

**RIDER D.R.S.1
(Demand Response Service – Emergency)**

(Cont'd from Sheet No. 36)

- (5) In no event shall the customer be subject to PJM initiated load curtailment (PJM event) under the provisions of this Rider for more than the amount designated under the DRS Product Type Option selected by customer during delivery year. The customer must agree to be subject to DRS curtailments pursuant to the DRS Product Type Option selected by customer from the DRS Product Type Option table herein.
- (6) The Company will inform the participant regarding the communication process for notices to curtail. The customer is ultimately responsible for receiving and acting upon a curtailment notification from the Company. The customer is not responsible in the event the Company fails to properly issue a curtailment notification.
- (7) All customer metering demand data required under this Rider shall be determined from 15-minute integrated metering with remote interrogation capability and demand recording equipment owned, installed, operated and maintained by the Company. When required, the Company will install such metering equipment for individual accounts contracting for 50 kW or more at no cost to the customer and for accounts contracting for less than 50 kW, a fee of \$750.00 paid in advance shall be required.
- (8) During each delivery year the Company will conduct a test and verify the customer's ability to curtail as required by PJM. However, if a curtailment event is called by PJM prior to the test, then the event shall be considered the test for the delivery year. The Company reserves the right to re-test all customers if the Company does not achieve the minimum 75% compliance testing standards for all of the Company's DRS customers as required by PJM. Additionally, the Company reserves the right to retest individual customers, and/or aggregated groups, that fail to comply during a test. These tests must be conducted for one hour on a weekday between 12 noon and 8 p.m., Eastern Time, from June 1 through September 30 during the delivery year.
- (9) If the customer fails to comply with the provisions of curtailment under this Rider, including the test provisions as indicated above, the Company and the customer will discuss methods to comply during future events. If the problem cannot be resolved to the Company's satisfaction, the Company reserves the right to adjust the customer's committed kW amount or discontinue service to the customer under this Rider. Such adjustments or terminations will be charged as outlined under the Annual Non-Compliance Charge provision.
- (10) The minimum DRS capacity contracted for under this Rider will be 100 kW. Customers with multiple electric service accounts may aggregate those individual accounts to meet the 100 kW minimum DRS capacity requirement under this Rider; however, the DRS capacity committed for each individual account shall not be less than 25 kW and no more than one site may be 100 kW or greater. Aggregation with multiple individual electric service accounts, not under common ownership, must designate a PJM qualified CSP who shall be responsible to facilitate all of the customer notifications and transactions under this Rider. A CSP that creates an aggregation may provide to the Company both a Registered kW and Committed kW amount of such aggregation. The Registered kW represents

(Cont'd on Sheet No. 36.2)

**ISSUED BY
STEVEN F. BAKER
PRESIDENT
FORT WAYNE, INDIANA**

**EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON AND AFTER FEBRUARY 23, 2022**

**ISSUED UNDER AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
DATED FEBRUARY 23, 2022
IN CAUSE NO. 45576**

**RIDER D.R.S.1
(Demand Response Service – Emergency)**

(Cont'd from Sheet No. 36.1)

the amount of Curtailed Demand CSP desires the Company to register with PJM. The Committed kW shall be the amount of Curtailed Demand that is the basis upon which participants are paid under this Rider. Registered kW shall be equal to or greater than Committed kW. Committed kW shall not exceed the Registered kW.

- (11) In addition to curtailments under Item 2 above, the Company reserves the right to call for (request) customers to curtail their DRS load when, in the sole judgment of the Company, an emergency condition exists on the American Electric Power (AEP) System. The Company shall determine that an emergency condition exists if curtailment of load served under this Rider is necessary in order to maintain service to the Company's other firm service customers according to the AEP System Emergency Operating Plan. During such event, the customer must make best efforts to voluntarily curtail DRS load.
- (12) **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE COMPANY OR THE AEP SYSTEM FOR, OR ON ACCOUNT OF, ANY LOSS, COST, EXPENSE, OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY CURTAILMENT OF SERVICE UNDER THE PROVISIONS OF THIS RIDER.**

(Cont'd on Sheet No. 36.3)

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(Cont'd from Sheet No. 36.2)**

DRS Product Type Options and Curtailment Demand Payment.

The Curtailment Demand Payment shall be calculated in \$ per kW-month as the greater of (a) the four-year average RPM Clearing price for the applicable locational delivery area and product type, calculated using the preceding delivery year, the delivery year and the subsequent two (2) delivery years and (b) 35% of the applicable PJM Reliability Pricing Model (RPM) Net Cost of New Entry (Net CONE) for the delivery year.

Capacity Performance Demand Resource - DRS Product

Product Type	Curtailment Availability	Maximum Number of Curtailments	Hours of Day to Respond	Maximum Duration of Curtailments	2022 / 2023 DY Curtailment Demand Payment \$ / kW per Month
Capacity Performance Demand Resource (Effective 2022 / 2023 DY)	Any Day during DY (unless on an approved maint. outage during Oct-April)	Unlimited	June – Oct and following May of DY (10 am-10 pm) Nov-April (6am – 9 pm)	12 Hours 15 Hours	\$2.79

The Capacity Performance Demand Resource above is the only DRS1 product option beginning June 1, 2020.

(Cont'd on Sheet No. 36.4)

**ISSUED BY
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**EFFECTIVE FOR BILLS RENDERED BEGINNING
WITH BILLING MONTH OF JUNE 1, 2022**

**ISSUED UNDER AUTHORITY OF THE
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DATED
IN 30 DAY FILING NO.**

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(Cont'd from Sheet No. 36.3)

Behind the Meter Generation.

Participating customers who operate Behind the Meter Generation (BTMG) for demand response purposes under this Rider shall adhere to PJM rules governing the use of BTMG, and operate and be in compliance with all local, state and federal laws including environmental permits. Adherence and compliance with PJM rules and all local, state and federal laws with regard to BTMG is the sole responsibility of the customer.

Exception to 15-Minute Notification to Curtail DRS Load.

Customers will be required to fully respond to curtailment requests within 15-minutes of notification from the Company unless an exception request has been approved by PJM. The qualifying exceptions as defined by PJM are listed directly below. The intent of these qualifying exceptions is to accommodate DRS customers with legitimate, physical reasons that prevent curtailing load within a 15-minute notification time period.

PJM Qualifying Exception Definitions:

- 1) Damage (feedstock/equipment/product) - unavoidable significant damage to feedstock, equipment or product.
- 2) Generator Ramp time - Transfer of load to back-up generation requires taking more than 15-minutes.
- 3) Safety Issue - On-site safety concerns prevent location from implementing reduction plan in less than 15-minutes.

Customers desiring to be considered for one of the above qualifying exceptions shall complete an Exception Request Form, provided by the Company upon request. Company will submit any completed form to PJM for consideration and approval. Company will notify customer of PJM's approval/denial decision and if approved what the approved notification time period will be for the next delivery year. PJM may require customers to apply for an exemption prior to each delivery year.

Customer Baseline Load Calculation.

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each curtailment event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest four (4) out of the five (5) most recent similar non-event days in the period preceding the relevant curtailment event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday as defined by PJM) with the highest energy consumption spanning the curtailment event hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the participant may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

(Cont'd on Sheet No. 36.5)

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(Cont'd from Sheet No. 36.4)

Curtailed Demand.

The customer's Curtailed Demand shall be determined based upon the method of measurement chosen by the customer. The customer may choose one of two methods to measure the curtailed demand: 1) Guaranteed Load Drop (GLD), or 2) Firm Service Level (FSL). The method chosen shall remain in effect for the entire contract period.

(1) Guaranteed Load Drop Method.

- (a) Each customer must designate a Guaranteed Load Drop (GLD), which amount shall be the minimum demand reduction that the customer will provide for each hour during a curtailment event or during a curtailment test. The customer's GLD can not be greater than the customer's Peak Load Contribution (PLC), as defined below. GLD shall be adjusted to include losses.
- (b) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider or does not reduce load by the full GLD, a non-compliance charge shall apply. For this purpose, Actual Load Drop (ALD) is defined as the difference between the customer's CBL and their actual hourly load. If the ALD is less than the GLD, the Event Non-Compliance Demand shall be equal to the average difference between the GLD and the ALD occurring during the hours of the curtailment event. Otherwise, the Event Non-Compliance Demand shall be zero (0).

(2) Seasonal Firm Service Level (FSL) Method.

- (a) The annual Load Management (DR) nomination is the lessor of the Winter / Summer nominated capacity. Firm Service Level Peak Load Contribution (PLC) – The customer's PLC's will be calculated each year. Summer PLC as the average of its load during PJM's five (5) highest peak loads during the twelve month period ended October 31 of the previous year. Winter PLC will be calculated as PJM's five (5) highest peak loads during December – February and actual calculations are performed by PJM. In the cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the customer may develop an alternative PLC calculation that more accurately reflects the customer's normal consumption pattern. PLC shall include losses.
- (b) Available Curtailable Demand (ACD) - The customer must designate an ACD, defined as the difference between the PLC and the seasonal Firm Service Level (FSL). The FSL is the demand to which the customer agrees to reduce load to or below for each hour during a curtailment event and designated as Winter or Summer. FSL shall be adjusted to include losses.
- (c) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Non-Compliance Charge shall apply. If a customer is operating at or below their designated FSL during an event, it will be understood that they have no DRS capacity available with which to comply and will not be charged a non-compliance penalty. If the metered demand

(Cont'd on Sheet No. 36.6)

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(Cont'd from Sheet No. 36.5)

during the curtailment event is above the FSL, the Event Non-Compliance Demand shall be equal to the average difference between the customer's metered demand and the FSL during all full 15-minute intervals of the curtailment event. Otherwise, the Event Non-Compliance Demand shall be zero (0).

For the Capacity Performance Demand Resource product, if the metered demand during the curtailment event is above the FSL, the Event Non-Compliance Energy shall be equal to the cumulative amount by which the customer's metered demand exceeds the FSL during all full 15-minute intervals of the curtailment event.

Curtailed Energy.

The Curtailed Energy shall be determined for each curtailment event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

Curtailment Payment.

The Curtailment Energy Payment shall be 90% of the Indiana Michigan Power Company pricing point (AEPIM_RESID_AGG) of the AEP Load Zone hourly Real-Time Locational Marginal Price (LMP), or successor pricing point, as established by PJM (including congestion and marginal losses) for each curtailment event hour.

The Curtailment Demand Payment shall be as shown under section DRS Product Type Options and Curtailment Demand Payment.

Monthly Demand Payment.

The Monthly Demand Payment shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

1. Guaranteed Load Drop Method – The Monthly Demand Payment shall be equal to the product of the GLD and the Curtailment Demand Payment.
2. Firm Service Level (FSL) Method – The Monthly Demand Payment shall be equal to the product of the ACD and the Curtailment Demand Payment.

The Company reserves the right to withhold Monthly Demand Payments from any customer who is indebted to the Company for any service rendered at any location contracted under this Rider. If the customer's indebtedness to the Company has not been resolved by May 31 of the current delivery year, all Monthly Demand payments outstanding shall be forfeited.

(Cont'd on Sheet No. 36.7)

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(Cont'd from Sheet No. 36.6)

Monthly Event Payment.

An Event Payment shall be calculated for each event hour equal to the product of the Curtailed Energy for that hour and the Curtailment Energy Payment for that hour. The Monthly Event Payment shall be the sum of the hourly Event Payments for all events occurring in the calendar month, but shall not exceed the portion of the customer's monthly bill that is computed on a per kWh basis under the applicable Standard Rider for the same billing month. The customer shall not receive Event Payment for any curtailment events to the extent that the customer's DRS capacity is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions, or any situation other than the customer's normal operating conditions. Event Payments will not be withheld if the customer's DRS capacity is already reduced as a result of customer actions taken in anticipation of a curtailment.

Annual Non-Compliance Charge for Capacity Performance Resource Product.

Beginning on June 1, 2018, the non-compliance charge will be based on the AEP, or successor, Locational Deliverability Area yearly Net CONE with a divisor of 30 (emergency action hours per year). The Non-Compliance Rate in \$/MWh will be equal to the product of Net CONE (\$/MW-day) as published by PJM and the number of days in the delivery year (365 or 366) divided by 30. The Monthly Non-Compliance Charge shall be equal to the product of the Non-Compliance Energy and the Non-Compliance Rate. The sum of the Monthly Non-Compliance Charges may exceed the sum of customer's monthly Demand Credits for the delivery year.

(Cont'd on Sheet No. 36.8)

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(Cont'd from Sheet No. 36.7)

Settlement.

The net amount of the Monthly Demand Payment, Monthly Energy Event Payment and Annual Non-Compliance Charge will be provided to the participant by check or electronic payment within 60 days after the end of the delivery month. A customer may request the aggregation of individual customer account payments into a single payment.

Term.

Contracts under this Rider shall be made for an initial period of four (4) delivery years and shall remain in effect until either party provides three (3) years' written notice prior to March 1 of its intention to discontinue service under the terms of this Rider for the fourth delivery year beginning after the notice is provided. Written notice deadlines through March 1, 2023 are as follows:

<u>Written Notice Deadline</u>	<u>Effective Date of End of Service under Rider</u>
March 1, 2023	June 1, 2026
March 1, 2024	June 1, 2027
March 1, 2025	June 1, 2028
March 1, 2026	June 1, 2029

If a customer becomes ineligible for service under this Rider during the term of a contract under this Rider, the Company reserves the right to terminate such contract immediately.

Special Terms and Conditions.

Customer specific information, including, but not limited to DRS contract capacity, shall remain confidential.

If a new peak demand is set by the customer in the hour following a curtailment event due to the customer resuming the level of activity prior to the curtailment, the customer may request, in writing, that the customer's billing demand be adjusted to disregard that new peak. The Company will promptly evaluate all such requests and approve reasonable requests. In specific circumstances and subject to reasonable conditions, the Company may approve requests in advance.

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EFFECTIVE FOR BILLS RENDERED BEGINNING
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