

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION'S)
INVESTIGATION INTO ANY AND ALL MATTERS)
RELATED TO COMMISSION APPROVAL OF)
PARTICIPATION BY INDIANA END-USE)
CUSTOMERS IN DEMAND RESPONSE)
PROGRAMS OFFERED BY THE MIDWEST ISO) CAUSE NO. 43566
AND PJM INTER-CONNECTION)
)
RESPONDENTS: INDIANA REGULATED)
ELECTRIC UTILITIES)

NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC'S
COMPLIANCE FILING –ANNUAL REPORT

In compliance with Finding Paragraph 4.G.1. of the Indiana Utility Regulatory Commission's Order dated July 28, 2010 in this Cause, Northern Indiana Public Service Company LLC ("NIPSCO" or "Company"), by counsel, hereby submits its annual report for the period January through December 2020 as follows:

Background

As part of the Commission's July 28, 2010 Order in Cause No. 43566, each of the jurisdictional electric utilities in Indiana was required to file "tariffs or riders authorizing the participation of [its] retail customers in Midwest ISO demand response programs through the Respondent Utility." NIPSCO garnered input from customers and potential

customers before commencing drafting its riders and throughout the drafting process. The Company chose to offer Demand Response Resource Type 1-Energy Only ("DRR-1") and Emergency Demand Response-Energy Only ("EDR") programs because NIPSCO desired to offer programs where there was existing customer interest and the Company had readily-available resources to assure a successful program. The DRR-1 program allows customers to be compensated for providing a specific quantity of energy through load reduction to the energy market with NIPSCO serving as the market participant. In the EDR program, customers can be compensated for providing a specific quantity of energy through load reduction or behind the meter generation to the energy market, with NIPSCO serving as the market participant, during a MISO declared emergency. On March 2, 2011, the Commission approved NIPSCO's (1) DRR-1 Tariff and proposed service agreements for DRR-1 participants and for Aggregators of Retail Customers ("ARCs") and (2) EDR Tariff and proposed service agreements for EDR participants and for ARCs.

Throughout 2012, NIPSCO worked with MISO on implementation related to the Federal Energy Regulatory Commission ("FERC") series of orders issued on December 15, 2011 addressing issues related to the demand response (MISO's Order 719 compliance filing, Order 745 compliance filings of some ISOs/RTOs including MISO and numerous

requests for rehearing of Order 745).¹ With the additional follow-up and clarification provided by MISO, NIPSCO implemented both its DRR-1 and EDR programs in 2013.

Annual Report

(1) The number and size of customers participating in the utility's RTO demand response tariff(s) or rider(s)

During 2020, two customers, each with 50 MW of enrolled load, participated in NIPSCO's DRR-1 Tariff. One customer terminated its agreement effective June 1, 2020. Therefore, at the end of 2020, there was one customer with 50 MW of enrolled load. NIPSCO will continue to work with customers to respond to inquiries and discuss possible program improvements.

(2) The particular RTO demand response program or provision in which customers are participating and the amount of load participating

As indicated in response to Question (1) above, during 2020, two customers participated in NIPSCO's DRR-1 Tariff, with a total of 100 MW of load enrolled in the

¹ *Midwest Indep. Transmission Sys. Operator, Inc.*, Docket No. ER09-1049-000, *et al.* The order accepts MISO's April 28, 2009 and October 2, 2009 compliance filings to Order Nos. 719 and 719-A, subject to a further compliance filing. This order finds that MISO's April 28, 2009 filing and certain proposals in the October 2, 2009 filing, with certain modifications, comply with Order No. 719 in the areas of (1) demand response and pricing during periods of operating reserve shortage, including aggregation of retail customers; (2) long-term power contracting; and (3) market-monitoring policies. The order further finds that relevant proposals in the October 2, 2009 filing, with certain modifications, comply with Order No. 719-A. This order makes no findings as to MISO's compliance with the fourth area of reforms identified in Order No. 719: the responsiveness of RTOs and ISOs to their customers and other stakeholders. The Commission issued a separate order addressing MISO's compliance with this aspect of Order No. 719 on October 21, 2010.

program. At the end of 2020, there was one customer with 50 MW of load enrolled in the DRR-1 Tariff. In 2020, no customers participated in the EDR program.

(3) A description of the efforts being made to encourage participation by small and medium sized customers in the utility RTO demand response tariff(s) or rider(s)

In past years, NIPSCO has included information regarding the demand response program in the newsletter sent to its commercial and industrial customers. In addition, NIPSCO has provided information at individual customer meetings and group events. NIPSCO did not provide any formal information in 2020.

(4) Any agreements reached, or being considered, with any Curtailment Service Provider ("CSP") or other entity for the purpose of aggregating customers for participation in RTO demand response programs or provisions

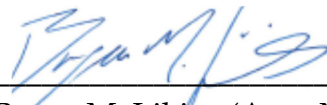
Although introductory discussions have been held in the past with organizations interested in participating as aggregators under the demand response tariff, no agreements have been reached or are being considered at this time. As noted above, NIPSCO's programs contemplate the participation of CSPs or ARCs, and service agreements for DRR and EDR participants have been approved by the Commission. While CSPs have informally asked questions regarding NIPSCO's program, none have expressed a desire to participate at this point.

(5) Information on how the RTO demand response tariff(s) or rider(s) were used by the utility in meeting its service obligations, which RTO products the demand response capabilities made possible by the tariff(s) or rider(s) were employed by the utility, when the demand response resources were used by the RTO and the circumstances existing at that time for both the utility and the RTO

Although one customer is participating, the amount of load is not significant in terms of NIPSCO meeting its service obligations. Furthermore, because NIPSCO's DRR-1 and EDR programs are energy-only there are no capacity credits associated with the blocks of energy registered; thus, there are no must-offer requirements for the customers enrolling.

The one remaining customer participating in the DRR-1 Tariff is participating in the MISO Day-Ahead market. At such time as NIPSCO has customers participating in the market under the EDR program, those customers will participate in the MISO Real-Time market. If available, this participation will and would serve to reduce the load obligation for NIPSCO customers during the times the DRR-1 or EDR customers are deployed, resulting in reduced costs for NIPSCO customers and increased system reliability across the MISO footprint.

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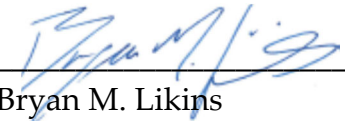
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