

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED )  
PETITION OF INDIANAPOLIS POWER & )  
LIGHT FOR APPROVAL OF DEMAND )  
SIDE MANAGEMENT (DSM) PLAN, )  
INCLUDING ENERGY EFFICIENCY (EE) )  
PROGRAMS, AND ASSOCIATED )  
ACCOUNTING AND RATEMAKING )  
TREATMENT, INCLUDING TIMELY ) CAUSE NO. 44945  
RECOVERY THROUGH IPL'S EXISTING )  
STANDARD CONTRACT RIDER NO. 22 )  
OF ASSOCIATED COSTS INCLUDING )  
PROGRAM OPERATING COSTS, NET )  
LOST REVENUE, AND FINANCIAL )  
INCENTIVES. )

**JOINT MOTION FOR LEAVE TO SUBMIT SETTLEMENT AGREEMENT,  
FOR MODIFICATION OF PROCEDURAL SCHEDULE  
AND FOR EXPEDITED RESPONSE**

Petitioner, Indianapolis Power & Light Company (“Petitioner” or “IPL”), and Citizens Action Coalition of Indiana, Inc. (“CAC”) (collectively the “Settling Parties”), with 170 IAC 1-1.1-17, respectfully move the Commission for leave to submit the attached Stipulation and Settlement Agreement (“Settlement Agreement” or “Settlement”). The Settling Parties also ask the Commission to modify the procedural schedule to allow presentation of the Settlement and supporting evidence and to maintain the current evidentiary hearing date. Finally, the Settling Parties ask the Commission to expedite the period within which the non-Settling Party may respond to this Joint Motion. In support of this Joint Motion, Settling Parties further state as follows:

1. **Settlement at this Juncture Serves the Public Interest.** IPL’s Petition seeks approval of a three year DSM Plan in accordance with Ind. Code § 8-1-8.5-10

(“Section 10”). The Settlement Agreement provides for approval of IPL’s 2018-2020 DSM Plan as modified by the terms of the Settlement Agreement. While the Commission is often presented with a settlement agreement after the parties have completed all rounds of testimony submissions, the Commission’s rules do not require this approach. The Settling Parties submit that settlement of this Section 10 DSM case at this juncture serves the public interest and administrative efficiency. It eliminates and narrows controversy. This is significant because the industry’s DSM Plan filings under Section 10 have been the subject of significant and protracted litigation, appeal and remand proceedings. The Settling Parties entered into the Settlement Agreement to avoid protracted litigation, including the possibility of additional administrative process under Section 10 (m), which would delay the ongoing provision of cost-effective energy efficiency in IPL’s service area.<sup>1</sup>

2. Because the Settlement Agreement resolves issues that otherwise would have been in dispute, the submission of the Settlement Agreement at this juncture is efficient and serves the public interest.

3. **Overview of Settlement Agreement.** The Settlement Agreement provides a path to achieve cost-effective energy savings, caps lost revenue recovery and revises IPL’s requested financial incentive to follow the tiered structure adopted by the Commission in Cause No. 44645. The Settlement Agreement provides that CAC will

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<sup>1</sup> If the Commission finds that an electricity supplier’s plan is not reasonable in its entirety, Section 10(m) directs the Commission to issue an order setting forth the reasons supporting its determination and thereafter the electricity supplier shall submit a modified plan. After the modified plan is submitted, Section 10(m) provides for another hearing. Thereafter, the statute provides for a Commission decision. If the Commission does not approve the modified plan, then additional process consistent with the statute would be anticipated. If the Commission does approve the modified plan, the Commission’s decision is subject to judicial review and potential remand.

become a voting member of the IPL DSM Oversight Board (“OSB”). The Settlement Agreement also provides clarity regarding the modeling of DSM/EE in IPL’s next Integrated Resource Plan (“IRP”). The negotiated settlement package reduces the cost recovery provided in IPL’s original filing. As a result, the Settlement Agreement provides significantly more customer benefits. The Settling Parties will further support the Settlement Agreement in testimony expected to be filed yet this week. That testimony will explain the following:

a. Energy Savings. The Settlement Agreement increases the energy savings goals for the three-year DSM Plan and recognizes how the prudent use of spending flexibility should provide for additional cost-effective energy savings. The Commission has long authorized utility DSM Oversight Boards to exercise spending flexibility and the IPL DSM Oversight Board has previously done so with great success. The spending flexibility tool positions DSM Oversight Boards to respond to market conditions as they develop for the benefit of customers. In addition, the most recent scorecard for IPL’s current DSM program offerings indicates that approximately \$3.2 million of Commission-authorized DSM program funding may remain unspent at the end of 2017. The Settlement Agreement provides for any such amount to be carried forward and utilized prudently by the IPL OSB over the course of the three-year plan to pursue cost-effective energy savings if market conditions warrant.

b. The Settlement Agreement allows the IPL DSM Oversight Board to continue its work together to identify and produce cost-effective energy savings. The Settlement Agreement safeguards the public interest by clarifying that the exercise of the spending flexibility, including use of any amounts carried over from 2017, will require

the unanimous vote of the IPL OSB. While more challenging than IPL's original filing, the revised energy savings goals in the Settlement Agreement provide a plan for cost-effective energy efficiency that is: (1) reasonably achievable; (2) consistent with IPL's integrated resource plan; and (3) designed to achieve an optimal balance of energy resources in IPL's service territory.

c. Because the Settling Parties recognize that the 2020 market conditions may be currently difficult to predict, the Settlement Agreement provides for a refreshed look, by an independent Market Potential Study ("MPS") consultant, at the market potential for energy efficiency in 2020. This will allow the OSB to explore the potential for reasonably achievable, cost effective energy savings, in 2020, at levels similar to the annual levels identified for 2018 and 2019. If the OSB unanimously agrees to a change in the 2020 budget to allow the additional energy savings to be pursued above that which is anticipated to be achieved through spending flexibility over the three year plan, the Settling Parties will jointly file no later than May 31, 2019 to seek Commission approval of an amendment to this Settlement Agreement to allow the change to be implemented by January 1, 2020.

d. DSM Program Oversight. The IPL OSB works quite well and the Settling Parties have a common desire to continue this collaborative and collegial oversight of the implementation of the DSM/EE programs. In past cases, the CAC has requested that it be allowed to become a voting member of the OSB. The Commission has encouraged IPL to consider this. The Settlement Agreement provides for CAC to become a voting member of the OSB following the development of a governance document, which the Settling Parties will seek to complete through the IPL OSB by year end.

e. IRP Stakeholder Process and DSM/EE modeling. The Settling Parties have been involved in the IRP comment process and have reviewed the Commission Electricity Director's draft 2016 IRP report. That report recognizes that the IRP process has and should continue to evolve. The Settling Parties concur and have provided a process that better assures and allows for stakeholder input on technical issues sooner in the development of IPL's next IRP.

f. Lost Revenue. Section 10 provides for recovery of reasonable lost revenue through a DSM Rider. The Settlement Agreement provides that the lost revenue for measures installed during the DSM Plan (2018-2020) period will be recovered through the IPL DSM Rider for (a) the life of the measure, (b) 5 years from implementation of any measure installed in 2018, and 4 years from the implementation of any measure installed subsequent to January 1, 2019, or (c) until measure related energy savings are reflected in new base rates and charges, whichever occurs earlier. This negotiated compromise reasonably resolves concerns about the difference between revenues lost and the variable operating and maintenance cost saved by IPL as a result of implementing energy efficiency programs.

g. IPL was not authorized to recover lost revenue through a DSM Rider until after the conclusion of its recent rate case in March 2016 (Cause No. 44576). As a result, IPL does not have significant legacy lost revenue. IPL's sales have been less than the adjusted test year sales used to establish rates in Cause No. 44576. In its Order in *Southern Indiana Gas & Electric Company*, Cause No. 44645 (IURC 3/23/2016) ("44645 Order"), at 26, the Commission imposed a cap on lost revenue recovery through a rider due to a concern regarding pancaking.

h. When a general rate case is filed, the utility revenue requirement is re-established by the Commission and allocated among all customer classes as determined by the Commission. While the recovery of lost revenue through a rider can provide an incentive for all customers to participate in the DSM programs, the CAC (and other parties) has raised a concern about the Rider pancaking effect. The Commission has stated that “[c]learly, pancaking of lost revenue is much less of an issue in an environment where a utility comes in regularly, i.e., every three to five years, for a base rate case.” 44645 Order at 26.

i. The Settlement Agreement adopts the four year cap for lost revenue imposed by the Commission in IPL’s last DSM case and in other utility DSM cases for years two and three of the DSM Plan and allows a five year cap on year one. This recognizes that IPL has recently completed a general rate case and plans to file another general rate case in the near future.

j. The Settling Parties believe the negotiated resolution of the lost revenue issue reflected in the Settlement package is reasonable, reduces the potential for controversy and serves the public interest.

k. Financial Incentive. In IPL’s original filing, the Company sought to earn a financial incentive on all cost-effective programs except Income Qualified Weatherization. IPL’s shared savings forecast was based on 15% of the net present value of future savings resulting from the Utility Cost Test. In the Settlement Agreement, the Settling Parties agreed to the same tiered performance incentive structure approved by the Commission in the 44645 Order, which also utilizes the net present value of future

savings resulting from the Utility Cost Test but in a tiered fashion. The shared savings structure aligns the utility and the customer interests in the pursuit of cost-effective energy savings. If IPL achieves 100% of the energy savings goals set forth in the Settlement Agreement, customers will receive 92% of the benefits, and IPL's portion of the shared savings will be 8% instead of the 15% reflected in IPL's original filing. The tiers incent IPL to achieve energy savings for customers. If IPL fails to achieve at least 75% of the energy savings goal, all benefits will go to customers. If IPL achieves more than 110% of the energy savings goal, IPL's potential share of the net benefits is limited to 10%.

4. **The Settlement is Among Less than All the Parties.** The Indiana Office of Utility Consumer Counselor ("OUCC") has been included in the settlement discussions from the outset. The OUCC has not joined the Settlement Agreement as of the date of this filing. The Settling Parties are moving forward with this Joint Motion so as to allow this proceeding to continue to hearing on October 12, 2017 as currently scheduled.

5. The Settling Parties appreciate the time the OUCC has committed to the settlement process as their involvement facilitated the pathway for agreement between the Settling Parties. The Settling Parties recognize that the OUCC is the statutory representative of the public and have taken the OUCC filed position in DSM cases into account in negotiating the Settlement Agreement. In negotiating the Settlement Agreement, the Settling Parties have adhered closely to the Commission's decisions in litigated DSM proceedings. This approach was taken to reduce the potential for controversy.

6. **Request for Hearing on Settlement.** The Settling Parties submit the attached Settlement Agreement on the condition that if the Commission fails to approve the Settlement Agreement in its entirety and without any change or condition(s) unacceptable to any Settling Party, the Settlement Agreement and supporting evidence shall be withdrawn and the Commission will continue to hear this Cause with the proceedings resuming at the point they were suspended by this Joint Motion.

7. The Settling Parties propose the following revisions to the procedural schedule in this Cause to allow the Settling Parties to file testimony in support of the Settlement Agreement:

|   | Current Date | Revised Date |
|---|--------------|--------------|
| IPL Initial Prefiling   | 5/17/17      | No change    |
| OUCC Prefiling (118 days)                                       | 9/12/17      | No change    |
| Settling Parties Settlement Testimony (3 days)                  | N/A          | 9/15/17      |
| OUCC Supplemental Testimony In Response To Settlement (12 days) | N/A          | 9/27/17      |
| Settling Parties Rebuttal (6 days)                              | 9/25/17      | 10/4/17      |
| Hearing (6 business days later)                                 | 10/12/17     | No change    |

8. The revised schedule is not sought for purposes of delay.

9. The revised schedule is reasonable. The OUCC has already had 118 days to review IPL's DSM Plan. The OUCC has significant experience with DSM/EE issues and Section 10 filings. The Settling Parties have reviewed the Settlement Agreement with the OUCC, discussed how it complies with Section 10, responded to OUCC questions and outlined the Settlement Agreement presented in this Joint Motion.



10. The Settlement Agreement resolves the lost revenue and financial incentive issues consistent with the most recent Commission guidance on these issues. The Commission practice contemplates that the Commission is able to consider a settlement within six business days. The proposed schedule allows the OUCC eight business days to file supplemental testimony or a notice of intent not to file testimony in opposition to the Settlement Agreement.

11. **Time is of the Essence.** A decision in this proceeding is sought by the end of the year. This will allow the timely and efficient implementation of the new DSM Plan. This best positions IPL, the other members of the OSB, and the Company's DSM vendors to achieve cost-effective energy savings for the 2018-2020 period. While the Commission has authorized IPL to continue the 2017 DSM programs and associated cost recovery on an interim basis if an order is not entered by year end, an interim solution is problematic. In particular, it creates uncertainty for the program implementation vendor and complicates the vendor contracting and program administration.

12. **Request for Expedited Consideration of This Joint Motion.** The Settling Parties have attempted to reach an agreement with the OUCC regarding the revised procedural schedule but have not been able to do so before filing this Joint Motion.

13. The Settling Parties have advised the OUCC of this Joint Motion and solicited the OUCC position. The OUCC advised the Settling Parties that the OUCC could not agree to a pre-filing deadline of September 26, 2017. Herein, the Settling Parties added an additional day, but have not been able to ascertain the OUCC position

regarding a September 27, 2017 deadline. The Settling Parties ask the Commission to require the OUCC to state its position on the revised procedural schedule not later than by 4:30 pm on Friday, September 15, 2017. The Settling Parties will file any reply by 2:00 pm on Monday, September 18, 2017.

WHEREFORE, the Settling Parties moves that this Agreed Motion be promptly granted and that the procedural schedule be revised as proposed herein, and that the Commission grant to the Settling Parties all other relief as may be just and reasonable in the premises.

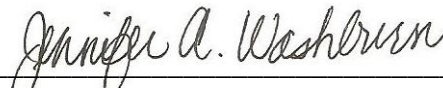
Respectfully submitted,



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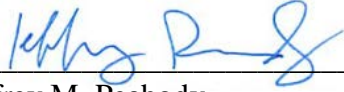
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**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the forgoing was served by electronic transmission on the following:

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Dated this 14th day of September, 2017

  
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 NO. 22 OF ASSOCIATED COSTS )  
 INCLUDING PROGRAM OPERATING )  
 COSTS, NET LOST REVENUE, AND )  
 FINANCIAL INCENTIVES. )

**STIPULATION AND SETTLEMENT AGREEMENT**

Indianapolis Power & Light Company (“IPL”) and Citizens Action Coalition of Indiana, Inc. (“CAC”), (collectively the “Settling Parties” and individually “Settling Party”) solely for purposes of compromise and settlement and to reduce controversy and avoid protracted litigation and allow the ongoing implementation of DSM, and having been duly advised by their respective staff, experts and counsel, stipulate and agree that the terms and conditions set forth below represent a fair, just and reasonable resolution of all matters pending before the Commission in this Cause, subject to their incorporation by the Indiana Utility Regulatory Commission (“Commission”) into a final, non-appealable order (“Final Order”) without modification or further condition that may be unacceptable to any Settling Party. If the Commission does not approve this Stipulation and Settlement Agreement (“Settlement Agreement”), in its entirety, the entire Settlement Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Settling Parties.

**I. TERMS AND CONDITIONS**

A. The Settling Parties agree to Commission approval of the Company’s proposed 2018-2020 DSM Plan and associated accounting and ratemaking treatment modified as follows:

**1. Lost Revenues**

a. The lost revenues for measures installed during the DSM Plan (2018-2020) period will be recovered through the IPL DSM Rider for (a) the life of the measure, (b) five years from implementation of any measure installed in 2018 and four years from the implementation of any measure installed subsequent to January 1, 2019, or (c) until measure related energy savings are reflected in new base rates and charges, whichever occurs earlier.

b. IPL will zero out in the IPL DSM Rider (Standard Contract Rider No. 22) all lost revenue recovery approved for the DSM Program years prior to and including the test year adopted for the setting of base rates in IPL’s next base rate filing.

**2. Opportunity to Earn Financial Incentive**

The Parties agree to a tiered financial incentive structure as shown below. The financial incentive will be calculated as a shared savings incentive based on the net present value (“NPV”) of the Utility Cost Test (“UCT”) net benefits at the portfolio level.

**Table 1**

| Achievement (% of Gross Energy Savings Target (MWh) – Plan Portfolio) | Incentive Level (NPV of net benefits of UCT) |
|---|--|
| >110%   | 10 %   |
| 100-109.99%   | 8 %  |
| 90-99.99%   | 7 %  |
| 80-89.99%   | 6 %  |
| 75-79.99%   | 5%   |
| 0-74.99%  | 0%   |

**3. Annual Energy Savings and Budgets**

a. IPL will attempt to achieve additional cost effective gross energy savings of approximately 30,000 MWh per year for the 2018-2020 DSM Plan as set forth below:

**Table 2**

| <b>Additional MWh (Gross)</b> |        |        |       |
|-------------------------------|--------|--------|-------|
| Program                       | 2018   | 2019   | 2020  |
| IQW                           |        |        |       |
| Multifamily                   |        |        |       |
| Whole House                   |        |        |       |
| Lighting & Appliance          | 10,000 | 10,008 | 6,009 |
| LED Foodbank                  |        |        |       |

|                               |               |               |               |
|-------------------------------|---------------|---------------|---------------|
| <b>Residential Total</b>      | <b>10,000</b> | <b>10,008</b> | <b>6,009</b>  |
| Custom                        | 4,047         | 8,777         | 13,939        |
| Prescriptive                  | 15,001        | 10,201        | 9,100         |
| Small Business Direct Install | 1,002         | 1,002         | 1,001         |
| <b>C&amp;I Total</b>          | <b>20,050</b> | <b>19,980</b> | <b>24,040</b> |
| <b>Incremental Total</b>      | <b>30,050</b> | <b>29,988</b> | <b>30,049</b> |

**Table 3**  
**Additional Program Operating Costs (\$ x 1,000)**

| Program                                    | 2018            | 2019            | 2020            |
|--|-----------------|-----------------|-----------------|
| IQW  |                 |                 |                 |
| Multifamily                                |                 |                 |                 |
| Whole House                                |                 |                 |                 |
| Lighting & Appliance                       | \$1,339         | \$1,250         | \$1,495         |
| LED Foodbank                               |                 |                 |                 |
| <b>Residential Total</b>                   | <b>\$1,339</b>  | <b>\$1,250</b>  | <b>\$1,495</b>  |
| Custom                                     | \$ 559          | \$ 986          | \$1,469         |
| Prescriptive                               | \$1,816         | \$1,541         | \$1,710         |
| Small Business Direct Install              | \$ 204          | \$ 210          | \$ 294          |
| <b>C&amp;I Total</b>                       | <b>\$ 2,579</b> | <b>\$ 2,737</b> | <b>\$ 3,473</b> |
| <b>Incremental Total (Before EM&amp;V)</b> | <b>\$3,918</b>  | <b>\$3,987</b>  | <b>\$4,968</b>  |
| <b>EM&amp;V (5%)</b>                       | <b>\$196</b>    | <b>\$199</b>    | <b>\$248</b>    |
| <b>Total (With EM&amp;V)</b>               | <b>\$4,114</b>  | <b>\$4,186</b>  | <b>\$5,216</b>  |
| <b>Cost per kWh</b>                        | <b>\$0.137</b>  | <b>\$0.143</b>  | <b>\$0.174</b>  |

b. The DSM Plan energy savings goals, revised to reflect the additional energy savings reflected in 3(a) above, are as follows:

**Table 4**  
**DSM Plan Energy Savings Goals**

| Program Year | Program Gross Energy Savings (MWh) |
|--------------|------------------------------------|
| 2018         | 163,849                            |
| 2019         | 164,246                            |
| 2020         | 137,696                            |
| Total        | 465,791                            |

This annual level of gross energy savings averages approximately a 1.14% reduction from the current level of IPL energy sales, when the sales are not adjusted downward to reflect customers that have opted out of participation in IPL's DSM programs. When sales are adjusted to take into account customers that have opted out, these gross energy savings represent about 1.45% of the remaining (non-opted out) sales.

c. The 2018-2020 DSM Plan Program Operating Budget, revised to reflect the estimated program operating costs and EM&V costs for the additional energy savings set forth above, is as follows:

**Table 5**  
**DSM Plan Program Operating Budget (\$ x 1,000)**

|       | As Filed | Settlement Additions | Adjusted Total |
|-------|----------|----------------------|----------------|
| 2018  | \$26,285 | \$4,114              | \$30,399       |
| 2019  | \$26,279 | \$4,186              | \$30,465       |
| 2020  | \$25,672 | \$5,216              | \$30,888       |
| Total | \$78,236 | \$13,516             | \$91,752       |

d. The IPL DSM Program Oversight Board (“OSB”) will be authorized to pursue additional reasonably achievable, cost effective energy savings by exercising spending flexibility. The Settling Parties agree to work collaboratively in good faith through the OSB to prudently exercise the spending flexibility and to use best efforts to achieve an additional 50,000 MWh (net) of energy savings that are cost effective at the incremental portfolio level over the three year DSM Plan before exercise of the process set forth in Section I.A.3.f below. In total, the 50,000 reflects a projection of the net MWh that may be achievable through the exercise of this spending flexibility over the three year term of the Plan. The spending flexibility includes the ability to spend up to and including an additional 10% of direct program operating costs included in the revised DSM Plan Program Operating Budget set forth above. The Settling Parties through the OSB will use best efforts to increase the scale of programs and/or identify new programs to produce reasonably achievable, cost effective energy savings. Any unspent funds from the 2017 plan year or from a 2018-2020 plan year may be rolled over to subsequent plan years. In the exercise of this spending flexibility, the Settling Parties through the OSB will use the *DSMore* energy efficiency modeling tool (or successor program) to verify cost-effectiveness. The exercise of spending flexibility will require the unanimous vote of all members of the OSB who cast a vote, including CAC. An abstention shall not count in tallying the vote for purposes of this section.

e. To facilitate and assist the OSB in the pursuit of cost effective energy savings provided in this Settlement Agreement, IPL will make its program implementation and EM&V vendors available to meet with the OSB to discuss program implementation and potential cost effective ways to pursue energy savings. These efforts may result in new measures, new programs and/or the redesign of existing programs. Such meetings are anticipated to occur quarterly unless otherwise determined by the OSB.

f. IPL will work with the OSB to reach a consensus in the selection of the consultant to conduct the next Market Potential Study as follows.

- i. IPL will discuss the Request for Proposals (“RFP”) for the next Market Potential Study with the other members of the OSB and allow input on the RFP, which is expected to be issued in the fourth quarter of 2017 with the expectation that the new MPS will be completed by the first quarter of 2019.
- ii. In developing the RFP, the OSB will seek information regarding end use customer analysis to be considered in the market potential for DSM in IPL’s service territory for 2021 - 2039.

- iii. Currently, the energy savings goal for 2020 negotiated by the Settling Parties in Section I.A.1.b is less than the annual goals for 2018 and 2019, although Section I.A.1.d above provides for best efforts to achieve an additional 50,000 net MWh of energy savings over the three year DSM Plan. Thus, the MPS RFP will also seek a refreshed look at 2020 as well as information for 2021-2039.
- iv. Upon receipt of the MPS, IPL will convene a technical meeting with the OSB, the MPS vendor, the 2018-2020 Energy Efficiency program implementation vendor and the Evaluation, Measurement and Verification (“EM&V”) vendor. The purpose of the meeting will be to explore with these independent advisors the potential for and estimated cost of additional reasonably achievable, cost effective energy savings in 2020 that are similar to the annual levels identified for 2018 and 2019.
- v. The Settling Parties agree to work collaboratively in good faith and to use best efforts to identify and achieve additional savings for 2020 similar to the annual levels identified for 2018 and 2019. If the OSB unanimously agrees to a change in the 2020 budget to allow the additional energy savings to be pursued, the Settling Parties will jointly file to seek Commission approval of an amendment to this Settlement Agreement to allow the change to be implemented by January 1, 2020.
- vi. The Settling Parties agree that any such change shall be filed no later than May 31, 2019. The Settling Parties further agree that this process shall not change the energy savings goal for 2020 set forth in Table 4 above or the other terms of Section I.A.1 through I.A.5 of this Settlement Agreement, but will allow for the pursuit of additional energy savings above those contemplated in Sections I.A.1.b and I.A.1.d herein.

**4. IRP Modeling of DSM/EE.** IPL will invite the Settling Parties’ technical staff and/or consultants to participate in an IRP stakeholder core team to provide input including scenario development for its next IRP filing prior to IPL’s modeling efforts and public advisory meetings. This will allow the Settling Parties as well as other IRP stakeholders to have timely input on scenario development and review of the data to be used in the modeling of DSM/EE during the course of the modeling process and before any modeling results are finalized. IPL anticipates developing a schedule with feedback mechanisms to include technical workshops in addition to the public IRP advisory meetings. IPL will provide transparent supporting data and assumptions in a timely manner throughout this process upon execution of non-disclosure agreements if needed. At a minimum, this process is expected to commence in the second half of 2018 and meet quarterly until the IRP is filed in November 2019; however, IPL is open to convening this group earlier if desired. Nothing in this Agreement shall be construed as waiving Settling Parties’ individual rights to file comments with the IURC pursuant to 170 IAC 4-7 *et seq.* on any and all aspects of IPL’s 2019 IRP, or their individual rights to oppose any requests in any proceedings that purport to rely in whole or in part on IPL’s 2019 IRP.



5. **OSB.** During the term of this Agreement, the Settling Parties will continue to work together as members of the IPL OSB as they do today in a collaborative and collegial process to oversee the implementation of the DSM/EE programs. The OSB will continue to be responsible for monitoring and overseeing the progress and effectiveness of the DSM Plan Programs, in addition to the pursuit of additional energy savings as provided herein. The Settling Parties will work in good faith through the OSB to develop a mutually agreeable governance document to govern the operations of the OSB. The governance document will establish procedures for the conduct of OSB meetings and designate matters which shall be voted upon. The governance document shall provide a process to allow a minority position to be heard on the exercise of OSB oversight of the DSM Plan as modified by this Settlement Agreement. Once the governance document is established, the CAC shall become a voting member of IPL's OSB. The parties will work to complete the governance document by December 31, 2017.

6. **Time is of the Essence.** The unique circumstances here make settlement prior to the filing of the CAC case-in-chief reasonable. The Parties will work together to finalize and file a settlement agreement, supporting testimony and an agreed upon proposed order with the Commission as soon as practicable and well within a timeframe that will allow the settlement to be heard no later than October 12, 2017, the date currently scheduled for the evidentiary hearing in this Cause. The Parties will request that the Commission issue an order accepting and approving this Settlement Agreement in accordance with its terms as soon as practicable to allow the timely implementation of the DSM Plan programs in accordance with the terms of this Settlement Agreement.

## **II. PRESENTATION OF THE SETTLEMENT TO THE COMMISSION**

1. The Settling Parties shall support this Settlement Agreement before the Commission and request that the Commission expeditiously accept and approve the Settlement Agreement. The concurrence of the Settling Parties with the terms of this Settlement Agreement is expressly predicated upon the Commission's approval of the Settlement Agreement in its entirety without any modification or any condition that may be unacceptable by any Settling Party. If the Commission does not approve the Settlement Agreement in its entirety and without change, the Settlement Agreement shall be null and void and deemed withdrawn, upon notice in writing by any Settling Party within fifteen (15) days after the date of the Final Order that any modifications made by the Commission are unacceptable to it.

2. The Settling Parties shall jointly move for leave to file this Settlement Agreement and supporting evidence. The Settling Parties will file testimony specifically supporting the settlement. The Settling Parties will work collaboratively in the preparation of the testimony supporting the settlement agreement. Such evidence together with the evidence previously prefiled by the Settling Parties in this Cause will be offered into evidence without objection and the Parties hereby waive cross-examination of each other's witnesses. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and that, if the Commission fails to approve this Settlement Agreement in its entirety without any change or with condition(s) unacceptable to any Settling Party, the Settlement and supporting evidence shall be withdrawn and the Commission will continue to hear Cause No. 44945 with the proceedings resuming at the point they were suspended by the filing of this Settlement Agreement.

3. The Settling Parties shall jointly agree on the form, wording and timing of public/media announcement (if any) of this Settlement Agreement and the terms thereof. No Settling Party will release any information to the public or media prior to the aforementioned announcement. The Settling Parties may respond individually without prior approval of the other Settling Parties to questions from the public or media, provided that such responses are consistent with such announcement and do not disparage any of the Settling Parties. Nothing in this Settlement Agreement shall limit or restrict the Commission's ability to publicly comment regarding this Settlement Agreement or any Order affecting this Settlement Agreement.

### **III. EFFECT AND USE OF SETTLEMENT**

1. It is understood that this Settlement Agreement is reflective of a negotiated settlement and neither the making of this Settlement Agreement nor any of its provisions shall constitute an admission by any Settling Party to this Settlement Agreement in this or any other litigation or proceeding. It is also understood that each and every term of this Settlement Agreement is in consideration and support of each and every other term.

2. This Settlement Agreement shall not constitute and shall not be used as precedent by any person in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce the terms of this Settlement Agreement.

3. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the items resolved here and in any future regulatory or other proceedings.

4. The Settling Parties agree that the evidence in support of this Settlement Agreement and the previously prefiled evidence constitute substantial evidence sufficient to support this Settlement Agreement and provide an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement Agreement, as filed. The Settling Parties shall prepare and file an agreed proposed order with the Commission as soon as reasonably possible.

5. The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Settlement Agreement all relate to offers of settlement and shall be privileged and confidential, without prejudice to the position of any Settling Party, and are not to be used in any manner in connection with any other proceeding or otherwise.

6. The undersigned Settling Parties have represented and agreed that they are fully authorized to execute the Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby.

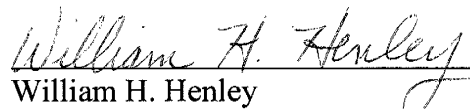
7. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of the Final Order approving this Settlement Agreement in its entirety and without change or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically implementing the provisions of this Settlement Agreement). The Settling Parties shall support or not oppose this Settlement Agreement in the event of any appeal or a request for a stay by a person not a party to this Settlement Agreement or if this Settlement Agreement is the subject matter of any other state or federal proceeding.

8. The provisions of this Settlement Agreement shall be enforceable by any Settling Party before the Commission and thereafter in any state court of competent jurisdiction as necessary.

9. This Settlement Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**ACCEPTED and AGREED as of the 13 th day of September, 2017.**

INDIANAPOLIS POWER & LIGHT COMPANY

  
\_\_\_\_\_  
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Vice-President, Regulatory and Government Affairs  
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CITIZENS ACTION COALITION OF INDIANA, INC.

  
\_\_\_\_\_  
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