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NIPSCO Electric & Gas Interconnection Presentation

March 2023

The information set forth in this presentation contains information that is of a general nature that is being provided for discussion. This presentation and the materials within this document should be considered a guide for interconnecting electric and gas projects with NIPSCO. Full detailed information on interconnection process with NIPSCO can be found on the NIPSCO website.





Speaker Information

Kevin Kirkham **Strategy & Risk Integration Manager**

Kevin Kirkham serves as Strategy & Risk Integration Manager for NiSource, Inc.

In this role, which he began in 2022, Kirkham is responsible for reviewing and assisting with many of the strategic ventures for NiSource. One of these responsibilities includes developing and implementing NIPSCO's electric vehicle strategy and customer programs. This includes the rollout of developing and installing DC Fast Charging stations across NIPSCO's territory.

Prior to becoming Strategy & Risk Integration Manager, Kirkham held the position of Manager of New Business where he was responsible for all New Business customer interconnections, which included the renewable energy interconnection process and programs for both electric and gas.

Kirkham began his career with NiSource Inc. in 1992, holding various positions such Director of Strategic & Economic Analysis for NIPSCO as well as Director positions for NiSource in Corporate Development, Project Management Operations and then for NIPSCO's energy efficiency programs.

He received his Bachelor of Science degree in Electrical Engineering from Iowa State University and a Masters of Business Administration degree from Indiana University Northwest.

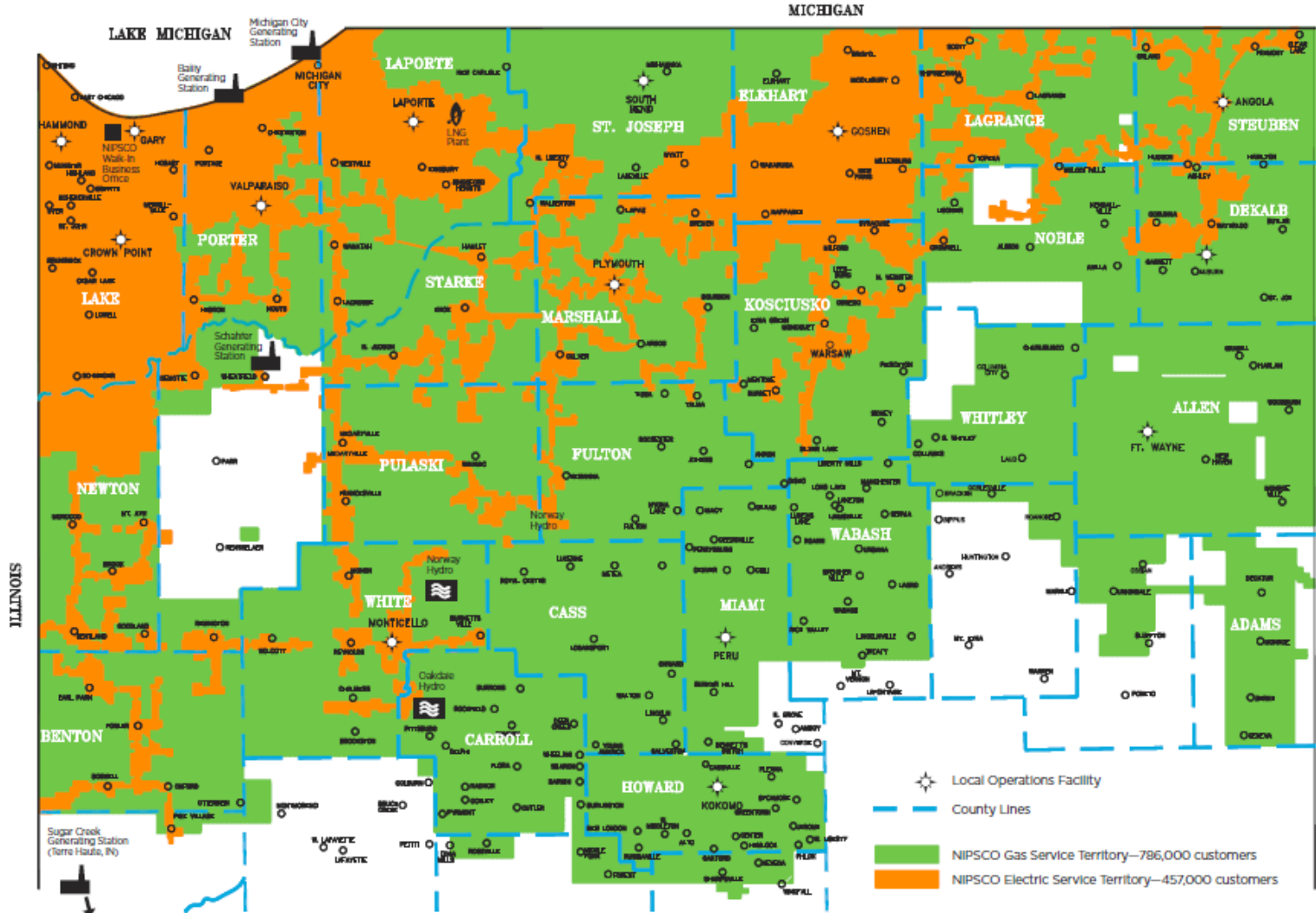
Kirkham's office is based at NIPSCO's Corporate Headquarters in Merrillville, Ind.

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NIPSCO SERVICE TERRITORY



Electric

- 483,000 Electric Customers in 20 Counties
- 2,700 MW Generating Capacity
- 12,800 Miles of Transmission and Distribution
- Interconnect with 5 Major Utilities (3 MISO; 2 PJM)

Natural Gas

- 820,000 Natural Gas Customers; 32 Counties
- 17,000 Miles of Transmission and Distribution Line/Main
- Interconnections with Seven Major Interstate Pipelines
- Two On-System Storage Facilities

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Executive Summary – Working With NIPSCO

Utilities are responsible for the safe and reliable delivery of energy to their customers. Although programs have evolved, Utilities have had renewable electric programs for quite some time, making the process more mature. Renewable gas programs are relatively new but seen as an important need for the utility and their customers.

Electric Programs



- **Net Metering Program** – Excess Power is netted monthly with the ability to carry over energy credits to following month.
- **EDG Program** – Excess Power is sold back to the utility at a rate of 125% of the LMP price.
- **Feed In Tariff Program** – Usually set as a 15-year contract at a set price for 100% of the power generated at a tariff rate.
- **Cogeneration Tariff Program** – Excess Power is sold back to the utility at avoided cost rates.
- **Utility Scale PPA** – usually part of a utility RFP process set at market rate.

Renewable Gas Programs



- **Renewable Gas Program** – Producer of Renewable gas will sell their gas through gas supply contracts to a 3rd party Marketer. In order to facilitate the delivery of the renewable gas from the digester to the marketer, the producer will take utility service under a gas transportation and balancing service. .

Interconnection Process



- For the interconnection of either electric or gas for the sale of energy back to the utility, there will be an Interconnection of Facility Contract whereby the customer will be responsible for 100% of the utility costs to interconnect.

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Utilities have various options for customers to sell back their renewable electric energy. The programs have changed over time and not all utilities have all options.

- **Net Metering Program** – Closed to new customers in Indiana due to SB309. Rate allowed to net energy monthly and provide for energy carry over kwh credits. (Value @ ~\$0.15/kwh to \$0.18/kwh)
- **Excess Distributed Generation (EDG) Program** – Replaced Net Metering. Rate allows to pay a Billing Credit for all excess power flowing back to the grid. Billing Credits can carry over. (Value @ \$0.043/kwh) Program available up to 1 MW in size.
- **Feed-In Tariff (FIT) Program** – Not all utilities offer FIT. NIPSCO has FIT program with open enrollment for up to 4 MW for biogas projects in total with maximum individual project of 1 MW. (15-year contract with payment of \$0.0918/kwh for 100% power produced)
- **Cogeneration Tariff Program** – Rate allows to pay excess power sold at the utility avoided cost rate. Options for On Peak / Off Peak and season (\$0.04123/kwh Summer & \$0.04676/kwh Winter)
- **Purchased Power Agreement** – Reserved for large scale utility size power agreements that are individually negotiated at market base prices



Producers of Renewable Natural Gas will contract with 3rd party marketers for the sale of their renewable natural gas.

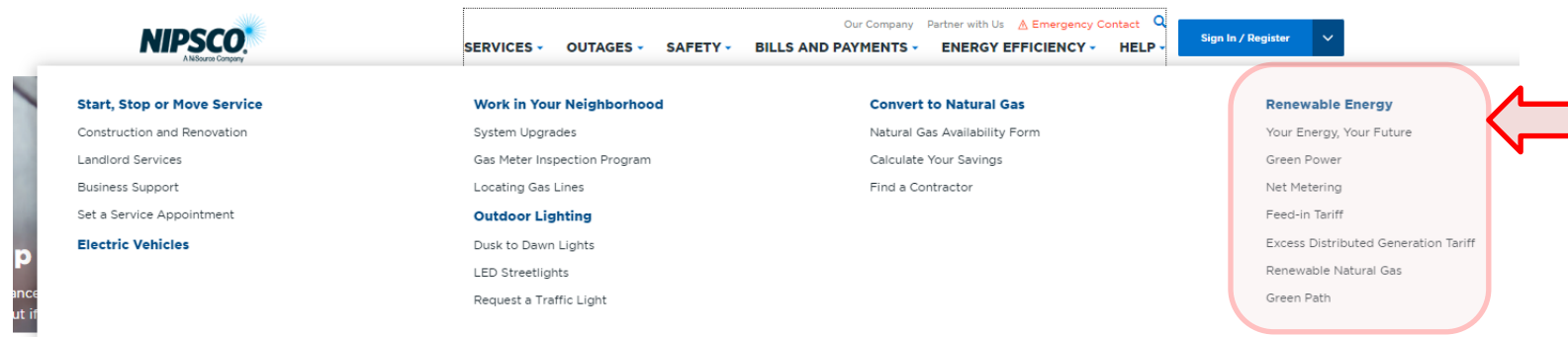
- **Contract Price** – Price is negotiated between the producer and the 3rd party marketer. (current market price value @ ~\$3/Dth for the gas or ~\$24/Dth including renewable attributes)

Utility Service

- **Transportation and Balancing Service** – Producer will enroll in either large or general transportation balancing service depending on size.
- **Renewable Gas Balancing Service** – Utility Natural Gas tariff
 - Minimum production of at least 100 Dth to 5,000 DTh /day
 - During Critical times, the utility has the right to restrict the availability of deliveries and service is under best efforts basis.



Step 1: **Review information and submit an application** – applications can be found on the NIPSCO website under Services, then clicking on the links under Renewable Energy





For Feed-In Tariff / EDG Tariff / Cogeneration Tariff Applications

- Submit Interconnection Application Level 2 (up to 2 MW project size)
 - Application Fee of \$50 + \$1/kw (ex. 1 MW = \$50 + \$1,000 = \$1,050)
 - For applications equal to or greater than 500 kW, there is an automatic Impact Study required = ~\$5,000
- NIPSCO will then perform a technical review of the project and determine the utility scope required for any interconnection with cost estimate.
- NIPSCO will review the costs and scope with you and if you decide to move forward, Infrastructure Agreements will be created for execution and submission of payment.
 - Typical construction period is ~18 months (So begin the process early!)



For Renewable Gas Applications

- Submit Renewable Natural Gas Application Information Sheet
 - Provide the location, minimum flow rate (Scf/h)
- NIPSCO will work with the producer as outlined below:

Step	Timeframe	Cost
STEP 1 Interconnection Screening Study	Up to 15 business days	No Cost
STEP 2 Preliminary Engineering Study (PES)	Up to 90 business days to completion	\$45k (upfront by potential supplier to start PES that is trued up to actual costs)
STEP 3 Detailed Engineering Study (DES)	Minimum 18-month duration for DES and Construction - <i>[NOTE: Working process to decrease this duration]</i>	Up to \$2-\$5M*(Payment Schedule per Interconnect Agreement) <small>*Project costs and schedule will vary depending on project scope, the season in which construction occurs, and on details associated w/the project location (e.g., environmentally sensitive areas, railroad or major road or highway crossings, etc.)</small>
STEP 4 Gas Quality & Testing	Ongoing Operations	

Step 1: Will evaluate interconnection point and provide the nearest pipeline location to accept RNG supply.

- High level directional Cost & assessment of feasibility

Step 2: Review most efficient and safest route for connection and provide preliminary cost estimate.

- Detailed project scope with Class 4 Cost Estimate (-30%/+50%) with ESA

Step 3: Provide detailed engineering and execute contracts

- Execution of contracts that true up to actual costs. Construction will begin

Step 4: Gas quality and testing will be ongoing



Green Power

- NIPSCO will purchase RECs from the Market for customers to market their electric consumption or production coming from renewable Power
- Current tariff price = \$0.003092/kwh (~2% premium)
- Customers can elect enrollment at 25%, 50% or 100% of their metered consumption

Green Path

- NIPSCO will purchase 5% RNG (attributes) and 95% Carbon Offsets from the market for customer to market their natural gas consumption as renewable.
- Current tariff price = \$0.30/therm (~30% premium)
- Customers can elect enrollment at 25%, 50% or 100% of their metered consumption

Questions?

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