

RATE REP
RENEWABLE ENERGY PRODUCTION

AVAILABILITY:

Available to any Customer of Indianapolis Power & Light Company (the "Company") that operates within the Company's service territory a Qualifying Renewable Energy Power Production Facility subject to the Company's rules and regulations and, any terms, conditions and restrictions imposed by any valid and applicable law or regulation. This tariff is submitted pursuant to the requirements of the Commission's regulations and shall cease to be effective if such regulations are set aside, withdrawn or for any reason cease to be applicable to the Company. An Existing Qualifying Renewable Energy Power Production Facility is eligible to the benefits of this Rate REP except as otherwise expressly forbidden by law.

DEFINITIONS:

- (a) Qualifying Renewable Energy Power Production Facility (the "Facility") means an arrangement of equipment for the production of electricity with capacity no less than 50 kW (20 kW for solar) and no greater than 10 MW. The Facility shall be located at one site and is not the aggregation of more than one site each less than 50 kW (20 kW for solar) and which produces electric power through the use of 100% renewable resources or fuel. Such resources or fuels include:
 - a. Solar photovoltaic cells and panels
 - b. Wind
 - c. Dedicated crops grown for energy production
 - d. Organic waste biomass
 - e. Biomass will be consistent with the State's definition in IC 8-1-8.8-10.
- (b) Purchase means the purchase of electric energy or capacity or both from the Facility by the Company and is also inclusive of all environmental attributes.
- (c) Sale means the sale of electric energy or capacity or both by the Facility to the Company and is also inclusive of all environmental attributes.
- (d) Environmental Attributes means Renewable Energy Credits ("REC"), carbon credits, greenhouse gas offsets or any other environmental credit, commodity or classification that may be associated with the production of renewable energy from the Facility.
- (e) Interconnection Costs means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the Company directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with a Facility, to the extent such costs are in excess of the corresponding costs which the Company would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. Interconnection Costs do not include any costs included in the calculation of Avoided Costs.
- (f) System Emergency means a condition on the Company's system which is liable to result in imminent significant disruption of service to Customers or in substantial deviation from normal service standards or which is imminently liable to endanger life or property.
- (g) Commission means the Indiana Utility Regulatory Commission.
- (h) FERC means Federal Energy Regulatory Commission.
- (i) Peak Period means the time between 6 a.m. and 10 p.m. (April through September) or between 7 a.m. and 11 p.m. (October through March) on all days except Saturdays and Sundays, which daily time period will be subject to change from time to time at the Company's option. This change would occur after no less than ten (10) days notice has been given to all Customers who would be affected, and to the Commission.
- (j) Off Peak Period means the time not included in the Peak Period.

RATE REP (Continued)

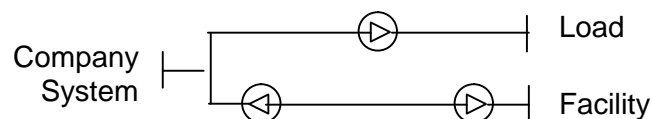
PURCHASE AND SALE:

Purchases and sales shall also be subject to the following general terms and conditions:

- a. The Company shall not be obligated to purchase or sell at a time of System Emergency.
- b. The Customer shall sell the total production of the Facility to the Company.
- c. The Customer shall receive service for their load at the appropriate retail rate from the Company. The applicable rate is not impacted by the Customer's participation in Rate REP.
- d. The Company may limit total participation under this Rate REP to 1% of the Company's retail electric kWh sales from the prior calendar year.

INTERCONNECTION CONDITIONS AND COSTS:

- (a) The Company, subject to prior compliance by the Facility with all applicable Federal and State laws and regulations, shall make parallel interconnection with the Facility in such a way as to accomplish purchases and sales as described in Sections (b) through (f).
- (b) The Facility shall comply with the National Electrical Safety Code, as supplemented, the applicable requirements of 170 IAC 4-4.3, and the Company's rules and regulations for electric service.
- (c) Interconnection Costs from the Facility to the Company's distribution or transmission system, including those costs of (d) and (e) below, shall be borne by the Facility. There shall be no obligation on the Company to finance such interconnection.
- (d) The Facility shall install, operate, and maintain in good order such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the Company for operation parallel to its system. The Facility shall bear full responsibility for the installation and safe operation of this equipment.
- (e) Breakers capable of isolating the Facility from the Company shall at all times be immediately accessible to the Company. The Company may isolate the Facility at its own discretion if the Company believes continued parallel operation with the Facility creates or contributes to a System Emergency. System Emergencies causing discontinuance of parallel operation are subject to verification by the Commission.
- (f) To properly record numbers of kilowatthours for, respectively, purchase and sale, the following configurations shall be the basis for metering.
 - (1) Where such measurement is appropriate for measurement of energy, the circuit shall include at minimum one monodirectional meter between, at one side, the Company system and, on the other side, the load and a bidirectional meter between, at one side, the Company system and on the other side, the Facility and any load associated with it
 - (2) Where such measurement is appropriate for measurement of energy, the circuit shall include a monodirectional meter between the on-site load and the Company and, in a series arrangement, two monodirectional meters between the Facility and the Company system:



RATE REP (Continued)

INTERCONNECTION CONDITIONS AND COSTS: (Continued)

- (3) The meter measuring purchases by the Company shall be of a design to record time periods, and shall be capable of electronically transmitting instantaneous readings.
- (4) Other metering arrangements shall be the subject of negotiations between the Company and the Customer.

RATE REP PURCHASE RATES:

The rate the Company will pay each Customer for energy and capacity purchased from their Facility will be established in advance by written contract with the Company as filed and approved by the Commission and will be based on the RATE REP PURCHASE RATES. The RATE REP PURCHASE RATES may be adjusted by the Company as circumstances warrant through the IURC's 30-day administrative filing process. Unless otherwise agreed, the RATE REP PURCHASE RATES shall be:

- | | | | |
|-----|-------------|---|---------------|
| (a) | Solar | | |
| | a. Capacity | None | |
| | b. Energy | | |
| | | (a) For Facilities generating 20 kW to 100 kW: | 24.0¢ per KWH |
| | | (b) For Facilities generating more than 100 kW: | 20.0¢ per KWH |
| (b) | Wind | | |
| | a. Capacity | None | |
| | b. Energy | | |
| | | (a) For Facilities generating 50 kW to 100 kW: | 14.0¢ per KWH |
| | | (b) For Facilities generating 100 kW to 1 MW: | 10.5¢ per KWH |
| | | (c) For Facilities generating more than 1 MW: | 7.5¢ per KWH |
| (c) | Biomass | | |
| | a. Capacity | \$6.18 per KW per month | |
| | b. Energy | 8.5¢ per KWH | |

The Company and the Customer may negotiate terms and a rate for energy or capacity which differs from the filed rates by the Company. The length of any contract shall not exceed ten (10) years. The Company and the Customer may agree to increase or decrease the rate in recognition of the following factors:

- (1) The extent to which scheduled outages of the Facility can be usefully coordinated with scheduled outages of the Company's generation facilities;
- (2) The relationship of the availability of energy from the Facility to the ability of the Company to avoid costs, particularly as is evidenced by the Company's ability to dispatch the Facility;
- (3) The usefulness of the Facility during System Emergencies, including the ability of the Facility to separate its load from its generation;
- (4) The impact of tax credits, grants and other financial incentives that when combined with the rate would produce excessive profits for the Facility.
- (5) Rates and adjustments prescribed in the contract shall remain in effect notwithstanding changes made to the RATE REP PURCHASE RATES from time to time.

RATE REP (Continued)

RATES FOR SALE BY COMPANY:

Back-up Power shall be provided under Standard Contract Rider No. 10. Maintenance Power shall be provided under Standard Contract Rider No. 11. Supplementary Power shall be provided under Standard Contract Rider No. 12. A Customer may not simultaneously qualify for Rate REP, Rate CGS Cogeneration and Small Power Production, Standard Contract Rider No. 9, Net Metering, and Standard Contract Rider No. 8 for off-peak service.

STANDARD CONTRACT RIDERS APPLICABLE:

No. 1 Customer Load Characteristics	see Page 150
No. 10 Back-Up Power	see Page 162
No. 11 Maintenance Power	see Page 163
No. 12 Supplementary Power	see Page 164