff Rate RS. No Termination Fee will apply.
- D. Change in Subscription Terms and Conditions. Subscriber will be notified if there is a change in Subscription Terms and Conditions. If Subscriber objects to the change, Subscriber will be removed from the *AES Indiana Plus* Subscription and revert to receiving and paying for service under Company's Standard Residential Tariff Rate RS. No Termination Fee will apply.
- E. Customer Voluntary Removal. If Subscriber chooses to leave the *AES Indiana Plus* Subscription Program prior to the end of the Subscription Term, Subscriber will be removed from the Subscription Program and revert to receiving and paying for service under Company's Standard Residential Tariff Rate RS. Termination Fee will apply; except that the Termination Fee will not apply to a Subscriber who is a LIHEAP participant or LIHEAP-qualified customer in the most recent 12-month period.
- F. Other Reason. If Subscriber leaves or is removed from the *AES Indiana Plus* Subscription Program before the end of the Subscription Term for any other reason, Termination Fee will not apply.

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Indiana Utility Regulatory Commission and the Company's Rules and Regulations for Electric Service, as filed with the IURC.

Effective _____, 2022