

STANDARD CONTRACT RIDER NO. 23
MARKET BASED DEMAND RESPONSE RIDER
(Applicable to Rates HL, PL, PH, and SL)

AVAILABILITY:

Available to the Rate HL, PL, PH, and SL Customers who enter into a written contract, fulfill the load requirement and can demonstrate the ability to reduce energy in accordance with the MISO requirements. ARCs may also aggregate Customers in accordance with a Standard Agreement and participate under this Rider. Customers and ARCs are hereafter referred to as "Participants." The term of such Standard Agreement shall have an initial period of one (1) year. The Company reserves the right to deny any application on a non-discriminatory basis based on the criteria identified in this Rider and the Standard Agreement with Participants. This Rider is not available to any Customer's service (either directly or through an ARC) that is otherwise participating in the Company's other interruptible or curtailment riders, including Riders 15, 17 or 18. Customers participating in Rider 14 may not make EDR offers. The Company reserves the right to limit megawatt ("MW") participation in this Rider as set forth in the applicable MISO BPM.

DEFINITIONS:

MISO: Midcontinent Independent Transmission System Operator, Inc.

EDR: Emergency Demand Response, a type of demand response resource as defined by MISO.

BPM: MISO Business Practices Manual

DRR: Demand Response Resource as defined in the BPM

ARC: Aggregator of Retail Customers

Curtailment Energy: The amount of load the Participant is capable of reducing from its Consumption Baseline.

Curtailment Period: A period of time chosen by the Participant and included in its offer parameters during which the Participant makes available its load for curtailment under this Rider.

Consumption Baseline: The Participant's actual usage as defined or accepted by MISO from time-to-time.

Firm Power Level: The demand in kilowatt ("KW") that Participant agrees not to exceed during each Curtailment Period.

Retail Rate: The Energy Charge set forth in the rate the Customer is served under plus any applicable Contract Rider assessed on an energy basis multiplied by the Curtailment Energy. In the event the rate a Customer is served under includes multiple blocks of Energy Charges, the Retail Rate shall be based on the Energy Charge for the last block of energy set forth in the tariff.

APPROVED BY
CONFERENCE MINUTES
30-Day Filing No. 50409
April 7, 2021

INDIANA UTILITY REGULATORY COMMISSION

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Effective
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Indiana Utility Regulatory Commission
Energy Division

STANDARD CONTRACT RIDER NO. 23 (Continued)

PROGRAM DESCRIPTION:

Participation in this Rider is voluntary and offers Participant the opportunity to authorize the Company to market their Curtailment Energy in the MISO market and to share in any MISO revenues generated. The Participant's Curtailment Energy is not eligible for enrollment in any other demand response program either directly or through a curtailment service provider. Company will enter into a Standard Agreement under this Rider which will specify the terms and conditions under which Participant agrees to reduce usage.

Programs to be offered upon commencement of this Rider include:

1. EDR Program which offers Customers the opportunity to reduce their electric costs and to help preserve reliable electric service by managing their electric usage during MISO declared emergency events.
2. DRR Type 1 Program which offers Customers the opportunity to be compensated for energy use reductions by authorizing the Company to offer such reductions into the MISO market on an economic basis.

Participation will be permitted on any particular day. Participants will be included in the daily offers to MISO unless they specify a desire not to participate on a particular day by the deadline established in the Standard Agreement. Company must be notified pursuant to the Standard Agreement on any day Participant desires to suspend participation.

Company may agree to provide additional programs beyond EDR and DRR Type 1 permitted in the MISO market through a Standard Agreement under this Rider. The availability of any Standard Agreement for a type of demand response program not specifically described in this Rider shall be subject to receipt of approval from the Indiana Utility Regulatory Commission ("Commission"). Program participation requirements will be detailed in the Standard Agreement including the ability to specify certain offer parameters.

CURTAILMENT ENERGY:

Participant must offer at least the minimum MW participation in this Rider as set forth in the applicable BPM for the type of resource offered. Participant will provide at least 100 KW Curtailment Energy for each participating location for the EDR Program and at least 1 MW Curtailment Energy for the DRR Type 1 Program. Each Participant electing service under this Rider shall contract for a definite amount of DRR, not to exceed the Customer's or aggregated Customers' normal demand capable of being curtailed.

Participant shall elect to participate in this Rider by choosing to:

1. Curtail to the Firm Power Level; or
2. Provide a specific level of demand reduction not to exceed the Participant's normal demand capable of being curtailed.

METERING REQUIREMENTS:

The Company will specify a communication plan in the Standard Agreement, which may include software, to be used to provide the Company with specified offer parameters and participation elections.

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STANDARD CONTRACT RIDER NO. 23 (Continued)

METERING REQUIREMENTS (continued)

Participant will be responsible for providing its own internet access if needed. Participant may purchase from either Company or other third-party suppliers any other necessary software, metering or other equipment to facilitate participation in this Rider. It is Participant's responsibility to ensure the compatibility of third-party supplier equipment or software packages with any Company-owned equipment or software packages. It is the Participant's responsibility to provide a telephone line dedicated for the meter or for the meter to be remotely accessed outside the enclosed area.

DRR TYPE 1 OFFERS:

When first registered, a default DRR Type 1 offer for economic energy will be established which will remain valid until updated or declared unavailable. All offers are applicable to every day noted in the DRR Type 1 offer. Default offers can only be made after the resource has been certified in compliance with MISO requirements. The initial registration fee shown below must be paid to the Company with submittal of the registration information.

EDR OFFERS:

When first registered, a default EDR offer will be established which will remain valid until updated or declared unavailable. All offers are applicable to every day noted in the EDR offer. Default offers can only be made after the resource has been certified in compliance with MISO requirements. The initial registration fee shown below must be paid to the Company with submittal of the registration information. If the resource is a Behind the Meter Generator ("BTMG"), the Customer must affirm in writing that: (1) it holds all necessary permits; (2) it possesses the necessary rights to operate the unit; (3) the BTMG is not a Network Resource (pursuant to MISO's FERC-approved tariff); and (4) if the resource is historically operated during non-emergency conditions, that the energy available for participation under this Rider is the increase in output that produces the demand reduction.

DAY AHEAD BID PROCESS:

The Participant shall submit the required information in the prescribed electronic format to the Company designee no later than the time stated in the Standard Agreement. The Participant's bid may be aggregated with other Participants' bids for submission to MISO.

MISO PERFORMANCE REQUIREMENTS:

Performance requirements are stated in the current BPM and Schedule 30 for EDR of the MISO Open Access Transmission Tariff which may be amended from time to time. It is the Participant's responsibility to comply with all of the minimum performance criteria specified by MISO. Participants must be able to accept dispatch instructions via an electronic interface.

PROCEDURES:

Registration requirements, notifications, performance, metering requirements and other operating procedures are contained in the Standard Agreement.

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STANDARD CONTRACT RIDER NO. 23 (Continued)

PENALTY FOR FAILURE TO PERFORM:

If the Participant does not reduce load by the bid amount within the prescribed notice time for the prescribed duration and other MISO parameters, the Company will incur penalties and other charges. Such penalties and other charges will be imposed on the Participant plus a \$500 fee for the Company's administrative costs incurred to determine and pay the penalty to MISO. If the Participant fails to comply with the provisions of curtailment under this Rider, the Company and the Participant will discuss methods to comply during future events. The Company may suspend Participant from participation in this Rider if any penalty remains unpaid after becoming due. The Company may terminate the Participant's participation in this Rider if MISO precludes the Participant's load from being offered into the MISO market, Participant refuses to cooperate in registering the Participant's Load with MISO, or if Participant's failure to reduce load adversely impacts reliability.

SETTLEMENTS:

The Company will remit to Participant the net proceeds (the "MISO Proceeds") from participating in this Rider as a credit on the Participant's monthly bill within thirty (30) days after the initial settlement and payment by MISO to the Company for Participant's participation in the MISO market unless specifically provided otherwise in the Standard Agreement. The initial bill credit will reflect settlements between the Company and MISO through the most recent weekly net settlement invoice prior to the regular monthly bill. A true-up shall take place on the bill following any additional settlement from MISO. The Company will deduct the Retail Rate for the energy not consumed by the Customer pursuant to this Rider and any applicable administrative fees set forth below from the MISO Proceeds which shall be applied as a billing credit.

AGGREGATORS OF RETAIL CUSTOMERS:

A third-party may aggregate Customers to facilitate participation by Customers in this Rider subject to (a) measurement and verification of customer response in a manner satisfactory to the Company sufficient to allow the Company to comply with any and all MISO requirements and (b) satisfaction of reasonable and appropriate qualifications for any participating ARC. Each individual Customer in such an aggregation of Customers must be identified by the ARC and all information needed for and the requirements for MISO participation and registration must be provided by the ARC. Each individual Customer must be capable of the meeting the minimum Curtailment Energy requirements. The ARC will be subject to the same requirements set forth for Customers as set forth in this Rider and may be subject to additional requirements as specified in the applicable Service Agreement. A Customer may serve as an ARC. No Customer shall be represented by more than one ARC. No Customer may participate through an ARC while simultaneously participating directly in this Rider.

TERMS AND CONDITIONS:

Any interruptions or reductions in electric service caused by outages of Company's facilities, other than as provided under this Rider, will not be deemed a Curtailment Period under this Rider unless MISO reimburses the Company for Curtailment Energy. A Standard Agreement under this Rider will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable electric tariff and its applicable rate schedules. It will be Participant's responsibility to monitor and control their demand and energy usage before, during and after notice period under this Rider.

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Energy Division

Indianapolis Power & Light Company
d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-18

1st Revised No. 179.64
Superseding
Original No. 179.64

STANDARD CONTRACT RIDER NO. 23 (Continued)

FEES:

Annual Registration with Company	\$1,000.00
Modification to Registration	\$ 100.00
Additional day-ahead bid entry (per entry)	\$ 50.00

For bids cleared by MISO: Ten percent (10%) of the MISO Proceeds less any previously collected registration, modification, or additional day-ahead Bid Entry Fees not previously credited back to the Participant.

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