NIPSCO’s Role in Helping Drive Affordability, Sustainability, and Resiliency

McKinney School of Law
Environmental, Energy & Natural Resources Symposium
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Maggie Rice
VP and Deputy General Counsel for NiSource
NISOURCE PROFILE

One of the Nation’s Largest Natural Gas Distribution Companies

- NYSE: NI
- 7-State Footprint
- ~7,500 Employees
- ~3.5M Natural Gas Customers
- ~500K Electric Customers
NIPSCO PROFILE

Working to Become Indiana’s Premier Utility

Electric
• 460,000 Electric Customers in 20 Counties
• 3,400 MW Generating Capacity
  — Operates 5 Electric Generating Facilities
    (2 Coal, 1 Natural Gas, 2 Hydro)
  — Additional 100 MW of Wind Purchased Power
• 12,800 Miles of Transmission and Distribution
  — Interconnect with 5 Major Utilities (3 MISO; 2 PJM)
  — Serves 2 Network Customers and Other Independent Power Producers
• Electric Rates Below National Average

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

2,900 Employees
Merrillville, Ind.
Headquarters
# NiSource’s Sustainability Ratings and Rankings Landscape

<table>
<thead>
<tr>
<th>Rating in Key Information Sources</th>
<th>Where Rating is Used or Audience Able to View Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of Four Utilities Listed in U.S. 5&lt;sup&gt;th&lt;/sup&gt; Year in a Row</td>
<td>Bloomberg Terminals</td>
</tr>
<tr>
<td>Top 20% in U.S.</td>
<td>Yahoo Finance, Morningstar and ESG Risk Ratings</td>
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<tr>
<td>‘A’ Rating up from ‘BBB’</td>
<td>Barclays, RiskMetrics, RiskManager, MSCI ESG and client platforms</td>
</tr>
<tr>
<td>Governance Top 10%  Environmental Top 10%  Social Top 20%</td>
<td>Corporate Analytics</td>
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<tr>
<td>Included on FTSE4 Good Index</td>
<td>FTSE Russell Analytics</td>
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<tr>
<td>• Ranked #2 out of 37 Companies in our Industry of America’s Most JUST Companies  • Included in the Goldman Sachs JUST Capital ETF</td>
<td>Forbes JUST 100</td>
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</tbody>
</table>

**NiSource Rated as a Leading Sustainability Company Nationwide**
YOUR ENERGY
YOUR FUTURE

- Reliable & Affordable Energy
- Strong Economy
- Clean Environment
- Gradual & Balanced Transition
LONG-TERM ELECTRIC GENERATION PLAN
A More Varied Fuel Mix Enhances Resiliency

**TODAY***
- Coal: 71%
- Natural Gas: 25%
- Renewable: 4%

**2023 (Projected)**
- Renewable: 53%
  - Natural Gas: 24%
  - Coal: 17%
  - Other: 6%

**2028 (Projected)**
- Renewable: 65%
  - Natural Gas: 25%
  - Other: 10%

*The Bailly Coal-fired Electric Generating Units Were Retiring in May 2018*
GRADUAL AND BALANCED TRANSITION PLAN

Economic Benefits

- Adopting lower-cost renewable energy will help save Indiana’s businesses and families money, making our region more economically competitive.

- Creating a stronger, more future-forward balance of renewable energy to make our state more attractive in the long-term to employers and residents.

- Accelerating the retirement of nearly all remaining coal-fired generation by 2023 and all by 2028.
AFFORDABLE AND RELIABLE ENERGY FOR THE FUTURE

Customer Benefits

• Generating more than $4 billion in estimated cost savings for customers over the long-term by retiring remaining coal-fired generating units/replacing them with lower-cost renewable energy options.

• Investing $535 million in the last five years in upgrades and improvements to modernize our electric infrastructure.

• Upgrading technology to further improve response times and make it easier for our customers to do business with us, including the introduction of a new alert option for customers to receive text, email and phone calls with better information during power outages.

• Providing programs to save customers energy and money – customers have saved $155 million since 2010 – and will continue those programs through this plan.
SUSTAINABLE ENERGY FOR THE FUTURE

Environmental Benefits

• Reducing carbon emissions by more than 90 percent by 2028.

• Accelerating the retirement of our remaining coal-fired plants, replacing them with new renewable energy sources and battery storage technology.

• Offering programs that allow customers to generate their own electricity from renewable sources such as wind and solar.
ENVIRONMENTAL TARGETS

CURRENT REDUCTION TARGETS
(BY 2025 FROM 2005 LEVELS)

NEW REDUCTION LEVELS
(BY 2030 FROM 2005 LEVELS)

**Air Emissions**
- Nitrogen Oxides: 90% → 99%
- Sulfur Dioxide: 90% → 99%
- Mercury: 50% → 90%

**Water Withdrawal**
- 90% → 99%

**Wastewater Discharge**
- 60% → 99%

**Coal Ash Generated**
- 50% → 100%

**Greenhouse Gas**
- Electric Generation: 50% → 90%

**Methane**
- Pipe Replacement: 50% → 50%

GREENHOUSE GAS TARGETS

- Paris Agreement U.S. Target* 26-28%
  (By 2025 from 2005 Levels)
- IPCC 1.5-Degree Scenario 45%
  (By 2030 from 2010 Levels)
- NIPSCO Current Target 50%
  (By 2025 from 2005 Levels)
- NiSource Proposed Target 90%
  (By 2030 from 2005 Levels)

*Although U.S. announced withdrawal from Paris Agreement, NiSource is committed to continuing significant environmental progress.
SUSTAINABLE ENERGY FOR THE FUTURE

Long-term Trend Results in Significant Carbon Reductions

NIPSCO ELECTRIC GENERATION HISTORICAL (ACTUAL) AND FORECASTED GREENHOUSE EMISSIONS

2018 forecasted and actual show a short term dispatch increase even with Bailly retirement

Reductions realized through renewable build-out and Bailly and Schahfer retirement

Reductions realized through renewable build-out and Michigan City retirement
TRANSITIONING TO LOWER COST RENEWABLE ENERGY

Beginning with Indiana-based Wind Projects

- **Roaming Bison (Montgomery County)**
  - 300 MW wind project; Estimated 107 turbines
  - To be developed, constructed by Apex Clean Energy
  - NIPSCO will purchase the power directly from Roaming Bison, who will operate and maintain the facilities

- **Jordan Creek (Benton and Warren Counties)**
  - 400 MW wind project; Estimated 160 turbines
  - To be developed, constructed by NextEra Energy Resources, LLC
  - NIPSCO will purchase the power directly from Jordan Creek, who will operate and maintain the facilities

- **Rosewater (White County)**
  - 102 MW wind project; Estimated 25 turbines
  - To be developed, constructed by EDP Renewables North America LLC
  - Entered into a joint venture and ownership agreement with NIPSCO for the Rosewater project

- Beginning Transition with Wind Power Additions (Announced Feb. 1, 2019)
- Expected to be in Operation by Late 2020
- Projects Selected from NIPSCO 2018 Request for Proposals (RFP)
- Additional Announcements Expected in 2019 with New RFP Planned for Late 2019
INDIANA BECOMING NATIONAL LEADER IN RENEWABLES

NIPSCO’S Plan More Than Doubles Indiana’s Renewable Makeup; Lifts State Among Nation’s Top Producers

CURRENT AMOUNT OF INSTALLED RENEWABLE ENERGY (STATE COMPARISONS)


- NIPSCO Planned Renewable Installed Capacity
- NIPSCO Planned Renewable Installed Capacity + Indiana Current Renewable Capacity
- Indiana Current Renewable Capacity
- U.S. Installed Solar and Wind Nameplate Capacity (MW)

TX 28,818
CA 16,329
Questions??