

OFFICIAL
EXHIBIT

IURC
JOINT - CAC / I + M
EXHIBIT No. 2
70-15-20 LR
DATE REPORTER

IURC Cause No. 45285
CAC and I&M Stipulation of Facts and Evidence—Witness Walter

In lieu of cross-examination of Indiana Michigan Power Company (“I&M” or the “Company”) witness Jon Walter by Citizens Action Coalition of Indiana, Inc. (“CAC”), the Company and CAC agree to the following Stipulation of Facts:

1. Regarding the Company’s Market Potential Study (“MPS”):
 - a. The purpose of an appliance survey is to take stock of customer adoption of available baseline and energy saving measures. The results of the appliance survey are used along with other information to determine the potential to incentivize EE measures, which is the goal of an MPS.
2. Regarding the Company’s Electric Energy Consumption Optimization (“EECO”) Program:
 - a. The Company operates EECO equipment that was installed over four deployments between 2013-2019. No additional EECO installations or investments are contemplated as part of the 2020-2022 Demand Side Management (“DSM”) Plan.
 - b. Savings from prior-year EECO installations are accounted for in the Company’s 2018 IRP load forecast, as confirmed by the Company’s Response to CAC Data Request 9-11.
 - c. No new EECO installations were selected in the Company’s 2018 IRP Preferred Plan for the DSM Plan period of 2020-2022.
 - d. Although no new EECO installations or investments are proposed in the DSM Plan, the Company’s 2020-2022 DSM Plan claims incremental annual savings from future operation of prior year EECO installations as follows:
 - i. 2021: 23,527 EECO MWh out of the plan total 67,555 MWh (35% of total savings)
 - ii. 2022: 24,550 EECO MWh out of the plan total 63,873 MWh (38% of total savings)
 - e. The Company is forecasting lost revenue of \$2,335,727 in 2021 and \$2,437,280 in 2022 for incremental annual EECO savings resulting from the future operation of 2013-2019 EECO installations.
 - f. New base rates for I&M were established in Cause No. 45235 as of March 11, 2020.
 - g. In the Company’s Response to CAC Data Request 9-11, the EECO measure life was indicated in the load forecast used in I&M’s 2018 IRP as 15 years. The actual EECO measure life assumed by the Company as part of the 2020-2022 DSM Plan is 20 years as confirmed by the Company’s Response to CAC Data Request 3-12.
 - h. EECO is the only energy efficiency program within the Company’s settlement DSM Plan for which it claims new annual incremental energy savings beyond the initial year of a measure’s installation.
 - i. EECO and Home Energy Management (HEM) are the only DSM programs within the Company’s settlement DSM Plan for which it claims new annual incremental demand savings beyond the initial year of a measure’s installation.

3. Regarding incentive levels offered in the Work Prescriptive and Work Custom Programs:
- a. In the first quarter of 2019, commercial and industrial (“C&I”) were 182% higher than the same period in 2018, where a majority of the projects contained Light-Emitting Diode (“LED”) lighting measures.
 - b. On April 8, 2019, the Company, while under no specific OSB operating rule or requirement to do so, provided notice to the OSB at the March 2019 OSB meeting of potential forecast budget constraint issues in the C&I Prescriptive and Custom Programs. With the options of pausing the impacted program(s), managing the rebate levels, or transferring the limited amount of C&I sector allocated Public Efficient Streetlighting funds to continue the programs, the Company announced reduced lighting incentives without specific notice to the OSB that it was moving forward with the reduced lighting incentives. All Prescriptive and Small Business Direct Install (“SBDI”) lighting incentives were reduced by 50%; any lighting measure in the Custom or Prescriptive program was capped at 50% of the total cost.
 - c. On April 22, 2019, the Company announced it was discontinuing all incentives for LED lighting projects for the remainder of 2019.
 - d. On June 3, 2019, following OSB discussions and meetings, the Company resumed LED lighting incentives at a level of roughly 50% of total cost.
 - e. The Company maintained the revised lighting incentive levels through June 30, 2020, but changed the incremental measure cost screen to 70% effective May 1, 2020.
 - f. On July 1, 2020, the Company announced a return to early 2019 incentive levels on popular lighting measures including LED tubes, LED lamps replacing High Intensity Discharge (“HID”), and LED fixtures. Incentives were capped at 75% of total material and labor cost, depending on the project type.
 - g. In “45285_IndMich_JCW and BSO Confidential Settlement Testimony Workpapers_08212020”, tab “Multi Yr Work Prescriptive”, the Company has revised lighting incentives for LED Tube measures that are the same as the actual incentives levels paid in 2018 and represent 225% and 375% of the IMC estimates for each measure class as shown in the same workpaper. The incentives reflect a consideration for labor cost, which would generally be additive to the IMC basis, which in turn would cause the percentages to be lower than stated when labor costs are included.
 - h. In “45285_IndMich_JCW and BSO Confidential Settlement Testimony Workpapers_08212020”, tab “Multi Yr Work Custom”, the Company has revised lighting incentives for LED lamp and fixture HID replacement measures that are similar to or the same as early 2019 incentives levels and represent up to 1000% of the IMC estimate for each measure class as shown in the same workpaper. The incentives reflect a consideration for labor cost, which would generally be additive to the IMC basis, which in turn would cause the percentages to be lower than stated when labor costs are included.
 - i. Many LED replacement lamps, including LED tube and LED HID lamp measures offered by the Company, can be installed by a customer using internal labor without the use of an outside vendor and therefore labor costs are derived using internal labor cost estimates from the customer.

- j. In response to CAC Data Request 13-13, I&M stated that, “The Company also screens actual projects and measures for cost effectiveness to ensure rebates levels offered are cost effective based on the reported measures and labor costs for each project.”
 - k. In its announcement of program changes on July 1, 2020, the Company indicated that it is “[r]emoving incremental cost test screen from all application processes.”
- 4. It is Mr. Walter’s understanding that the Indiana TRM version 2.2 contains a constant of 3.412 to convert heating seasonal performance factor (“HSPF”) from coefficient of performance (“COP”).
- 5. Generally, the net to gross ratios for the measures in the Settlement portfolio include a program level net to gross ratio estimate in the year in which they are implemented. That same program level net to gross ratio estimate, along with the effective useful life are, in part, used to calculate the estimated Lifetime Net Annual Energy Savings. Lifetime Net Annual Energy Savings is estimated by the formula:

$$(\text{Effective Useful Life for the measure}) \times (\text{annual estimated first year energy savings per measure in kWh per unit}) \times (\text{the number of units forecasted}) \times (\text{program level net to gross ratio}).$$
- 6. The avoided energy and capacity costs used by the Company in its 2018 IRP were higher than the avoided energy and capacity costs used for cost effectiveness screening in the Company’s case-in-chief and Settlement DSM Plan portfolios. Had the Company used the higher avoided energy and capacity costs in its DSM Plan cost effectiveness screening, consistent with its 2018 IRP, the program cost effectiveness scores would have improved relative to the case-in-chief and Settlement DSM Plans.
- 7. As part of the I&M-OUCC Settlement Agreement, the Company eliminated programs based on their lower cost-effectiveness scores.
- 8. Regarding Mr. Walter’s settlement testimony discussion of cost-effectiveness:
 - a. Mr. Walter’s settlement testimony compared the Company’s internal, directional cost-effectiveness scores between the case-in-chief plan and the settlement plan.
 - b. The cost-effectiveness scores presented in settlement on Attachment JCW-6S, page 3, were prepared using I&M’s internal cost-effectiveness scoring, which is shown on the settlement workpaper labeled “45285_IndMich_JCW and BSO Confidential Settlement Testimony Workpapers_08212020.xlsx”, tab “Attach JCW-6S 2 Yr BC Pg 3”.
 - c. I&M’s internal cost-effectiveness scores for the case-in-chief plan can be found in Mr. Walter’s direct workpaper labeled “IndMich_IN Confidential DSM-EE 3 Yr DSM Plan_082619.xlsx”, on the tab “Multi Yr. BC Scores”. Because the internal scores were not used for purposes of the case-in-chief, it is necessary to “unhide” the “Multi Yr. BC Scores” tab in the workpaper, and also populate rows 20, 48 and 76 with zeroes to reflect that the Work Energy Management Program was not included in the DSM Plan.

- d. I&M's outside consultant's (Morgan Marketing Partners) scoring presented in the case-in-chief on Attachment JCW-3, pages 1 and 2 was performed using the proprietary DSMore modeling software. Information about the DSMore process is presented in Mr. Walter's case-in-chief testimony at Attachment JCW-26.
- e. For the cost-effectiveness hourly analysis, it is Mr. Walter's understanding that DSMore used an hourly forecast for avoided costs, whereas Mr. Walter's internal scoring used average annualized avoided costs.
- f. It is Mr. Walter's understanding that the DSMore cost-effectiveness modeling discounted the three-year plan program costs back to 2020 dollars, while the settlement cost-effectiveness scoring did not. Rather, the settlement scoring used program costs as future year dollars. For example, 2021 costs for purposes of the settlement cost-effectiveness scores were calculated in 2021 dollars and were not discounted back to 2020.
- g. In the Company's internal cost effectiveness scoring used in the settlement submission, Mr. Walter used and applied the following which differs from the consultant's (Morgan Marketing Partners) analysis in the case-in-chief except where otherwise noted:
 - 1) Cost effectiveness test formulas consistent with the Indiana Evaluation Framework, which was based on the Statewide Evaluator's review and presentment of the California Standard Practice Manual formulas, definitions, and discussion for the same;
 - 2) The same global parameters as used in the case-in-chief filing, both internal and provided to the consultant, for utility discount rate, energy and demand system losses, zero avoided transmission and distribution ("T&D") costs, retail rate escalation, and customer discount rates;
 - 3) A percent weighting of individual program energy savings contribution to the overall portfolio at the program level;
 - 4) EM&V costs at the program level;
 - 5) A half year energy and demand savings recognition convention for current year and future year present value discounting;
 - 6) Deemed coincident peak demand reduction values for each measure in each program, except for Home Energy Management ("HEM") and Electric Energy Consumption Optimization ("EECO") where specific peak coincident demand reduction amounts were used based on each program's unique ability to specifically target program measure reductions at or near the time of I&M's 5 coincident peaks annually;
 - 7) A present value discounting of future ongoing annual customer incentive costs as an additional cost element in the HEM program;
 - 8) Customer measure cost estimates as shown in program workpapers for each measure, or measure category; and
 - 9) A weighted average measure life by program, for each program as appropriate.
- h. In Mr. Walter's settlement workpapers, "2021 Pgm BC Costs" and "2022 Pgm BC Costs", Vendor Fixed Cost in the Residential New Construction Program was removed (i.e. changed from \$98,195 to \$0 for each 2021 and 2022). This change was made to reflect how I&M's internal implementation staff would be cost effectively re-directed to other programs as a result of settlement removing the three residential programs. In short, the New Construction program is projected to be implemented in-house as opposed to the

previous vendor outsourced arrangement. This change reduces the program cost used for the settlement internal cost effectiveness scoring as compared to the case-in-chief. The resultant change caused a 0.36 UCT score improvement in settlement for that program per I&M's internal analysis.

- i. In settlement cost effectiveness, which used the internal cost effectiveness scoring method, the amount of Indirect Program costs allocated to the remaining programs (Home Energy Products-Appliances, IQ Weatherproofing, New Construction, Home Energy Management, Work Prescriptive, Work Custom, and PES) changed, which carried through into the cost effectiveness scoring, changing the cost effectiveness scores from those found in the case-in-chief internal cost effectiveness scores for those programs. These cost allocations changed due to the inclusion of the costs from the HVAC Midstream Pilot, and the elimination of the residential programs that were removed in settlement. Specifically, for internal cost effectiveness scoring only, Indirect costs were allocated based on costs shown in Attachment JCW-4S. For the New Construction Program, vendor fixed costs were not shown in Attachment JCW-4S but were accounted for in the cost effectiveness workpapers "2021 Pgm BC Costs" and "2022 Pgm BC Costs" (cells B12 on each tab). Since the Indirect cost allocations were based on Attachment JCW-4S costs, the Indirect cost allocation did not materially change (decreased by \$127 in 2021 for example, or mainly due to % rounding differences) when the Vendor fixed costs were removed from the "2021 Pgm BC Costs" and "2022 Pgm BC Costs" tabs. On the other hand, HEM indirect allocations costs changed more so than New Construction because HEM had higher cost contribution to total costs and therefore changed commensurately (increased by \$7,040).
- j. In settlement cost effectiveness, which used the internal cost effectiveness scoring method, the impact of the removal of Carbon from the avoided cost benefit stream was estimated using a "No Carbon" option in the "DSM Plan Avoided Cost Workpaper", cell A1. This option switched the avoided energy and avoided capacity costs in the workpaper to ones with Carbon removed and revised the internal 2021 and 2022 cost effectiveness scoring results. The resulting updated internal method cost effectiveness scores were used for settlement Shared Savings earnings estimate for 2021 but for one exception, the Home New Construction Program. To account for a difference in benefits from the Consultant's case-in-chief cost effectiveness scoring to the internal cost effectiveness method used in settlement, for this program only, the Home New Construction Program Shared Savings net benefits used the Consultant's net benefit score but was adjusted to account for the removal of carbon. This adjustment used a net present value difference between the "with Carbon" capacity benefits and the "No Carbon" capacity benefits, where the Avoided Capacity benefits from Consultant's scoring were weighted at 60% of the total combined energy and capacity benefits. This weighting and adjustment can be seen in the formula residing in cell C23 of Attachment JCW-13S. Further, since the Net Benefits used to estimate 2021 Home New Construction Shared Savings used the consultant's three year scoring method, the Net Benefits formula should have been divided by three to reflect annual net benefits. When this adjustment is made, the 2021 Shared Savings estimate for the Residential sector reduces to \$0 and reduces the total 2021 Shared Savings earnings estimate by \$14,825. Settlement 2022 Shared Savings were not estimated in the same manner but used the consultant's UCT net benefits for the estimate because 2021 results were only used to test the Carbon change on residential Shared Savings, under the

assumption the residential sector results would not be materially different than 2022. When 2022 Net Benefits for all 2022 programs are adjusted to one year's worth of 2022 benefits using the internal cost effectiveness scoring method, there is no change to the Shared Savings earnings estimate for 2022.

9. Regarding the Company's Public Efficient Streetlighting ("PES") Program:
 - a. I&M agrees it will promote the PES program to all municipalities, not just South Bend, with a one-for-one replacement fixture size and consult with customers on the different lighting characteristics of LED streetlight fixtures, including a side by side comparison of the various tariff rates, energy usage options and energy savings expected from each replacement option. I&M will promote the LED manufacturer's recommended one-for-one replacement fixture size as the configuration most likely to provide consistent light levels to the existing streetlighting.
10. The following documents shall be admitted into the record:
 - a. I&M's Response to CAC Data Request 3-12;
 - b. I&M's Response to CAC Data Request 9-08;
 - c. I&M's Response to CAC Data Request 9-11;
 - d. I&M's Response to CAC Data Request 13-13; and
 - e. The I&M Oversight Board email communications and related attachments related to the Commercial and Industrial 2019 lighting incentive cessation and restart.

INDIANA MICHIGAN POWER COMPANY
CITIZENS ACTION COALITION OF INDIANA, INC
DATA REQUEST SET NO. CAC Set 3
IURC CAUSE NO. 45285

DATA REQUEST NO CAC 3-12

REQUEST

1. Regarding the Company's Electric Energy Consumption Optimization ("EECO") program:
 - a. Please provide the year in which each EECO deployment was implemented.
 - b. What number and percent of the Company's circuits have EECO deployed as of 2019?
 - c. What number and percent of the Company's sales are associated with circuits on which EECO is deployed as of 2019?
 - d. Are any EECO deployments planned for 2020, 2021, or 2022? If so, please provide the number circuits, the number of customers, and the sales (MWh) by sector associated with these circuits.
 - e. Are the savings from any future EECO deployments accounted for in the Company's DSM plan?
 - f. Please provide the EECO assumed measure life.
 - g. Please explain how the EECO measure life was established.
 - h. Please explain how the CVR factor of 0.95 was established. Please provide any supporting analysis in Excel format with formulas intact.
 - i. Please explain why multipliers of 115% and 120% are applied to EECO savings in 2021 and 2022, respectively, in attachment "JCW-4 Pgm Tables". How were these multiplier factors established? Please provide any supporting analysis in Excel format with formulas intact.
 - j. Please explain how lost revenue is calculated for the EECO program.
 - k. Over how many years are the EECO capital costs amortized?

RESPONSE

- a. Deployment 1: 2013; Deployment 2: 2015; Deployment 3: 2018; Deployment 4: 2019.
- b. 63 circuits deployed, which is approximately 11%.
- c. 765,354,927 kWh; 4.9%
- d. No, please see I&M's case in chief filed in this Cause.
- e. No.
- f. 20 years.

- g. The EUL is based on I&M's expected operating life for VVO equipment.
- h. The .95 CVR factor was established based on prior year performance results for the EECO program.
- i. The 115% and 120% multipliers are applied to adjust for expected energy performance savings improvement stemming from an estimate for improved EECO system uptime resulting from fewer off days due to EM&V testing. Please see Company witness Walter's direct testimony filed in this Cause, page 50.
- j. Lost revenue for the EECO program is calculated in the same manner in which lost revenue is calculated for other DSM/EE programs, using a 1 year savings life for the year of operational results. Please also see Company witness Walter's Attachment JCW-9, JCW-10, and JCW-11, specifically footnote *** on each attachment.
- k. EECO capital costs are depreciated based on the Commission-approved depreciation rates for the respective FERC plant accounts associated with each EECO project.

INDIANA MICHIGAN POWER COMPANY
CITIZENS ACTION COALITION OF INDIANA, INC
DATA REQUEST SET NO. CAC Set 9
IURC CAUSE NO. 45285

DATA REQUEST NO 9-08

REQUEST

Please confirm or deny if the following measures were included in the Company's 2016 Market Potential Study. If confirmed, please provide the specific measure name used in the Market Potential Study.

1. Residential furnace/boiler tune-ups
2. Residential heat pump water heaters
3. Residential variable speed pool pumps
4. Commercial evaporator fan ECM motors
5. Commercial refrigeration door heater controls
6. Commercial cooking equipment (ENERGY STAR ovens, fryers, hot holding cabinets, etc.)
7. Commercial building management systems (BMS) / energy management systems (EMS)
8. Commercial plug load controls
9. Industrial all-electric injection molding machines
10. Industrial heat recovery
11. Agricultural plate coolers

RESPONSE

a. The Company is an electricity utility, therefore Residential furnace/boiler tune-ups were not included.

b. Residential Heat Pump Water Heaters were included in the study.

Technology Name	Efficiency Option
Water Heater (<= 55 Gal)	EF 2.0 - Heat Pump
	EF 2.35 - Heat Pump
	EF 2.50 - Heat Pump
Water Heater (> 55 Gal)	EF 2.0 - Heat Pump
	EF 2.35 - Heat Pump
	EF 2.50 - Heat Pump

c. Residential variable speed pool pumps were included in the study. The MPS name is "Pool Pump - ENERGY STAR Variable Speed".

d. Commercial evaporator fan ECM motors were included in the study. The MPS name is "Refrigeration - Evaporator Fan Controls".

e. Commercial refrigeration door heater controls were included. The MPS name is "Refrigeration - Anti-Sweat Heater".

f. A variety of cooking equipment measures were included in the study.

Technology Name	Efficiency Option
Oven	ENERGY STAR
Fryer	ENERGY STAR
Dishwasher	ENERGY STAR
Hot Food Container	ENERGY STAR
Steamer	ENERGY STAR
Griddle	ENERGY STAR

g. Commercial building management systems (BMS) / energy management systems (EMS) were not explicitly included in the MPS, however, the following timer and control measures were included.

Technology Name
Ventilation - Demand Controlled
RTU - Advanced Controls
Process - Timers and Controls
Compressed Air - Leak Management Program
Compressed Air - System Controls

h. Measures related to plug load controls were included in the study. The MPS names are "Office Equipment - Smart Power Strips" and "Office Equipment - Computer Power Management Software".

i. This measure was not included in the MPS.

j. This measure was not included in the MPS.

k. Agricultural place coolers were not included in the study. However, these Agricultural measures were included: "Agriculture - Engine Block Timer, Agriculture - High Speed Fans, and Agriculture - Live Stock Waterer".

INDIANA MICHIGAN POWER COMPANY
CITIZENS ACTION COALITION OF INDIANA, INC
DATA REQUEST SET NO. CAC Set 9
IURC CAUSE NO. 45285

DATA REQUEST NO 9-11

REQUEST

Please confirm or deny that the load forecast used in the Company's IRP accounts for savings from previously deployed EECO circuits.

RESPONSE

Confirm, the forecast reflects the 15 year lives for previously-deployed EECO circuits.

INDIANA MICHIGAN POWER COMPANY
CITIZENS ACTION COALITION OF INDIANA, INC.
DATA REQUEST SET NO. CAC Set 13
IURC CAUSE NO. 45285

DATA REQUEST CAC 13-13

REQUEST

Please refer to I&M Witness Walter Settlement Rebuttal Testimony, page 13, line 5-6, which states "I&M has reasonably adjusted the rebate amounts to reflect both incremental measure cost and labor up to a pre-identified, revised threshold amount.

- a. Please provide the per-unit labor costs for measures that have an adjusted rebate amount.
- b. Please indicate the pre-identified, revised threshold amount for each measure.
- c. Please provide the prevailing electrical and mechanical contractor labor rates in I&M's service territory.

RESPONSE

a. I&M objects to the request on the grounds and to the extent the request calls for a calculation, study, analysis, or compilation that I&M has not performed and to which I&M objects to performing. I&M further objects to the request on the grounds and to the extent the request mischaracterizes Mr. Walter's testimony and the manner in which the Company considers labor costs in determining rebate thresholds. Subject to and without waiver of the foregoing objections, I&M provides the following response.

The Company does not model or apply labor costs on a per-unit basis for the pre-identified, revised threshold amounts. Further, the Company does not require per-unit labor cost reporting from customers or their trade allies in project cost reporting in the C&I DSM/EE programs; therefore I&M is not in possession of such data from across all of the different and varying installation circumstances unique to individual customer premises.

The work papers, both original, and those changed in settlement, for the C&I programs where rebate levels are shown reflect IMC (incremental measure cost) and rebates as a % of IMC as an initial screen and are used as a guide to help inform how rebate levels compare to the incremental cost for each measure. In the same work papers, another screen used to consider how much rebates cost is measure rebate cost as a percent of individual measure savings (\$/kWh). Screens such as these in the work papers are used to inform how cost effective each measure will be for the assumed conditions or measure deemed savings amounts.

INDIANA MICHIGAN POWER COMPANY
CITIZENS ACTION COALITION OF INDIANA, INC.
DATA REQUEST SET NO. CAC Set 13
IURC CAUSE NO. 45285

The Company screens actual project applications using a measure and/or total project threshold on total project cost (i.e. incremental measure cost + labor). The Company also screens actual projects and measures for cost effectiveness to ensure rebates levels offered are cost effective based on the reported measures and labor costs for each project. In other words, the Company does not separately consider labor costs in evaluating the rebate level.

While labor costs could be considered on a per-unit basis, doing so would not be overly informative at a measure level due to the variability in the number of hours required for actual installation. The amount of labor can vary, sometimes dramatically, due to other circumstances such as actual site conditions or the complexity of the work needed at each site to perform the proposed measure(s) change-out or upgrade work. Further, the Company is not in a position to know all of the applicable or extenuating circumstances that can exist before the actual projects are applied for.

Instead, the Company applies the threshold amount as a screen on total measure and/or project cost (i.e. incremental measure cost + labor cost) once applied for by the customer or trade ally. If the measure and/or project meets the threshold total cost screen, and it meets the cost effectiveness screen, then the project proceeds for rebate consideration at the offered levels.

b. The revised, current threshold screen is 75% of total measure and/or project cost.

c. The Company does not have the information requested because it does not use the requested information in its program planning or implementation of DSM/EE programs. Please see the response to question a. above.

From: Jon C. Walter
To: Kerwin Olson; Matthew S McKenzie; Paronish, April M.; Dave - I&M Finance Lucas; Nicholas M Elkins; Regiana M Sistevaris; Peabody, Jeffrey; Doug Fasick; kkrohn@oucc.in.gov; Jennifer Washburn (jwashburn@citact.org); Haselden, John; Marc E Lewis
Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting
Date: Monday, April 8, 2019 5:02:59 PM

OSB members --As discussed in prior meetings with the OSB, I&M's C&I programs have had very good success thus far in 2019, in part due to the continued healthy pipeline of LED lighting projects that comprise a majority of this sector's energy savings overall.

As such, I&M requests a 30 minute call with OSB members this week, if possible, to provide an overview of C&I DSM/EE program changes that I&M has implemented in order to manage program continuation against authorized budgets from the 3 year DSM Plan.

I'd request each OSB member organization provide availability for the following conference call time options:

April 10th, Wednesday, 1 PM eastern;
April 10th, Wednesday, 3 PM eastern;
April 11th, Thursday, 11 AM eastern;
April 11th, Thursday, 1 PM eastern;
April 11th, Thursday, 3 PM eastern
April 12th, Friday, 10 AM eastern.

Please respond with your organization's date first and second date and time preference, and I&M will select the most common, and schedule the call with a calendar invite.

Last, I&M will provide summary information in advance of the call for your review.

Thanks,

From: Jon C Walter
Sent: Wednesday, March 20, 2019 9:05 AM
To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>
Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

OSB members—Please find attached (2) items:

1. Final minutes from the Q4 2018 stakeholder meeting;
2. Draft minutes from the Q1 2019 stakeholder meeting.

Please review #2 above and provide any comments / proposed redlines back to me.

Thanks,

From: Jon C Walter

Sent: Monday, March 11, 2019 9:03 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: I&M DSM/EE Quarterly Stakeholder Meeting

Attached please find the following documents for this Thursday's OSB meeting:

1. Agenda;
2. January 2019 monthly scorecard;
3. 2018 IURC draft scorecard;
4. Minutes from the December 2018 quarterly meeting.

From: Krohn, Karol
To: "Jon C. Walter"; Kerwin Olson; Matthew S McKenzie; Paronish, April M.; Dave - I&M Finance Lucas; Nicholas M Elkins; Regiana M Sistevaris; Peabody, Jeffrey; Doug Fasick; Jennifer Washburn (jwashburn@citact.org); Haselden, John; Lewis, Marc
Subject: I&M DSM/EE Quarterly Stakeholder Meeting
Date: Tuesday, April 9, 2019 9:15:57 PM

Jon:

Your e-mail indicates that I&M has already implemented changes you plan to discuss with OSB members on Thursday. Is the purpose of the meeting to inform the OSB of what I&M previously decided to do and has already implemented; or is I&M looking for OSB consent to or approval of any proposed budget changes?

Please forward the summary information referenced in your e-mail as soon as possible.

Thanks.

-Karol

Karol H. Krohn
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From: Jon C Walter [mailto:jcwalter@aep.com]
Sent: Monday, April 08, 2019 5:03 PM
To: Kerwin Olson <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Krohn, Karol <kkrohn@oucc.IN.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Lewis, Marc <melewis@aep.com>
Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

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OSB members—As discussed in prior meetings with the OSB, I&M's C&I programs have had very good success thus far in 2019, in part due to the continued healthy pipeline of LED lighting projects

that comprise a majority of this sector's energy savings overall.

As such, I&M requests a 30 minute call with OSB members this week, if possible, to provide an overview of C&I DSM/EE program changes that I&M has implemented in order to manage program continuation against authorized budgets from the 3 year DSM Plan.

I'd request each OSB member organization provide availability for the following conference call time options:

April 10th, Wednesday, 1 PM eastern;

April 10th, Wednesday, 3 PM eastern;

April 11th, Thursday, 11 AM eastern;

April 11th, Thursday, 1 PM eastern;

April 11th, Thursday, 3 PM eastern

April 12th, Friday, 10 AM eastern.

Please respond with your organization's date first and second date and time preference, and I&M will select the most common, and schedule the call with a calendar invite.

Last, I&M will provide summary information in advance of the call for your review.

Thanks,

From: Jon C Walter

Sent: Wednesday, March 20, 2019 9:05 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

OSB members—Please find attached (2) items:

1. Final minutes from the Q4 2018 stakeholder meeting;
2. Draft minutes from the Q1 2019 stakeholder meeting.

Please review #2 above and provide any comments / proposed redlines back to me.

Thanks,

From: Jon C Walter

Sent: Monday, March 11, 2019 9:03 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@bilaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: I&M DSM/EE Quarterly Stakeholder Meeting

Attached please find the following documents for this Thursday's OSB meeting:

1. Agenda;
2. January 2019 monthly scorecard;
3. 2018 IURC draft scorecard;
4. Minutes from the December 2018 quarterly meeting.

From: [Jon C Walter](#)
To: [Krohn, Karol](#); [Kerwin Olson](#); [Matthew S McKenzie](#); [Paronish, April M.](#); [Dave - I&M Finance Lucas](#); [Nicholas M Elkins](#); [Regiana M Sistevaris](#); [Peabody, Jeffrey](#); [Doug Fasick](#); [Jennifer Washburn \(jwashburn@citact.org\)](#); [Haselden, John](#); [Marc E Lewis](#); [jrompala@lewis-kappes.com](#)
Subject: RE: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets
Date: Wednesday, April 10, 2019 12:18:55 PM
Attachments: [I&M DSM_EE C&I Program Status and Adjustments.pptx](#)

OSB members—Please find attached a summary of the current known status of I&M's C&I Prescriptive, Custom, and SBDI programs, along with changes implemented this week to manage those program(s) 2019 performance trajectory.

We will review this on the call tomorrow at 11 AM.

Thanks,

-----Original Appointment-----

From: Jon C Walter
Sent: Tuesday, April 9, 2019 4:26 PM
To: Jon C Walter; Krohn, Karol; Kerwin Olson; Matthew S McKenzie; Paronish, April M.; Dave - I&M Finance Lucas; Nicholas M Elkins; Regiana M Sistevaris; Peabody, Jeffrey; Doug Fasick; Jennifer Washburn (jwashburn@citact.org); Haselden, John; Marc E Lewis; jrompala@lewis-kappes.com
Subject: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets
When: Thursday, April 11, 2019 11:00 AM-11:30 AM (UTC-05:00) Eastern Time (US & Canada).
Where: Conf Call

Conference call info:

855-211-6968
Code: 5003540#

From: Krohn, Karol <kkrohn@oucc.IN.gov>
Sent: Tuesday, April 9, 2019 10:32 AM
To: Jon C Walter <jcwalter@aep.com>; Kerwin Olson <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>
Subject: [EXTERNAL] I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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forward to incidents@aep.com from a mobile device.

Jon:

Only 1 of the dates & times you proposed will work for both John Haselden & me:

April 11 @ 11 AM -- or immediately following our 9:30 AM conference call with CAC (if that call ends before 11 AM).

Please forward your documentation ASAP so John & I have time to review & digest it before Thursday's discussion.

Thanks.

-Karol

Karol H. Krohn
Deputy Consumer Counselor
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
PNC Center
115 West Washington St., Suite 1500 South Tower
Indianapolis, IN 46204
Direct Line: 317-233-3235
E-Mail: kkrohn@oucc.IN.gov

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From: Jon C Walter [<mailto:jcwalter@aep.com>]

Sent: Monday, April 08, 2019 5:03 PM

To: Kerwin Olson <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Krohn, Karol <kkrohn@oucc.IN.gov>; Jennifer Washburn <jwashburn@citact.org> <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Lewis, Marc <melewis@aep.com>

Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

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Sent: Wednesday, March 20, 2019 9:05 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

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Sent: Monday, March 11, 2019 9:03 AM

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Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@cift-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <jHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: I&M DSM/EE Quarterly Stakeholder Meeting

Attached please find the following documents for this Thursday's OSB meeting:

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2. January 2019 monthly scorecard;
3. 2018 IURC draft scorecard;
4. Minutes from the December 2018 quarterly meeting.

I&M 2019 C&I Program Overview

Program	2019 DSM Plan		2018 Rollover Application		2019 Proposed Budget Transfer(s)		2019 Revised	
	Energy Savings		Energy Savings		Energy Savings		Energy Savings	
	Incentive Budget	Target (kWh)	Incentive Budget	Target (kWh)	Incentive Budget	Target (kWh)	Incentive Budget	Target (kWh)
Prescriptive	\$1,346,033	16,665,000	\$49,674	993,480	\$485,893	9,786,365	\$1,881,600	27,440,000
Custom	\$1,953,191	27,648,023	\$1,414,560	23,000,000	(\$499,913)	(10,000,000)	\$2,867,838	40,600,000
Direct Install	\$160,940	1,599,600	\$8,000	80,000	\$14,020	280,400	\$182,960	1,960,000
Total	\$3,460,164	45,912,623	\$1,414,560	24,073,480	\$0	66,765	\$4,874,724	70,000,000

2019 I&M Indiana EE/DSM C&I Program Status
Known Energy Savings and Incentive Budget Spend
as of 4/10/19

INDIANA 2019

	Custom		Prescriptive		SEDI		Total	
	kWh	Budget	kWh	Budget	kWh	Budget	kWh	Budget
1-Initiation:	0	\$ -	23,819	\$ 1,963	0	\$ 1,875	23,819	\$ 3,843
2-Study:	1,154,691	\$ 59,281	3,734,964	\$ 206,528	0	\$ -	4,889,655	\$ 274,809
3-Offered:	1,387,358	\$ 67,149	3,557,565	\$ 146,841	0	\$ -	4,944,922	\$ 213,990
4-Committed:	19,545,356	\$ 1,172,585	5,136,973	\$ 226,752	0	\$ -	24,682,336	\$ 1,399,337
5-Installed:	1,622,544	\$ 109,773	1,010,581	\$ 72,243	147,046	\$ 16,138	2,987,178	\$ 198,154
6-Payment Pending:	982,350	\$ 59,303	1,506,933	\$ 80,257	232,855	\$ 19,829	2,717,175	\$ 159,429
7-Completed:	8,622,163	\$ 517,531	10,249,605	\$ 475,529	623,042	\$ 81,856	19,494,810	\$ 1,053,756
Grand Total:	33,527,523	\$ 1,995,222	25,219,473	\$ 1,209,116	992,944	\$ 118,779	59,739,944	\$ 3,303,113

2019 Indiana EE/DSM Program Changes

Beginning April 8, 2019

1. All Prescriptive and SBDI lighting incentives have been reduced by 50%.
2. All Custom lighting incentives will be paid at \$.03/kWh.
3. Any lighting measure in the Custom or Prescriptive program will be capped at 50% of the total cost.
4. Any lighting measure in the SBDI program will be capped at 75% of the total cost (material + labor).

Beginning April 12, 2019

1. All projects (Custom, Prescriptive and Small Business Direct Install ("SBDI")) will require pre-approval prior to the purchase and installation of any equipment.
2. Any non-lighting project that is already completed (that normally does not require pre-approval) must be submitted no later than April 12, 2019.

From: [Jon C. Walter](#)
To: [Krohn, Karol](#); ["Jennifer Washburn"](#); [Haselden, John](#)
Cc: [Dave - I&M Finance Lucas](#); [Doug Fasick](#); [Kerwin Olson](#); [Marc E Lewis](#); [Matthew S McKenzie](#); [Nicholas M Elkins](#); [Paronish, April M.](#); [Peabody, Jeffrey](#); [Regiana M Sistevaris](#); jrompala@lewis-kappes.com
Subject: RE: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets
Date: Tuesday, April 30, 2019 9:34:12 AM
Attachments: [I&M DSM EE C&I Program Status and Adjustments 4 30 2019.pptx](#)

OSB members—Please find the attached slide deck we're review on the call this morning at 10 am.

Thanks,

-----Original Appointment-----

From: Jon C Walter
Sent: Friday, April 26, 2019 9:06 AM
To: Jon C Walter; Krohn, Karol; 'Jennifer Washburn'; Haselden, John
Cc: Dave - I&M Finance Lucas; Doug Fasick; Kerwin Olson; Marc E Lewis; Matthew S McKenzie; Nicholas M Elkins; Paronish, April M.; Peabody, Jeffrey; Regiana M Sistevaris; jrompala@lewis-kappes.com
Subject: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets
When: Tuesday, April 30, 2019 10:00 AM-10:30 AM (UTC-05:00) Eastern Time (US & Canada).
Where: Conference Call

Call in info:
855-211-6968
Code 5003540#

From: Krohn, Karol <kkrohn@oucc.IN.gov>
Sent: Thursday, April 25, 2019 11:10 PM
To: 'Jennifer Washburn' <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Jon C Walter <jcwalter@aep.com>
Cc: Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com
Subject: [EXTERNAL] I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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Jon:
I have a scheduling conflict on Monday, but could participate in a conference call on Tuesday 4-30-19 at 10 AM or 11 AM.
Thanks.
-Karol

Karol H. Krohn
Deputy Consumer Counselor
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
PNC Center
115 West Washington St., Suite 1500 South Tower
Indianapolis, IN 46204
Direct Line: 317-233-3235
E-Mail: kkrohn@oucc.IN.gov

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From: Jennifer Washburn [<mailto:jwashburn@citact.org>]
Sent: Thursday, April 25, 2019 4:49 PM
To: Haselden, John <JHaselden@oucc.IN.gov>
Cc: Jon C Walter <jcwalter@aep.com>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Krohn, Karol <kkrohn@oucc.IN.gov>; Lewis, Marc <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompaia@lewis-kappes.com
Subject: Re: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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I can make a call on Monday or Tuesday (except Tuesday at 3pm ET).

Jennifer

On Thu, Apr 25, 2019 at 4:30 PM Haselden, John <JHaselden@oucc.in.gov> wrote:

I can do Monday or Tuesday AM. I am not available Friday.

John E. Haselden, P.E.
(317) 232-2751

From: Jon C Walter [<mailto:jcwalter@aep.com>]
Sent: Thursday, April 25, 2019 4:23 PM
To: Jennifer Washburn <jwashburn@citact.org>
Cc: Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Haselden, John <JHaselden@oucc.IN.gov>; Kerwin Olson <kolson@citact.org>; Krohn, Karol <kkrohn@oucc.IN.gov>; Lewis, Marc <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M.

<AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com

Subject: RE: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

OSB members: I&M requests the OSB convene for a call to discuss concerns regarding C&I program lighting.

Options for each OSB member organization to review and offer availability for the call include:

Friday April 26th @ 2 PM;
Monday April 29th @ 11 AM;
Monday April 29th @ 3 PM;
Tuesday April 30th @ 10 AM;
Tuesday April 30th @ 11 AM;
Tuesday April 30th—1,2 or 3 PM.

If none of these options work, please respond accordingly and we'll find other options.

Please let me know from the above, and I'll provide a calendar invite at the most available time for all.

Thanks,

From: Jennifer Washburn <jwashburn@citact.org>

Sent: Tuesday, April 23, 2019 8:24 PM

To: Jon C Walter <jcwalter@aep.com>

Cc: Craig E Morris <cemorris1@aep.com>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Haselden, John <JHaselden@oucc.in.gov>; Kerwin Olson <kolson@citact.org>; Krohn, Karol <kkrohn@oucc.in.gov>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.in.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com

Subject: Re: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

Jon, Marc, Matthew, Jeff,

Can we get a response please and sit down to discuss? Will the Commission be informed about this huge change in your program offerings? This is a time sensitive matter, and we are already hearing about people getting very upset.

Jennifer

On Mon, Apr 22, 2019 at 4:40 PM Jennifer Washburn <jwashburn@citact.org> wrote:
Jon,

I knew this information, but thanks for the clarification. I'm still unclear as to:

1. why I&M is not using its 10% spending flexibility first (44841 final order at page 25 "Such spending flexibility includes the ability to spend up to and including 10% above the approved costs for its DSM Plan and programs and approval to transfer up to 25% of unencumbered program operating costs between programs in the same customer class. "),
2. whether I&M is halting its MI program activity on C&I LEDs,
3. the hesitation of I&M to work with its OSB to make a filing with the IURC to request the forecasted overage, and
4. I&M's consideration of CAC's suggestion about pausing JUST the LED tubes and not the other LEDs.

Jennifer

On Mon, Apr 22, 2019 at 4:08 PM Jon C Walter <jcwalter@aep.com> wrote:

Jennifer—To answer all of your questions thus far, based on order in which they were received:

1. I&M is not stopping any C&I program for 2019.
 - a. I&M is discontinuing only LED lighting project rebate(s) approval in the C&I Prescriptive, C&I Custom, and C&I SBDI for the remainder of 2019.
 - b. All other non-LED lighting measures are available still for the remainder of I&M's 2019 (& 3 year DSM Plan, and overspend) budget authority.
 - c. I&M is operating C&I programs according to cost recovery and budget authority approved by the IURC specific to I&M only.
 - i. I&M cannot (and is not authorized) to manage C&I programs according to budgets not approved by the IURC and I&M especially cannot manage according to budgets approved for other utilities in Indiana.
2. I&M's use of the word "discontinue" effectively means a program "pause" for LED lighting projects ONLY for the remainder of 2019.
 - a. I&M is in communication with TA's in the program, as I described, regarding how to plan for any future (beyond 2019) LED lighting incentives that may be offered once I&M's 2020-2022 Plan is approved by the IURC, using the "wait list" language and approach.

3. Regarding your possible solution, I&M is in the midst of reviewing LED lighting project data. But primarily, a one-size-fits-all approach cannot be taken and I&M needs to take a cautionary approach first.

- a. Changes are being seen across different LED lighting measure types, with changes relative to baseline measures being compared to, for incremental measure cost (IMC).
- b. As John Haselden's email describes, some measures are at a point in which customers may do them regardless of I&M incentives. Again, another reason for the cautionary approach.

4. I&M manages its Michigan C&I programs and budgets according to Michigan program activity, not according to Indiana's activity.

I believe I have addresses your concerns with the responses above, justifying I&M's action on LED lighting project(s) rebates approvals only, for the remainder of 2019, according to 2019 Indiana budgets and the various budget authorities granted by the IURC in the current 3 Year DSM Plan.

Thanks,

From: Jennifer Washburn <jwashburn@citact.org>

Sent: Monday, April 22, 2019 3:30 PM

To: Jon C Walter <jcwalter@aep.com>

Cc: Craig E Morris <cemorris1@aep.com>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Haselden, John <JHaselden@oucc.in.gov>; Kerwin Olson <kolson@citact.org>; Krohn, Karol <kkrohn@oucc.in.gov>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.in.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com

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One last question: is I&M also doing this in its MI service territory?

On Mon, Apr 22, 2019 at 1:19 PM Jennifer Washburn <jwashburn@citact.org> wrote:

I'd just reiterate that this is potentially very damaging. As you all know, turning programs off and on really hurts relationships with trade allies like lighting vendors as they design their business strategies around the availability of these programs. Once you burn them by turning a program off, it is difficult to fully gain back their trust (understandably) so it is difficult to ramp up to address future savings

opportunities.

Another possible solution (see prior email for other ideas), if nothing else, perhaps I&M could eliminate only rebates for LED tubes, and retain them for futures, with higher levels for fixtures with integrated controls. That at least keeps seeding the market for the biggest savings opportunities of the future (LEDs w/controls) rather than alienating I&M's trade allies.

Thanks for your consideration,
Jennifer

On Mon, Apr 22, 2019 at 12:52 PM Jennifer Washburn <jwashburn@citact.org> wrote:

Jon,

Why not use the 10% spending flexibility already afforded to I&M under the current order? Is I&M certain that all of its other C&I programs (for example, Public Efficient Streetlighting) will meet their 2019 goals and use the allocated budget? Can we work together to make a filing with the Commission for additional funding so this program isn't halted?

We're extremely concerned about this decision by I&M, especially considering I&M's low levels of DSM investments in comparison to other utilities in the state.

Jennifer

On Mon, Apr 22, 2019 at 11:01 AM Jon C Walter <jcwalter@aep.com> wrote:

OSB members: In follow up from our discussion back on April 11th, regarding I&M's 2019 C&I (Work) programs and budgets status, applications being received in these programs have continued with high interest level in LED lighting projects.

In fact, some larger LED lighting projects have been received even at the reduced LED lighting incentive levels and project cap amounts that I&M rolled out in early April that we reviewed on the call.

Given the continued high level of applications being received, I&M has decided to implement the next proactive step of discontinuing all incentives for LED lighting projects for the remainder of 2019. This is intended to help manage program success against program budgets.

The following notice will be sent out early this week to I&M's Trade Ally and customer lists in the C&I programs:

“Effective (date of distribution)

All lighting incentives have been discontinued for 2019.

Any project that has already received an incentive offer and that offer has been accepted will still receive their incentive upon completion in 2019.

Given the current remaining funding for all programs we are still accepting non-

lighting projects. We will accept 5M energy savings in additional non-lighting projects. When we have reached a total of 5M energy savings, applications received will be held in a waitlist if an available spot should open up. Customers will be notified and an incentive offer will be made for that project if and when a spot opens. Projects will be pulled from the waitlist in the order received as long as the total energy savings of the project does not exceed the available energy savings in the program based on program budgets. If the total energy savings from the waitlist project exceeds the program available energy savings based on budgets, the next project will be selected. You will not lose your place in line should your project be too large.

If you would like to receive an incentive for your project and you are on the waiting list, you will not be able to purchase or install ANY equipment until a formal incentive offer has been made and accepted.”

If anyone has any questions, please let me know.

Thanks,

-----Original Appointment-----

From: Jon C Walter

Sent: Tuesday, April 9, 2019 4:26 PM

To: Jon C Walter; Krohn, Karol; Kerwin Olson; Matthew S McKenzie; Paronish, April M.; Dave - I&M Finance Lucas; Nicholas M Elkins; Regiana M Sistevaris; Peabody, Jeffrey; Doug Fasick; Jennifer Washburn (jwashburn@citact.org); Haselden, John; Marc E Lewis; jrompala@lewis-kappes.com

Subject: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

When: Thursday, April 11, 2019 11:00 AM-11:30 AM (UTC-05:00) Eastern Time (US & Canada).

Where: Conf Call

Conference call info:

855-211-6968

Code: 5003540#

From: Krohn, Karol <kkrohn@oucc.IN.gov>

Sent: Tuesday, April 9, 2019 10:32 AM

To: Jon C Walter <jcwalter@aep.com>; Kerwin Olson <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: [EXTERNAL] I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

This is an **EXTERNAL** email. **STOP. THINK** before you CLICK links or OPEN attachments. If suspicious please click the 'Report to Incidents' button in Outlook or forward to incidents@aep.com from a mobile device.

Jon:

Only 1 of the dates & times you proposed will work for both John Haselden & me:

April 11 @ 11 AM -- or immediately following our 9:30 AM conference call with CAC (if that call ends before 11 AM).

Please forward your documentation ASAP so John & I have time to review & digest it before Thursday's discussion.

Thanks.

-Karol

Karol H. Krohn
Deputy Consumer Counselor
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From: Jon C Walter [<mailto:jcwalter@aep.com>]

Sent: Monday, April 08, 2019 5:03 PM

To: Kerwin Olson <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Krohn, Karol <kkrohn@oucc.IN.gov>; Jennifer Washburn <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Lewis, Marc <melewis@aep.com>

Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.

OSB members—As discussed in prior meetings with the OSB, I&M's C&I programs have had very good success thus far in 2019, in part due to the continued healthy pipeline of LED lighting projects that comprise a majority of this sector's energy savings overall.

As such, I&M requests a 30 minute call with OSB members this week, if possible, to provide an overview of C&I DSM/EE program changes that I&M has implemented in order to manage program continuation against authorized budgets from the 3 year DSM Plan.

I'd request each OSB member organization provide availability for the following conference call time options:

April 10th, Wednesday, 1 PM eastern;
April 10th, Wednesday, 3 PM eastern;
April 11th, Thursday, 11 AM eastern;
April 11th, Thursday, 1 PM eastern;
April 11th, Thursday, 3 PM eastern
April 12th, Friday, 10 AM eastern.

Please respond with your organization's date first and second date and time preference, and I&M will select the most common, and schedule the call with a calendar invite.

Last, I&M will provide summary information in advance of the call for your review.

Thanks,

From: Jon C Walter

Sent: Wednesday, March 20, 2019 9:05 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn <jwashburn@citact.org> <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

OSB members—Please find attached (2) items:

1. Final minutes from the Q4 2018 stakeholder meeting:

2. Draft minutes from the Q1 2019 stakeholder meeting.

Please review #2 above and provide any comments / proposed redlines back to me.

Thanks,

From: Jon C Walter

Sent: Monday, March 11, 2019 9:03 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn <jwashburn@citact.org> <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: I&M DSM/EE Quarterly Stakeholder Meeting

Attached please find the following documents for this Thursday's OSB meeting:

1. Agenda;
2. January 2019 monthly scorecard;
3. 2018 IURC draft scorecard;
4. Minutes from the December 2018 quarterly meeting.

--

Jennifer A. Washburn, Counsel
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1915 W. 18th Street, Suite C
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Mission Statement: To initiate, facilitate and coordinate citizen action directed to improving the quality of life of all inhabitants of the State of Indiana through principled advocacy of public policies to preserve democracy, conserve natural resources, protect the environment, and provide affordable access to essential human services.

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--

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I&M 2019 C&I Program Overview

Background: Q1 2019 compared to Q1 2018:

182% Increase in C&I Prescriptive, Custom, and DI applications

Original 2019 C&I budget management approach was to utilize roll over funding by program. I&M increased original 45 GWh savings target to 70 GWh based on program need.

Program	2019 DSM Plan		2018 Rollover Application		2019 Proposed Budget Transfer(s)		2019 Revised	
	Energy Savings		Energy Savings		Energy Savings		Energy Savings	
	Incentive Budget	Target (kWh)	Incentive Budget	Target (kWh)	Incentive Budget	Target (kWh)	Incentive Budget	Target (kWh)
Prescriptive	\$1,346,033	16,665,000	\$49,674	993,480	\$485,893	9,786,365	\$1,881,600	27,440,000
Custom	\$1,953,191	27,648,023	\$1,414,560	23,000,000	(\$499,913)	(10,000,000)	\$2,867,838	40,600,000
Direct Install	\$160,940	1,599,600	\$8,000	80,000	\$14,020	280,400	\$182,960	1,960,000
Total	\$3,460,164	45,912,623	\$1,414,560	24,073,480	\$0	66,765	\$4,874,724	70,000,000

2019 C&I Program Status as of April 30, 2019

INDIANA 2019								
	Custom		Prescriptive		SBDI		Total	
	kWh	Budget	kWh	Budget	kWh	Budget	kWh	Budget
1-Initiation:	0	\$ -	47,787	\$ 1,925	0	\$ -	47,787	\$ 1,925
2-Study:	807,339	\$ 48,440	79,920	\$ 12,210	0	\$ -	887,259	\$ 60,650
3-Offered:	810,501	\$ 47,679	3,708,548	\$ 148,554	0	\$ -	4,519,048	\$ 196,233
4-Committed:	19,693,730	\$ 1,128,179	8,824,139	\$ 368,562	9,022	\$ 671	28,526,891	\$ 1,517,412
5-Installed:	973,283	\$ 58,397	2,067,738	\$ 84,685	1,393	\$ 288	3,042,414	\$ 143,369
6-Payment Pending:	2,880,309	\$ 172,819	1,896,175	\$ 83,129	103,583	\$ 10,377	4,885,067	\$ 266,325
7-Completed:	9,640,758	\$ 578,445	12,426,700	\$ 604,299	927,612	\$ 89,327	22,995,070	\$ 1,272,072
Grand Total:	34,805,920	\$ 2,033,960	29,051,007	\$ 1,323,363	1,046,609	\$ 100,663	64,903,536	\$ 3,457,985
Annual Goal:	40,600,000	\$ 2,436,000	27,440,000	\$ 1,881,600	1,960,000	\$ 168,000	70,000,000	\$ 4,485,600
% of Annual Goal:	86%	83%	106%	70%	53%	60%	93%	77%
% of Year Completed:	45%							

I&M C&I Programs

Draft LED Lighting Measure Analysis

Measure Number	Measure Name	Measure Cost Change 2016/2017 to 2018
212030	212030-Lighting-LED Replacing CFL	0%
212359	212359-Lighting-LED Exit Sign Exit	74%
212034	212034-Lighting-LED - Exterior Replacing HID <= 175W - Exterior	59%
212036	212036-Lighting-LED - Interior Replacing HID <=175W - Interior	0%
212031	212031-Lighting-LED - Exterior Replacing HID 1000W Exterior	41%
212035	212035-Lighting-LED - Interior Replacing HID 1000 W - Interior	61%
212032	212032-Lighting-LED - Exterior Replacing HID 176W-250W - Exterior	35%
212037	212037-Lighting-LED - Interior Replacing HID 176W-250W - Interior	47%
212033	212033-Lighting-LED - Exterior Replacing HID 251W-400W - Exterior	58%
212038	212038-Lighting-LED - Interior Replacing HID 251W-400 W - Interior	46%
212039	212039-Lighting-LED <10W Replacing Incandescent <25W	0%
212043	212043-Lighting-LED ≤20W Replacing Incandescent >90W	29%
212040	212040-Lighting-LED ≤12W Replacing Incandescent 25-45W	73%
212041	212041-Lighting-LED ≤15W Replacing Incandescent 46-65W	76%
212042	212042-Lighting-LED ≤17W Replacing Incandescent 66-90W	82%
212052	212052-Lighting-LED 4ft Lamp Replacing T12 4ft. Lamp	22%
212050	212050-Lighting-LED 4ft 1 Lamp Replacing 2L 4ft T12	74%
212182	212182-Lighting-LED Light Fixture Replacing 2L 4ft. T12	72%
212148	212148-Lighting-LED Light Fixture Replacing 3L 4ft. T12	59%
212149	212149-Lighting-LED Light Fixture Replacing 4L 4ft T12	60%
212049	212049-Lighting-LED 4ft 2 Lamp Replacing 4L 4ft T12	65%
212051	212051-Lighting-LED 4ft 3 Lamp Replacing 4L 4ft T12	68%
212059	212059-Lighting-LED 8ft Lamp Replacing T12 8ft Lamp	0%
212061	212061-Lighting-LED Fixture Replacing T12 8ft 2 Lamp	0%
212145	212145-Lighting-LED Light Fixture Replacing U-Tube 2L T12	45%
212053	212053-Lighting-LED 4ft Lamp Replacing T5 4ft. Lamp	28%
212054	212054-Lighting-LED 4ft Lamp Replacing T5 HO 4ft. Lamp	83%
212101	212101-10 Lamp T5HO to LED Fixture	0%
212092	212092-4 Lamp T5HO to LED Fixture	75%
212099	212099-6 Lamp T5HO to LED Fixture	71%
212100	212100-8 Lamp T5HO to LED Fixture	0%
212055	212055-Lighting-LED 4ft Lamp Replacing T8 4ft. Lamp	76%
212096	212050-Lighting-LED 4ft 1 Lamp Replacing 2L 4ft T8	45%
212150	212150-Lighting-LED Light Fixture Replacing 2L 4ft 32wT8 fixture	0%
212146	212146-Lighting-LED Light Fixture Replacing 3L 4ft 32wT8 fixture	37%
212147	212147-Lighting-LED Light Fixture Replacing 4L 4ft 32wT8 fixture	35%
212097	212049-Lighting-LED 4ft 2 Lamp Replacing 4L 4ft T8	64%
212098	212051-Lighting-LED 4ft 3 Lamp Replacing 4L 4ft T8	0%
212060	212060-Lighting-LED 8ft Lamp Replacing T8 8ft Lamp	0%
212062	212062-Lighting-LED Fixture Replacing T8 8ft 2 Lamp	0%
212144	212144-Lighting-LED Light Fixture Replacing U-Tube 2L T8 fixture	28%
612055	005799-612055-Lighting-LED 4ft Lamp Replacing T8 4ft. Lamp_20181121-16252	76%

Legend

Red—Highest Degree of
Material Cost Change

Yellow—Moderate Degree of
Material Cost Change

Green—Lowest Degree of
Material Cost Change

*Some measures have no
price change (0%, green) due
to only one year of
participation for those
measures

I&M OSB Communications re: C&I 2019 Lighting Cessation & Restart

Indiana Machine Gun Powder Company DSM/EE 2019 PY 10 Quarter 1 Program Scorecard PORTFOLIO COSTS									
Program	Total Program					Remaining 2017 and 2018 Unallocated Total Budget	2019 Forecast Total Budget		
	Actual Cost	Original Plan Budget Cause No. 44041	Revised Plan Budget Cause No. 44041*	Adjusted Plan Budget Cause No. 44041**	% of Original Budget			% of Revised Budget	% of Adjusted Budget
C&I Programs									
Mark Custom Rebar	\$510,066	\$3,064,380	\$4,380,634	\$4,310,638	38%	18%	11%	\$37,229	\$1,519,858
Mark Direct Install	\$216,800	\$395,435	\$684,190	\$667,400	30%	20%	21%	\$23,900	\$86,695
Mark Prescriptive Rebar	\$688,217	\$2,057,416	\$1,455,416	\$2,312,416	34%	34%	31%	\$0	\$0
Mark Energy Management	\$4,000	\$2,304,388	\$4,018,664	\$4,018,664	0%	0%	0%	\$1,271,276	\$2,714,216
Public Efficient Streetlighting	\$0	\$4,514,640	\$4,445,131	\$4,545,231	0%	0%	0%	\$5,028,591	\$3,018,351
EECO-C&I	\$8,146	\$496,944	\$604,332	\$604,332	2%	2%	2%	\$22,644	\$27,382
Subtotal	\$1,635,343	\$9,042,303	\$15,082,381	\$16,024,311	38%	30%	16%	\$6,351,925	\$7,219,519
Residential Programs									
EECO-Residential	\$46,651	\$2,014,630	\$3,457,564	\$3,317,564	2%	2%	2%	\$1,063,154	\$1,318,314
Home Appliance Recycling	\$137,656	\$594,990	\$637,434	\$657,434	2%	3%	2%	\$0	\$52,434
Schools Energy Education	\$24,555	\$682,354	\$733,034	\$733,034	4%	5%	3%	\$81,310	\$14,730
Home Energy Management	\$337,513	\$1,728,377	\$3,410,979	\$3,310,979	20%	3%	9%	\$1,063,154	\$2,758,516
Home Qualified Weatherproofing	\$91,196	\$571,039	\$761,890	\$767,490	3%	11%	1%	\$14,741	\$194,756
Home Weatherproofing	\$78,183	\$518,143	\$785,596	\$735,596	15%	10%	10%	\$110,261	\$267,451
Home New Construction	\$94,129	\$487,833	\$535,711	\$531,711	20%	18%	16%	\$0	\$31,830
Home Energy Products	\$483,266	\$4,384,972	\$4,684,972	\$1,513,972	4%	40%	4%	\$0	\$0
Home Energy Engagement	\$416,018	\$2,381,110	\$3,454,381	\$3,114,381	17%	13%	15%	\$545,306	\$772,701
Subtotal	\$1,921,644	\$10,149,105	\$14,888,134	\$14,832,134	19%	13%	15%	\$1,731,361	\$4,338,315
Portfolio Level Costs/Indirect Program									
Staff Development & Membership	\$17,494	\$45,400	\$49,411	\$49,411	3%	3%	3%	\$0	\$4,411
C&I Rebar & IT Support	\$82,363	\$300,000	\$304,630	\$304,630	3%	1%	1%	\$52,335	\$104,630
Portfolio Marketing & Customer Awareness	\$59,893	\$100,000	\$100,918	\$100,918	19%	58%	51%	\$0	\$38
Planning & Analysis Support	\$29,933	\$115,000	\$115,566	\$123,566	13%	20%	21%	\$0	\$66
Program Development	\$5,780	\$50,400	\$504,187	\$104,187	12%	6%	6%	\$4,117	\$34,187
Administrative Support	\$56,277	\$315,000	\$682,819	\$681,379	14%	5%	5%	\$311,602	\$551,879
Customer Engagement Platforms	\$112,872	\$390,000	\$917,632	\$937,431	3%	1%	1%	\$414,940	\$237,631
Customer Energy Intervention & Messaging	\$34,893	\$150,000	\$161,684	\$161,684	22%	22%	21%	\$0	\$11,684
Subtotal	\$547,305	\$1,495,000	\$1,456,596	\$2,466,596	17%	10%	10%	\$817,314	\$571,936
PORTFOLIO COST TOTALS									
Total Residential Costs	\$1,921,644							\$1,731,361	\$4,338,315
Total C&I Costs	\$1,635,343							\$6,351,925	\$7,219,519
Total Indirect Costs	\$547,305							\$817,314	\$571,936
Total Portfolio	\$3,004,292	\$20,495,051	\$38,417,511	\$39,417,511	18%	11%	11%	\$10,333,550	\$12,590,566

** Revised budget aligns program 2018 actuals with the 2017-2018 rollover budget. The Original Plan Program Costs budget remains in the 2018 year.

14 Additional Plan Budget categories represent the 2018-2019 rollover amounts and any 2018 budget transfer between programs. The Original Plan Program Costs budget remains in the 2018 year.

15 After the purpose of this document, Resolving 2017-2018 rollover budgets which included budget amounts not spent in 2017-2018 by program has 2017-2018 rollover amounts used in 2020 year-end. Consistent with the Commission's Order in Cause No. 2016-01, the rollover and carry-over for 2019 program implementation below 2018 rollover budget amounts are used.

I&M Proposal to Re-open C&I LED Lighting Rebates in 2019

I&M Requests OSB Feedback:

1. Suppress WEM and PES program implementation for 2019.
2. I&M to utilize unencumbered funds (including WEM and PES) for budget transfers to re-open LED Lighting for applications during June through December 2019 at reduced incentive levels used previously (50% drop in incentives with revised project caps)
3. I&M will allow C&I sector to over spend up to 10% of original 2019 plan budgets + rollover funds in the C&I sector.

2019 C&I Sector Unencumbered Funds Available for Budget Transfers

2019 C&I Sector Unencumbered Funds Available for Budget Transfers			2019 C&I Sector Unencumbered Funds Available for Budget Transfers	
Category	2019 C&I Sector Unencumbered Funds Available for Budget Transfers	2019 C&I Sector Unencumbered Funds Available for Budget Transfers	2019 C&I Sector Unencumbered Funds Available for Budget Transfers	2019 C&I Sector Unencumbered Funds Available for Budget Transfers
Work Custom Rebates	27,648,023	\$3,066,780	\$1,364,254	\$341,063
Work Direct Install	1,599,600	\$395,435	\$165,747	\$41,437
Work Prescriptive Rebates	16,665,000	\$2,052,416	\$9,985	\$2,496
Work Energy Management	5,911,740	\$1,744,388	\$4,416,441	\$1,104,110
Public Efficient Streetlighting	5,521,964	\$1,516,840	\$4,999,754	\$157,242
EECO-C&I	12,471,182	\$266,944	\$317,935	\$79,484
C&I Sector	69,817,508	\$9,042,803	\$9,667,878	\$1,725,832

2019 Indiana C&I EE/DSM Program Proposal to OSB

Beginning June 1, 2019

1. All Prescriptive and SBDI lighting incentives have been reduced by 50%.
2. All Custom lighting incentives will be paid at \$.03/kWh.
3. Any lighting measure in the Custom or Prescriptive program will be capped at 50% of the total cost.
4. Any lighting measure in the SBDI program will be capped at 75% of the total cost (material + labor).
5. All projects (Custom, Prescriptive and Small Business Direct Install ("SBDI")) will require pre-approval prior to the purchase and installation of any equipment.

From: [Jon C Walter](#)
To: [Krohn, Karol](#); [Jennifer Washburn \(jwashburn@citact.org\)](#); [Haselden, John](#)
Subject: RE: I&M DSM/EE C&I Program Budgets
Date: Thursday, May 9, 2019 2:15:56 PM
Attachments: [image001.png](#)

Getting the larger audience out of this thread...

Karol, regarding your question, I&M anticipates if the budget situation becomes limiting, I&M would keep TAs and customers apprised through frequent communications via mass email communication (similar to that used for the "pause", updates on our web page [electricideas.com](#) and our Trade Ally newsletter.

That said, we're still aligning our intent around that given we haven't dealt with that type of situation before, but our current thought is that we'd drop the pre-approval requirement from \$10,000 or greater to \$5,000 or greater.

Hope this answers your question.

Thanks,

From: Krohn, Karol <kkrohn@oucc.IN.gov>
Sent: Wednesday, May 8, 2019 7:45 PM
To: 'Jennifer Washburn' <jwashburn@citact.org>; Jon C Walter <jcwalter@aep.com>
Cc: Haselden, John <JHaselden@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>
Subject: [EXTERNAL] I&M DSM/EE C&I Program Budgets

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Jennifer:

Since this issue is limited to prescriptive C&I programs, the only remaining question I have is: How will a trade ally know if I&M's prescriptive C&I program is getting close to its full program budget -- or if it has already exceeded the upper limit?

Jon:

How frequently do trade allies receive information from I&M when the C&I prescriptive programs are approaching budget limits? Does I&M provide more frequent notice to trade allies as its C&I prescriptive program costs approach or exceed budget caps for that program?

Materials provided to prospective purchasers will help educate them.

-Karol

Karol H. Krohn
Deputy Consumer Counselor
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
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115 West Washington St., Suite 1500 South Tower
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From: Jennifer Washburn [<mailto:jwashburn@citact.org>]

Sent: Wednesday, May 08, 2019 2:08 PM

To: Krohn, Karol <kkrohn@oucc.IN.gov>

Cc: Jon C Walter <jcwalter@aep.com>; Haselden, John <jHaselden@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Lewis, Marc <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>

Subject: Re: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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Hi Karol,

Feel free to call me later to discuss, but our concern about preapproval being part of the C&I **prescriptive** program in particular is it will actually serve to deter customers who are making the quick business decisions and could end up slowing or stopping the prescriptive market. If we're able to adjust the incentive levels and spending caps for the measures that we're concerned with including keeping I&M's \$10k preapproval mechanism, we think that is a much more customer-friendly and effective and streamlined way to manage the program and not get into the "PR disaster" issue that you mention. And I'm guessing that there is nothing stopping customers from getting preapproval now if they want that certainty.

Looking forward to our discussion on Friday.

Best regards,
Jennifer

On Wed, May 8, 2019 at 12:52 PM Krohn, Karol <kkrohn@oucc.in.gov> wrote:

I haven't discussed this topic further with John or Jennifer, but had some points to share on this.

I thought the preapproval was something customers actually wanted before they spent money on a project they otherwise wouldn't have undertaken. It's the promise of partial reimbursement that got them to proceed.

A little delay up front helps to avoid a PR disaster later if program funding is depleted or if the project is found not to be eligible.

-Karol

Karol H. Krohn
Deputy Consumer Counselor
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From: Jennifer Washburn [<mailto:jwashburn@citact.org>]

Sent: Wednesday, May 08, 2019 11:17 AM

To: Jon C Walter <jcwalter@aep.com>

Cc: Krohn, Karol <kkrohn@oucc.IN.gov>; Haselden, John <JHaselden@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Lewis, Marc <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@ptlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>

Subject: Re: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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Hi Jon,

Thanks! Appreciate the update.

In response to your request for feedback in your email on 5/1, we checked with the other Indiana electric IOUs about whether they require preapproval for C&I prescriptive projects.

One utility has no preapproval for C&I prescriptive projects, two utilities have preapproval

of projects *if the incentive payment* will be over \$10k, and one has preapproval of projects *if the incentive payment* will be over \$20k.

Our consultant, Chris Neme, said from his nationwide experience that he has only heard of one utility in New Jersey that requires preapproval of all C&I prescriptive projects at any size and they are actually currently trying to change that practice.

Thanks,
Jennifer

On Fri, May 3, 2019 at 4:47 PM Jon C Walter <jcwalter@aep.com> wrote:

OSB members—In follow up, below is the communication sent by I&M this afternoon to C&I program Trade Allies, Customers, and Contractors.

“ Indiana Michigan Power (I&M) has experienced an unprecedented response in our C&I Energy Efficiency programs in Indiana. Our 2019 1st quarter applications were +182% higher than 2018 1st quarter results, with the greatest impact occurring in our LED lighting measures. We recently announced a pause on LED lighting measures in the 2019 C&I programs so that we could evaluate the impact of this unprecedented response. The evaluation is currently underway, and we anticipate resuming LED lighting measure rebates, subject to changes, on or before June 3rd, 2019. We will announce all changes to the lighting measures prior to that date so that you may plan accordingly.

Thank you for your support of our energy efficiency programs!”

Have a great weekend.

Thanks,



JON C WALTER | EE & CONSUMER PROGRAMS MGR
JCWALTER@AEP.COM | D:260.408.3540 | C:260.437.0729
110 E. WAYNE ST., FORT WAYNE, IN 46802

From: Jon C Walter

Sent: Wednesday, May 1, 2019 9:04 AM

To: 'Jennifer Washburn' <jwashburn@citact.org>

Cc: Krohn, Karol <kkrohn@oucc.in.gov>; Haselden, John <JHaselden@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.in.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>

Subject: RE: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

Thanks for the response, Jennifer. I&M will take your “things to noodle on” into consideration as part of the analysis.

On #2 specifically, we’d like the OSB’s feedback specifically around what the other utilities do in their C&I Prescriptive programs, if OSB members have knowledge of this.

I&M is of the understanding from TAs that other utilities require pre-approval for any-size Prescriptive project, which is what I&M is proposing to do, different than our current \$10,000 or greater threshold for requiring pre-approval.

I&M believes requiring pre-approval for any project, regardless of size, will help address free-ridership.

Last, please find attached I&M’s Q1 scorecard filed with the IURC yesterday, 4/30/19.

Thanks,

From: Jennifer Washburn <jwashburn@citact.org>

Sent: Tuesday, April 30, 2019 4:46 PM

To: Jon C Walter <jcwalter@aep.com>

Cc: Krohn, Karol <kkrohn@oucc.in.gov>; Haselden, John <jHaselden@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.in.gov>; Peabody, Jeffrey <jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com

Subject: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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Jon, et al.:

Thanks for the call today. CAC discussed this internally—we are good with the June 3rd (first business day in June) no later than start date for resuming the LED C&I program offerings, based on the assumption that (1) I&M will send out a communication within the next few business days to the trade allies/customers to let them know that the C&I LED program offerings will be resuming no later than the first business day in June (or similar wording—whatever you find appropriate) and will update its website or whatever other communication channels to make sure folks know what is going on, and (2) we’ll continue to discuss and figure out how best to surgically address LED incentive offerings and the appropriateness of a preapproval requirement.

A few other things to noodle on until we have our call next Friday:

1. In terms of preparing for our discussion regarding whether reductions to certain incentives are appropriate, we wonder if it might be helpful to take the list of LED measures you put together on slide 3 in your presentation and add another column that shows Year to Date what portion of commercial lighting rebate dollars went to each of those measures so we can see how the measures compare.

2. With regard to the preapproval requirement proposal, we ask folks to consider the purpose of this requirement. If the purpose is to control budget, we think that incentive levels and spending caps should be able to accomplish that. If the purpose is to address freeriders, our understanding of the market and program design is that a preapproval process isn't likely to be effective in screening freeriders out; rather, it could screen out customers who need to make quick business decisions and who may decide not to upgrade efficiency because of this extra hurdle. We appreciate your further consideration of this.

Thanks again for the constructive discussion today. We appreciate it. We look forward to the discussion next Friday.

Sincerely,
Jennifer

On Tue, Apr 30, 2019 at 9:34 AM Jon C Walter <jcwalter@aep.com> wrote:

OSB members—Please find the attached slide deck we're review on the call this morning at 10 am.

Thanks,

-----Original Appointment-----

From: Jon C Walter

Sent: Friday, April 26, 2019 9:06 AM

To: Jon C Walter; Krohn, Karol; 'Jennifer Washburn'; Haselden, John

Cc: Dave - I&M Finance Lucas; Doug Fasick; Kerwin Olson; Marc E Lewis; Matthew S McKenzie; Nicholas M Elkins; Paronish, April M.; Peabody, Jeffrey; Regiana M Sistevaris; jrompala@lewis-kappes.com

Subject: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

When: Tuesday, April 30, 2019 10:00 AM-10:30 AM (UTC-05:00) Eastern Time (US & Canada).

Where: Conference Call

Call in info:

855-211-6968

Code 5003540#

From: Krohn, Karol <kkrohn@oucc.IN.gov>

Sent: Thursday, April 25, 2019 11:10 PM

To: 'Jennifer Washburn' <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Jon C Walter <jcwalter@aep.com>

Cc: Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>;

jrompala@lewis-kappes.com

Subject: [EXTERNAL] I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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Jon:

I have a scheduling conflict on Monday, but could participate in a conference call on Tuesday 4-30-19 at 10 AM or 11 AM.

Thanks.

-Karol

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From: Jennifer Washburn [<mailto:jwashburn@citact.org>]

Sent: Thursday, April 25, 2019 4:49 PM

To: Haselden, John <JHaselden@oucc.IN.gov>

Cc: Jon C Walter <jcwalter@aep.com>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Kerwin Olson <kolson@citact.org>; Krohn, Karol <kkrohn@oucc.IN.gov>; Lewis, Marc <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btiaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com

Subject: Re: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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I can make a call on Monday or Tuesday (except Tuesday at 3pm ET).

Jennifer

On Thu, Apr 25, 2019 at 4:30 PM Haselden, John <JHaselden@oucc.in.gov> wrote:

I can do Monday or Tuesday AM. I am not available Friday

John E. Haselden, P.E.
(317) 232-2751

From: Jon C Walter [mailto:jcwalter@aep.com]
Sent: Thursday, April 25, 2019 4:23 PM
To: Jennifer Washburn <jwashburn@citact.org>
Cc: Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Haselden, John <JHaselden@oucc.IN.gov>; Kerwin Olson <koison@citact.org>; Krohn, Karol <kkrohn@oucc.IN.gov>; Lewis, Marc <mlewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Reginana M Sistevaris <rsistevaris@aep.com>; jrompaia@lewis-kappes.com
Subject: RE: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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OSB members: I&M requests the OSB convene for a call to discuss concerns regarding C&I program lighting.

Options for each OSB member organization to review and offer availability for the call include:

Friday April 26th @ 2 PM;
Monday April 29th @ 11 AM;
Monday April 29th @ 3 PM;
Tuesday April 30th @ 10 AM;
Tuesday April 30th @ 11 AM;
Tuesday April 30th —1,2 or 3 PM.

If none of these options work, please respond accordingly and we'll find other options.

Please let me know from the above, and I'll provide a calendar invite at the most available time for all.

Thanks,

From: Jennifer Washburn <jwashburn@citact.org>
Sent: Tuesday, April 23, 2019 8:24 PM
To: Jon C Walter <jcwalter@aep.com>

Cc: Craig E Morris <cemorris1@aep.com>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci-ft-wayne.in.us>; Haselden, John <JHaselden@oucc.in.gov>; Kerwin Olson <kolson@citact.org>; Krohn, Karol <kkrohn@oucc.in.gov>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.in.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com

Subject: Re: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

Jon, Marc, Matthew, Jeff,

Can we get a response please and sit down to discuss? Will the Commission be informed about this huge change in your program offerings? This is a time sensitive matter, and we are already hearing about people getting very upset.

Jennifer

On Mon, Apr 22, 2019 at 4:40 PM Jennifer Washburn <jwashburn@citact.org> wrote:

Jon,

I knew this information, but thanks for the clarification. I'm still unclear as to:

1. why I&M is not using its 10% spending flexibility first (44841 final order at page 25 "Such spending flexibility includes the ability to spend up to and including 10% above the approved costs for its DSM Plan and programs and approval to transfer up to 25% of unencumbered program operating costs between programs in the same customer class. "),
2. whether I&M is halting its MI program activity on C&I LEDs,
3. the hesitation of I&M to work with its OSB to make a filing with the IURC to request the forecasted overage, and
4. I&M's consideration of CAC's suggestion about pausing JUST the LED tubes and not the other LEDs.

Jennifer

On Mon, Apr 22, 2019 at 4:08 PM Jon C Walter <jcwalter@aep.com> wrote:

Jennifer—To answer all of your questions thus far, based on order in which they were received:

1. I&M is not stopping any C&I program for 2019.
 - a. I&M is discontinuing only LED lighting project rebate(s) approval in the C&I Prescriptive, C&I Custom, and C&I SBDI for the remainder of 2019.

- b. All other non-LED lighting measures are available still for the remainder of I&M's 2019 (8 3 year DSM Plan, and overspend) budget authority.
 - c. I&M is operating C&I programs according to cost recovery and budget authority approved by the IURC specific to I&M only.
 - i. I&M cannot (and is not authorized) to manage C&I programs according to budgets not approved by the IURC and I&M especially cannot manage according to budgets approved for other utilities in Indiana.
2. I&M's use of the word "discontinue" effectively means a program "pause" for LED lighting projects ONLY for the remainder of 2019.
- a. I&M is in communication with TA's in the program, as I described, regarding how to plan for any future (beyond 2019) LED lighting incentives that may be offered once I&M's 2020-2022 Plan is approved by the IURC, using the "wait list" language and approach.
3. Regarding your possible solution, I&M is in the midst of reviewing LED lighting project data. But primarily, a one-size-fits-all approach cannot be taken and I&M needs to take a cautionary approach first.
- a. Changes are being seen across different LED lighting measure types, with changes relative to baseline measures being compared to, for incremental measure cost (IMC).
 - b. As John Haselden's email describes, some measures are at a point in which customers may do them regardless of I&M incentives. Again, another reason for the cautionary approach.
4. I&M manages its Michigan C&I programs and budgets according to Michigan program activity, not according to Indiana's activity.

I believe I have addresses your concerns with the responses above, justifying I&M's action on LED lighting project(s) rebates approvals only, for the remainder of 2019, according to 2019 Indiana budgets and the various budget authorities granted by the IURC in the current 3 Year DSM Plan.

Thanks,

From: Jennifer Washburn <jwashburn@citact.org>

Sent: Monday, April 22, 2019 3:30 PM

To: Jon C Walter <jcwalter@aep.com>

Cc: Craig E Morris <cemorris1@aep.com>; Dave - I&M Finance Lucas <dalucas@aep.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Haselden, John <JHaselden@oucc.in.gov>; Kerwin Olson <kolson@citact.org>; Krohn, Karol <kkrohn@oucc.in.gov>; Marc E Lewis <melewis@aep.com>; Matthew S McKenzie <msmckenzie@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Paronish, April M. <AParonish@oucc.in.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Regiana M Sistevaris <rsistevaris@aep.com>; jrompala@lewis-kappes.com
Subject: [EXTERNAL] Re: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

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One last question: is I&M also doing this in its MI service territory?

On Mon, Apr 22, 2019 at 1:19 PM Jennifer Washburn <jwashburn@citact.org> wrote:

I'd just reiterate that this is potentially very damaging. As you all know, turning programs off and on really hurts relationships with trade allies like lighting vendors as they design their business strategies around the availability of these programs. Once you burn them by turning a program off, it is difficult to fully gain back their trust (understandably) so it is difficult to ramp up to address future savings opportunities.

Another possible solution (see prior email for other ideas), if nothing else, perhaps I&M could eliminate only rebates for LED tubes, and retain them for futures, with higher levels for fixtures with integrated controls. That at least keeps seeding the market for the biggest savings opportunities of the future (LEDs w/controls) rather than alienating I&M's trade allies.

Thanks for your consideration,
Jennifer

On Mon, Apr 22, 2019 at 12:52 PM Jennifer Washburn <jwashburn@citact.org> wrote:

Jon,

Why not use the 10% spending flexibility already afforded to I&M under the current order? Is I&M certain that all of its other C&I programs (for example, Public Efficient Streetlighting) will meet their 2019 goals and use the allocated budget? Can we work together to make a filing with the Commission for additional funding so this program isn't halted?

We're extremely concerned about this decision by I&M, especially considering I&M's low levels of DSM investments in comparison to other utilities in the state.

Jennifer

On Mon, Apr 22, 2019 at 11:01 AM Jon C Walter <jcwalter@aep.com> wrote:

OSB members: In follow up from our discussion back on April 11th, regarding I&M's 2019 C&I (Work) programs and budgets status, applications being received in these programs have continued with high interest level in LED lighting projects.

In fact, some larger LED lighting projects have been received even at the reduced LED lighting incentive levels and project cap amounts that I&M rolled out in early April that we reviewed on the call.

Given the continued high level of applications being received, I&M has decided to implement the next proactive step of discontinuing all incentives for LED lighting projects for the remainder of 2019. This is intended to help manage program success against program budgets.

The following notice will be sent out early this week to I&M's Trade Ally and customer lists in the C&I programs:

"Effective (date of distribution)

All lighting incentives have been discontinued for 2019.

Any project that has already received an incentive offer and that offer has been accepted will still receive their incentive upon completion in 2019.

Given the current remaining funding for all programs we are still accepting non-lighting projects. We will accept 5M energy savings in additional non-lighting projects. When we have reached a total of 5M energy savings, applications received will be held in a waitlist if an available spot should open up. Customers will be notified and an incentive offer will be made for that project if and when a spot opens. Projects will be pulled from the waitlist in the order received as long as the total energy savings of the project does not exceed the available energy savings in the program based on program budgets. If the total energy savings from the waitlist project exceeds the program available energy savings based on budgets, the next project will be selected. You will not lose your place in line should your project be too large.

If you would like to receive an incentive for your project and you are on the waiting list, you will not be able to purchase or install ANY equipment until a formal incentive offer has been made and accepted."

If anyone has any questions, please let me know.

Thanks,

-----Original Appointment-----

From: Jon C Walter

Sent: Tuesday, April 9, 2019 4:26 PM

To: Jon C Walter; Krohn, Karol; Kerwin Olson; Matthew S McKenzie; Paronish, April M.; Dave - I&M Finance Lucas; Nicholas M Elkins; Regiana M Sistevaris; Peabody, Jeffrey; Doug Fasick; Jennifer Washburn

(jwashburn@citact.org); Haselden, John; Marc E Lewis;
jrompala@lewis-kappes.com

Subject: I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

When: Thursday, April 11, 2019 11:00 AM-11:30 AM (UTC-05:00) Eastern Time (US & Canada).

Where: Conf Call

Conference call info:

855-211-6968

Code: 5003540#

From: Krohn, Karol <kkrohn@oucc.IN.gov>

Sent: Tuesday, April 9, 2019 10:32 AM

To: Jon C Walter <jcwalter@aep.com>; Kerwin Olson <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>

Subject: [EXTERNAL] I&M DSM/EE Conf Call re Possible Adjustments to Program Budgets

This is an **EXTERNAL** email. **STOP. THINK** before you CLICK links or OPEN attachments. If suspicious please click the '**Report to Incidents**' button in Outlook or forward to incidents@aep.com from a mobile device.

Jon:

Only 1 of the dates & times you proposed will work for both John Haselden & me:

April 11 @ 11 AM -- or immediately following our 9:30 AM conference call with CAC (if that call ends before 11 AM).

Please forward your documentation ASAP so John & I have time to review & digest it before Thursday's discussion.

Thanks.

-Karol

Karol H. Krohn
Deputy Consumer Counselor
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
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115 West Washington St., Suite 1500 South Tower
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From: Jon C Walter [<mailto:jcwalter@aep.com>]
Sent: Monday, April 08, 2019 5:03 PM
To: Kerwin Olson <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; Paronish, April M. <AParonish@oucc.IN.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Doug Fasick <Doug.Fasick@ci.ft-wayne.in.us>; Krohn, Karol <kkrohn@oucc.IN.gov>; Jennifer Washburn <jwashburn@citact.org> <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Lewis, Marc <melewis@aep.com>
Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

OSB members—As discussed in prior meetings with the OSB, I&M's C&I programs have had very good success thus far in 2019, in part due to the continued healthy pipeline of LED lighting projects that comprise a majority of this sector's energy savings overall.

As such, I&M requests a 30 minute call with OSB members this week, if possible, to provide an overview of C&I DSM/EE program changes that I&M has implemented in order to manage program continuation against authorized budgets from the 3 year DSM Plan.

I'd request each OSB member organization provide availability for the following conference call time options:

April 10th. Wednesday, 1 PM eastern:

April 10th. Wednesday, 3 PM eastern:

April 11th. Thursday, 11 AM eastern:

April 11th. Thursday, 1 PM eastern:

th

April 11th, Thursday, 3 PM eastern

April 12th, Friday, 10 AM eastern.

Please respond with your organization's date first and second date and time preference, and I&M will select the most common, and schedule the call with a calendar invite.

Last, I&M will provide summary information in advance of the call for your review.

Thanks,

From: Jon C Walter

Sent: Wednesday, March 20, 2019 9:05 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>
Subject: RE: I&M DSM/EE Quarterly Stakeholder Meeting

OSB members—Please find attached (2) items:

1. Final minutes from the Q4 2018 stakeholder meeting;
2. Draft minutes from the Q1 2019 stakeholder meeting.

Please review #2 above and provide any comments / proposed redlines back to me.

Thanks.

From: Jon C Walter

Sent: Monday, March 11, 2019 9:03 AM

To: 'Kerwin Olson' <kolson@citact.org>; Matthew S McKenzie <msmckenzie@aep.com>; 'Paronish, April M.' <AParonish@oucc.in.gov>; Dave - I&M Finance Lucas <dalucas@aep.com>; Nicholas M Elkins <nmelkins@aep.com>; Regiana M Sistevaris <rsistevaris@aep.com>; 'Peabody, Jeffrey' <Jeffrey.Peabody@btlaw.com>; 'Doug Fasick' <Doug.Fasick@ci.ft-wayne.in.us>; 'kkrohn@oucc.in.gov' <kkrohn@oucc.in.gov>; Jennifer Washburn (jwashburn@citact.org) <jwashburn@citact.org>; Haselden, John <JHaselden@oucc.IN.gov>; Marc E Lewis <melewis@aep.com>
Subject: I&M DSM/EE Quarterly Stakeholder Meeting

Attached please find the following documents for this Thursday's OSB meeting:

1. Agenda;
2. January 2019 monthly scorecard;
3. 2018 IURC draft scorecard;
4. Minutes from the December 2018 quarterly meeting.

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Jennifer A. Washburn, Counsel
Citizens Action Coalition of Indiana, Inc.
1915 W. 18th Street, Suite C
Indianapolis, Indiana 46202
E-mail: jwashburn@citact.org
Direct Line: (317) 735-7764
Direct Fax: (317) 290-3700

Mission Statement: To initiate, facilitate and coordinate citizen action directed to improving the quality of life of all inhabitants of the State of Indiana through principled advocacy of public policies to preserve democracy, conserve natural resources, protect the environment, and provide affordable access to essential human services.

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From: Jon C. Walter
To: Krohn, Karol; "Jennifer Washburn"; Haselden, John; Dave - I&M Finance Lucas; Doug Fasick; Kerwin Olson; Marc E Lewis; Matthew S McKenzie; Nicholas M Elkins; Paronish, April M.; Peabody, Jeffrey; Regiana M Sistevaris
Cc: Doug Fasick
Subject: RE: I&M DSM EE OSB Discussion--C&I Program Lighting Re-start Update
Date: Thursday, May 9, 2019 12:14:28 PM
Attachments: I&M DSMEE C&I LED Rebate Analysis Update 5_9_19 Draft.pptx

OSB members—Attached please find the slide deck for our discussion tomorrow regarding the C&I Prescriptive program LED lighting rebates analysis.

Contained therein are draft LED lighting measure rebate revisions resulting from the data analysis by measure category.

Some measure categories change in rebate amount, while others remain as-is and others will move to a Custom review procedure to help ensure individual projects are reviewed for cost effectiveness and rebate levels are adequately considered under specific cost parameters.

Thanks, and I look forward to our discussion tomorrow.

-----Original Appointment-----

From: Jon C Walter
Sent: Tuesday, April 30, 2019 11:29 AM
To: Jon C Walter; Krohn, Karol; 'Jennifer Washburn'; Haselden, John; Dave - I&M Finance Lucas; Doug Fasick; Kerwin Olson; Marc E Lewis; Matthew S McKenzie; Nicholas M Elkins; Paronish, April M.; Peabody, Jeffrey; Regiana M Sistevaris
Cc: Doug Fasick
Subject: I&M DSM EE OSB Discussion--C&I Program Lighting Re-start Update
When: Friday, May 10, 2019 12:00 PM-1:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Conf Call

855-211-6968
Code 5003540#

I&M LED Lighting Measure Cost & Rebate Realignment Update—May 10, 2019

Analysis of Actual Prescriptive Program LED Measure Cost

- All projects involving LED lighting including LED tube replacements, LED light fixture replacements, standard LED (screw-in base) replacements were analyzed
- Performed statistical analysis of reported measure cost by measure category
- Performed statistical outlier analysis and removed significant outliers
- High degree of statistical confidence that remaining data sets (i.e. after outlier removal) are reliable and produce a more realistic material cost range
 - Greater than 80% of data remained in the data sets for most measure categories
- Reviewed less efficient measure cost (i.e. baseline measure cost) by measure category
- Performed incremental measure cost (IMC) analysis by measure category
 - Created Minimum, Average, and Maximum IMCs based on range of data by measure category
 - Some measure categories have zero IMC, if less efficient baseline measure cost exceeded LED measure cost
- Created revised target incentive by measure category using 50% of IMC costing approach
 - I&M's typical incentive design basis for appropriate measures averages 50% of IMC

Measure Description	Current Incentive	% Lighting Energy Savings YTD 2019	Incentive Calc @ 50% IMC			I&M OSB Communications re: C&I 2019 Lighting Cessation & Restart Revised Incentive (\$) & Corresponding Incentive Realization Rate (cents/kWh saved)
			Min	Ave	Max	
212030-Lighting-LED Replacing CFL	\$1.00	0.87%	\$0.79	\$1.00	\$1.00	Custom with IMC Review and Cap; 2 cents < 4300 Hours, 3 cents > 4300 Hours
212359-Lighting-LED Exit Sign Exit	\$5.00	0.12%	\$5.00	\$5.00	\$5.00	Leave As-Is @ \$5
212034-Lighting-LED - Exterior Replacing HID <= 175W - Exterior	\$40.00	2.54%	\$0.00	\$0.00	\$26.63	\$25; Analyze bulb only vs fixture split for 2020 +; 2 Cents/kWh
212036-Lighting-LED - Interior Replacing HID <=175W - Interior	\$50.00	1.52%	\$0.00	\$0.00	\$0.00	\$35; Analyze bulb only vs fixture split for 2020 +; 3 Cents/kWh
212031-Lighting-LED - Exterior Replacing HID 1000W Exterior	\$200.00	7.94%	\$0.00	\$0.00	\$75.07	Custom with IMC Review and Cap; Cost Effectiveness Review
212035-Lighting-LED - Interior Replacing HID 1000 W - Interior	\$225.00	1.80%	\$0.00	\$0.00	\$0.00	Custom with IMC Review and Cap; Cost Effectiveness Review
212032-Lighting-LED - Exterior Replacing HID 176W-250W - Exterior	\$55.00	1.70%	\$0.00	\$0.00	\$47.97	\$25; 2 Cents/kWh; Analyze bulb only vs fixture split for 2020 +
212037-Lighting-LED - Interior Replacing HID 176W-250W - Interior	\$65.00	0.90%	\$0.00	\$0.00	\$0.00	\$35; 3 Cents/kWh; Analyze bulb only vs fixture split for 2020 +
212033-Lighting-LED - Exterior Replacing HID 251W-400W - Exterior	\$65.00	8.21%	\$0.00	\$0.00	\$65.00	\$25; 2 Cents/kWh; Analyze bulb only vs fixture split for 2020 +
212038-Lighting-LED - Interior Replacing HID 251W-400 W - Interior	\$75.00	14.29%	\$0.00	\$0.00	\$33.42	\$35; 3 Cents/kWh; Analyze bulb only vs fixture split for 2020 +
212039-Lighting-LED <10W Replacing Incandescent <25W	\$2.50	0.02%	\$2.50	\$2.50	\$2.50	Custom with IMC Review and Cap; 2 cents < 4300 Hours, 3 cents > 4301 Hours
212043-Lighting-LED <20W Replacing Incandescent >90W	\$12.50	1.12%	\$1.66	\$7.99	\$12.50	Custom with IMC Review and Cap; 2 cents < 4300 Hours, 3 cents > 4301 Hours
212040-Lighting-LED <12W Replacing Incandescent 25-45W	\$5.00	0.20%	\$3.06	\$5.00	\$5.00	Custom with IMC Review and Cap; 2 cents < 4300 Hours, 3 cents > 4301 Hours
212041-Lighting-LED <15W Replacing Incandescent 46-65W	\$7.50	1.45%	\$1.30	\$3.71	\$6.11	Custom with IMC Review and Cap; 2 cents < 4300 Hours, 3 cents > 4301 Hours
212042-Lighting-LED <17W Replacing Incandescent 66-90W	\$10.00	0.64%	\$2.23	\$5.59	\$8.95	Custom with IMC Review and Cap; 2 cents < 4300 Hours, 3 cents > 4301 Hours
212052-Lighting-LED 4ft Lamp Replacing T12 4ft. Lamp	\$6.00	3.52%	\$1.70	\$4.96	\$6.00	\$3; 2 cents/kWh
212050-Lighting-LED 4ft 1 Lamp Replacing 2L 4ft T12	\$7.00	0.64%	\$0.00	\$0.76	\$2.12	\$3; 2 cents/kWh
212182-Lighting-LED Light Fixture Replacing 2L 4ft. T12	\$6.00	0.34%	\$6.00	\$6.00	\$6.00	Leave As-Is @ \$6
212148-Lighting-LED Light Fixture Replacing 3L 4ft. T12	\$15.00	0.08%	\$15.00	\$15.00	\$15.00	Leave As-Is @ \$15
212149-Lighting-LED Light Fixture Replacing 4L 4ft T12	\$20.00	1.79%	\$6.42	\$20.00	\$20.00	Leave As-Is @ \$20
212049-Lighting-LED 4ft 2 Lamp Replacing 4L 4ft T12	\$15.00	0.68%	\$0.00	\$1.82	\$4.71	\$6; 2 cents/kWh
212051-Lighting-LED 4ft 3 Lamp Replacing 4L 4ft T12	\$20.00	0.04%	\$6.66	\$7.13	\$7.60	\$7; 4 cents/kWh
212059-Lighting-LED 8ft Lamp Replacing T12 8ft Lamp	\$12.00	0.26%	\$4.64	\$8.86	\$12.00	Custom with IMC Review and Cap; 2 cents < 4300 Hours, 3 cents > 4301 Hours
212061-Lighting-LED Fixture Replacing T12 8ft 2 Lamp	\$24.00	0.14%	\$0.00	\$24.00	\$24.00	Leave As-Is @ \$24
212145-Lighting-LED Light Fixture Replacing U-Tube 2L T12	\$7.00	0.10%	\$6.58	\$7.00	\$7.00	Leave As-Is @ \$7
212053-Lighting-LED 4ft Lamp Replacing T5 4ft. Lamp	\$4.00	0.23%	\$4.00	\$4.00	\$4.00	Leave As-Is @ \$4
212054-Lighting-LED 4ft Lamp Replacing T5 HO 4ft. Lamp	\$7.50	6.31%	\$4.08	\$5.22	\$6.35	\$4; 2 cents/kWh
212101-10 Lamp T5HO to LED Fixture	\$108.00	0.11%	\$0.00	\$34.47	\$98.74	\$34; 4 Cents/kWh
212092-4 Lamp T5HO to LED Fixture	\$27.00	1.19%	\$0.00	\$23.97	\$27.00	\$24; 5 Cents/kWh
212099-6 Lamp T5HO to LED Fixture	\$54.00	3.90%	\$0.00	\$46.99	\$54.00	\$50; 6 Cents/kWh
212100-8 Lamp T5HO to LED Fixture	\$81.00	0.37%	\$57.55	\$60.06	\$62.56	\$40; 16 Cents/kWh
212055-Lighting-LED 4ft Lamp Replacing T8 4ft. Lamp	\$4.00	26.02%	\$1.55	\$3.78	\$4.00	\$2; 2 Cents/kWh
212096-Lighting-LED 4ft 1 Lamp Replacing 2L 4ft T8	\$5.00	0.64%	\$0.00	\$5.00	\$5.00	\$2; 1 Cents/kWh
212150-Lighting-LED Light Fixture Replacing 2L 4ft 32wT8 fixture	\$5.00	0.30%	\$5.00	\$5.00	\$5.00	Leave As-Is @ \$5
212146-Lighting-LED Light Fixture Replacing 3L 4ft 32wT8 fixture	\$8.00	2.40%	\$8.00	\$8.00	\$8.00	Leave As-Is @ \$8
212147-Lighting-LED Light Fixture Replacing 4L 4ft 32wT8 fixture	\$12.00	5.62%	\$12.00	\$12.00	\$12.00	Leave As-Is @ \$12
212097-Lighting-LED 4ft 2 Lamp Replacing 4L 4ft T8	\$11.00	0.68%	\$4.05	\$6.23	\$8.41	\$4; 2 Cents/kWh
212098-Lighting-LED 4ft 3 Lamp Replacing 4L 4ft T8	\$15.00	0.04%	\$7.33	\$8.24	\$9.14	\$6; 4 Cents/kWh
212060-Lighting-LED 8ft Lamp Replacing T8 8ft Lamp	\$8.00	0.89%	\$2.09	\$8.00	\$8.00	Custom with IMC Review and Cap
212062-Lighting-LED Fixture Replacing T8 8ft 2 Lamp	\$16.00	0.21%	\$12.53	\$16.00	\$16.00	Leave As-Is @ \$16
212144-Lighting-LED Light Fixture Replacing U-Tube 2L T8 fixture	\$4.00	0.22%	\$2.06	\$4.00	\$4.00	Leave As-Is @ \$4
New Construction Lighting in Custom						2 cents < 4300 Hours, 3 cents > 4301 Hours
SBDI						Cap labor at a percentage less than or equal to 50% of total cost for incentive calculation.
Custom & New Construction Lighting						Incentive should cap at 50% of the incremental material cost. Baseline costs listed above. Hours greater than TRM values will need email documentation and can be adjusted in engineering review.

I&M LED Lighting Measure Cost & Rebate Realignment Update—May 10, 2019

Next Steps:

- OSB feedback
- Address project caps
- Address pre-approval requirements
- Lockheed Martin to prepare application changes and include online application tool changes to automate decisions to extent appropriate
- Lockheed Martin and I&M to jointly prepare communications regarding re-launch to trade allies and customers
- Re-launch target remains at June 3rd currently due to complexity of automated application changes.

From: [Jennifer Washburn](#)
To: [Jon C. Walter](#)
Cc: [Andrew J. Williamson](#); [Dave - I&M Finance Lucas](#); [Doug Fasick](#); [Doug Fasick](#); [Haselden, John](#); [Kerwin Olson](#); [Krohn, Karol](#); [Marc E. Lewis](#); [Matthew S. McKenzie](#); [Nicholas M. Elkins](#); [Paronish, April M.](#); [Peabody, Jeffrey](#); [Regiana M. Sistevaris](#)
Subject: Re: [EXTERNAL] Re: I&M DSM EE OSB Discussion—C&I Program Lighting Re-start Update
Date: Tuesday, May 28, 2019 4:06:07 PM

Thanks for the explanation, Jon.

Jennifer

On Tue, May 28, 2019 at 1:03 PM Jon C. Walter <jcwalter@aep.com> wrote:

Jennifer—29% was based on the current/prior rebates, so we re-analyzed based on your feedback and revised to the 65% cap.

Keep in mind the 29% is a three year average, where with decreasing LED costs, the % went up from 2017 to 2019 each year where 2019 was 41%.

From the 41% in 2019, we expect the 65% cap to drop the % to less than 20% under the 2019 LED costs scenario.

So, the drop is significant from 41% to less than 20%, and I&M is only comfortable with paying rebates comprised of up to 65% labor.

Thanks,

From: Jennifer Washburn <jwashburn@citact.org>
Sent: Tuesday, May 28, 2019 11:40 AM
To: Jon C. Walter <jcwalter@aep.com>
Cc: [Andrew J. Williamson](#) <ajwilliamson@aep.com>; [Dave - I&M Finance Lucas](#) <dalucas@aep.com>; [Doug Fasick](#) <Doug.Fasick@ci.ft-wayne.in.us>; [Doug Fasick](#) <Doug.Fasick@cityoffortwayne.org>; [Haselden, John](#) <jHaselden@oucc.in.gov>; [Kerwin Olson](#) <koison@citact.org>; [Krohn, Karol](#) <kkrohn@oucc.in.gov>; [Marc E. Lewis](#) <melewis@aep.com>; [Matthew S. McKenzie](#) <msmckenzie@aep.com>; [Nicholas M. Elkins](#) <nmelkins@aep.com>; [Paronish, April M.](#) <AParonish@oucc.in.gov>; [Peabody, Jeffrey](#) <Jeffrey.Peabody@btlaw.com>; [Regiana M. Sistevaris](#) <rsistevaris@aep.com>
Subject: Re: [EXTERNAL] Re: I&M DSM EE OSB Discussion—C&I Program Lighting Re-start Update

Was the 29% of projects capped based on the old rebate costs or the new ones? In your response, you say the 65% cap would significantly reduce the number of capped projects under new rebate costs, but could you please tell us what that number is? Is it reducing the number of capped projects under current rebate levels from 70% to 40%, or from 40% to 15%?

Thanks,

Jennifer

On Fri, May 24, 2019 at 2:30 PM Jon C Walter <jcwalter@aep.com> wrote:

Jennifer-I&M will bump the SBDI labor cap to 65% to address your concern.

This increase drops the number of potentially capped projects significantly using updated LED costs.

Given the need to launch June 3rd, we need to move on this change, so we'll use the 65% labor cap value.

Thanks for the feedback and comments.

Sent from Jon's iPhone

On May 22, 2019, at 4:40 PM, Jennifer Washburn <jwashburn@citact.org> wrote:

This is an **EXTERNAL** email. **STOP. THINK** before you CLICK links or OPEN attachments. If suspicious please click the '**Report to Incidents**' button in Outlook or forward to incidents@aep.com from a mobile device.

Jon,

Thanks! On #2, we have a couple of follow up question and/or concerns. The Company says that since 2017 only 29% of projects would have been capped (i.e. had their rebate reduced) had the current proposed cap on labor costs equal to 50% of total cost been in effect. Is that based on the material costs at the time those applications were submitted, or based on current reduced material costs? If it is the former, it may be a misleading indicator of how many projects will have adequate support for labor costs in the future because measure costs have come down (making labor costs likely a higher

percentage of total project cost than they used to be). And if we are already at 29% needing caps before adjusting for lower material costs, we could be much higher than that in the future. Did the Company look at that question/concern?

Thanks,

Jennifer

On Tue, May 14, 2019 at 3:24 PM Jon C Walter <jcwalter@aep.com> wrote:

OSB members—From last Friday's discussion regarding the C&I LED lighting measure rebate revision analysis and approach, I&M had 2 follow up actions.

1. Review 8 foot LED lighting tube recommendation moving to Custom.
2. Review the SBDI recommendation to cap projects at 50% labor for customer impact.

Below are the results of our review, which have resulted in a revised recommendation for #1 but maintaining #2 in the original recommendation communicated.

Considering the past participation in the 8' LED lamps it does make sense to keep this as a prescriptive measure. Since 2016 we have incentivized over 10,800 lamps. 93% of those lamps were installed in facilities with a peak demand of less than 200 kW. So there is significant smaller business participation in this measure. To ease the application process for these smaller customers, with the revised 4' LED lamp incentive recommendation at \$3/\$2 per T12/T8 respectively, the recommended Prescriptive rebate is \$4/\$3 (T12/T8 replaced) for the 8' LED lamps, but still with a cap at 50% of actual incremental cost.

For the SBDI program, prior project reviews reveals that capping the labor cost at 50% provides ample labor incentive for most customers. From 2017-current, there were 1,518 SBDI measures, of those 441 (29%) would have been capped at 50% labor cost. 1,077 measures were paid at less than 50% of total cost. Accordingly, the recommendation is to cap labor at 50% of total project cost.

If you have feedback / questions, please let me know. We are engaged in planning and making system accommodations to facilitate the application changes for the June 3 re-launch date.

Thanks,

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Mission Statement: To initiate, facilitate and coordinate citizen action directed to improving the quality of life of all inhabitants of the State of Indiana through principled advocacy of public policies to preserve democracy, conserve natural resources, protect the environment, and provide affordable access to essential human services.

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**I&M DSM/Energy Efficiency
Program Implementation Oversight Board Meeting
March 14, 2019 Quarterly Meeting Minutes
(9:30:00 a.m. – 11:30 a.m. – In-person)**

Board member attendees: CAC: Jennifer Washburn
OUCC: Karol Krohn, John Haselden
I&M: Jon Walter, Regiana Sistevaris.

Members of the public in attendance: None.

I. Introductions

- Introductions made.
- Agenda reviewed.

II. Meeting Minutes from December 13, 2018

- Reviewed comments exchanged via e-mail and on redline version of draft. Jon indicated he needs to review edits. He will follow up with group if any questions, otherwise he will accept the redline edits.
- Pending final review by Jon, Minutes were accepted.

III. 2018 Scorecard Review & Program Status Update

Jon reviewed I&M's 2018 performance Reviewed the document "DSM/EE 2019 PY 9 Quarter 4 Program Scorecard." Jon noted these are draft results as ADM & Associates, I&M's EM&V vendor, is performing a review at this time.

- Jon noted there were some challenges to the 20018 implementation of programs due to the Commission Order being received in October, 2017. However, despite this, I&M performed well in overall portfolio achievement.
- Jon reviewed Residential program performance. He noted that residential lighting performed well, Home New Construction performed well with a lot of home building activity, and a several builders in the program. Jon also noted there was good activity with all electric homes. Last, Jon indicated that home appliance recycling also performed well.
- Jon stated that Income qualified achieved energy savings over 90% of target as shown on "DSM/EE 2019 PY 9 Quarter 4 Program Scorecard." Jon noted that I&M is working with agencies and building relationships with those agencies. He stated I&M is pleased with the IQ performance. Karol noted that IQ performance has improved from 2017.
- Jon discussed audit work being performed. He stated that audits done in the Fort Wayne and South Bend area helped with I&M's IQ results. Again noted that agency relationships have assisted with this.

- The group discussed Energy Education in response to inquiry by Jennifer. Jon stated there has been a savings adjustment on the kits. Jon noted that there is good school participation, however, but some students do not reside in the I&M service territory at some schools due to service territory overlap. Jennifer inquired about improving install rates with an incentive. Group discussed possible incentives and way to improve install including providing a certificate with on-line sign up for kit. Jennifer asked about other utilities in the area. Jon noted the overlap is with REMC's mostly.
- Jon reviewed HEM program performance. I&M views the HEM program as successful for 2018. High per home peak demand reductions were achieved. Overall I&M had 1.1 kw per home per event which is a good load shift. Jon W stated this was also accomplished with low customer complaints. Program energy savings were discussed as well. Jon W noted it was less than original estimates and therefore were out of alignment but the program still achieved good energy savings for customers. Jon W noted customer enrollment of approximately 2500 in Indiana and 500 in Michigan. Jon stated customers set preferences and the program adheres to those set points so I&M is not seeing large opt out rates.
 - Karol asked about I&M recruiting for HEM program. Jon described transition from old AC cycling program to new HEM program. I&M targeted the old AC cycling customers with outreach to participate in the new HEM program. I&M used outbound calling and also recruited via the web, home shows, mailers and HVAC trade allies to promote the program. Jon W said I&M also did a black Friday sales event on Ecobee thermostats.

Jon stated the old AC cycling customers received the thermostat and install for free. I&M is in the process of old AC cycling switch removal per program funding with several thousand removed to date.

- Home Weatherproofing was discussed. Jon noted that I&M needs to rationalize the targets. I&M needs to use 2-3 years of program history to set ongoing targets. Jon noted that houses are harder to find. Also cost effectiveness is more an issue under TRC than the UCT. Jon also discussed the ebbs and flows of the pipeline of customers. I&M has had a backlog in the past. I&M instituted a \$99.00 charge. If a customer signs up for shell measures, then I&M reimburses the \$99.00. I&M was finding that customers were wanting to talk only, not serious about improvements, or the customer had already done the statewide measures. The \$99.00 charge was to get recruit people that are serious. Allows for the best use of the audit time. Jon further stated the \$99.00 charge has resulted in customers signing up in winter and fall, i.e. the fall rush. A reduced summer time charge of \$50.00 has been tried to move the needle.

Jon also discussed getting HVAC vendor involvement. I&M is looking into this, i.e. partner New Construction builders with HVAC for follow up.

Jon further noted that building HVAC relationships will be part of I&M's next 3-yr plan filing. Noted AC savings are part of the New Construction market. However, Jon also stated that homes will be a challenged by the cost-effective test in the next 3-yr plan filing. Jon stated that builders are not doing the AC upgrades as part of the New Construction program and that more efficient HVAC systems in new homes is a challenge to achieve but more savings can be realized if upgrades are undertaken by the builders. I&M will look at HVAC to help with this going forward. Karol noted the AC price difference.

Group discussed I&M partnering with NIPSCO gas. Jon noted this has been done in the past, i.e. 2014/2015. Issue was NIPSCO budgets. Jennifer noted the NIPSCO budgets are better now and encouraged I&M to consider a partnership again. Discussed that the NIPSCO vendor is Lockheed. The I&M vendor is CleaResult for New Construction.

Jon also discussed issues with builders in I&M's service territory not doing Energy Star 3. Noted unless you have electric heat homes cost effectiveness is an issue.

- C&I 2018 program performance was reviewed. Jon noted that there is a very healthy pipeline of projects already in 2019 but the programs have reduced targets compared to prior years. Jon noted strong interest in compressed air and LED lighting in C&I and discussed how C&I is not impacted by EISA lighting legislation as much. Jon discussed moving budget and rollover dollars for 2019. Discussed possible need to stop program due to budget or manage the rebate levels. Jon noted I&M has exhausted roll over in development of 2019. I&M may be able to transfer PES streetlighting funds, dependent on how this program performs. Jon discussed SB and the PES program. I&M will be meeting with SB to gauge SB interest in street lighting. This meeting will help determine if I&M keeps this program in next plan.
- Noted for IQ, I&M continues to look at apartments, work with builders on rehab and AC's.

IV. 3-Yr Plan

- 3 Year Plan filing discussed. I&M is forecasting what it sees from 2019 to carry forward in the plan filing. Discussed what IRP is showing for 2020, 2021 and 2022. C&I is being selected by IRP. Jennifer notes that she has indicated the CAC's issues with I&M's IRP. Jennifer's opinion is that the Market Potential Study (MPS) forecast numbers do not tie with actual numbers. Jon indicated that I&M is using I&M specific numbers. The IRP is tied to the MPS and the cost are accurate. Jennifer contends that the MPS is not based on good numbers. The numbers in the MPS are out of whack compared to other IOU's. John H inquired if I&M's costs are too high. Jennifer indicated the bundle costs are off when compared to program scorecard current costs. Jon discussed I&M's bundles and how the IRP bundle tables depict a levelized cost of energy which is different than costs shown on the program scorecard so care needs to be taken in comparing the right costs. Jennifer repeated that I&M's costs are high and the load shapes look off.
- Jon indicated that the TRC cost test will be very difficult for each residential and C&I to pass given I&M's avoided cost structure.
- Next, the timing of I&M's next Market Potential Study (MPS) was discussed. Jon said funding for another MPS will be included in I&M's 3-yr plan for 2020 through 2022. The estimated cost will be \$400,000-\$500,000. I&M will do a Request for Proposal for vendor. Jennifer inquired if the CAC can be part of the vendor selection due to concerns over using AEG as the vendor. Jon indicated I&M will listen to input on vendor but I&M will do selection. Jon explained that I&M will be looking for a vendor that can handle I&M's multi-jurisdictions and has experience with PJM. Jon explained issues for Michigan jurisdiction with their use of deemed savings. Jennifer expressed concern over using AEG. Jennifer stated the CAC recommends GDS as MPS vendor.

- MPS- Jennifer would like the current MPS excel file posted on the I&M website. (note: Jennifer left meeting due to conflict with another appointment)
- Karol asked if I&M is seeing issues in lighting related to cost effectiveness. Jon indicated that in 2020 lighting is no longer cost effective. Group discussed changes in lighting base line and impact on TRC test. Jon W further explained that in the IRP, residential lighting disappears in the short-term and returns later due to technology changes. I&M's 3-yr plan will likely have some lighting, but it will be a lower volume and use an on-line market place, not point of sale. Jon W noted the on-line campaign was popular with small and rural communities when offered during 2018 and helped to improve I&M's attribution in that program.
- Group discussed future residential programs. Jon noted heat pump water heaters are cost effective. He also discussed challenges in residential DSM for TRC cost effectiveness and noted that I&M's 3-year plan will have a residential program that will largely focus on electric heat customers.
- Group discussed TRC vs. UCT. OUCC indicated that other utilities are using UCT. Jon noted that I&M will run all tests but that passing the TRC will be a challenge for many programs in the upcoming 3-year plan.
- OUCC inquired on status of WEM contract. Jon indicated it is being circulated for review and approval.

V. The meeting was adjourned.