

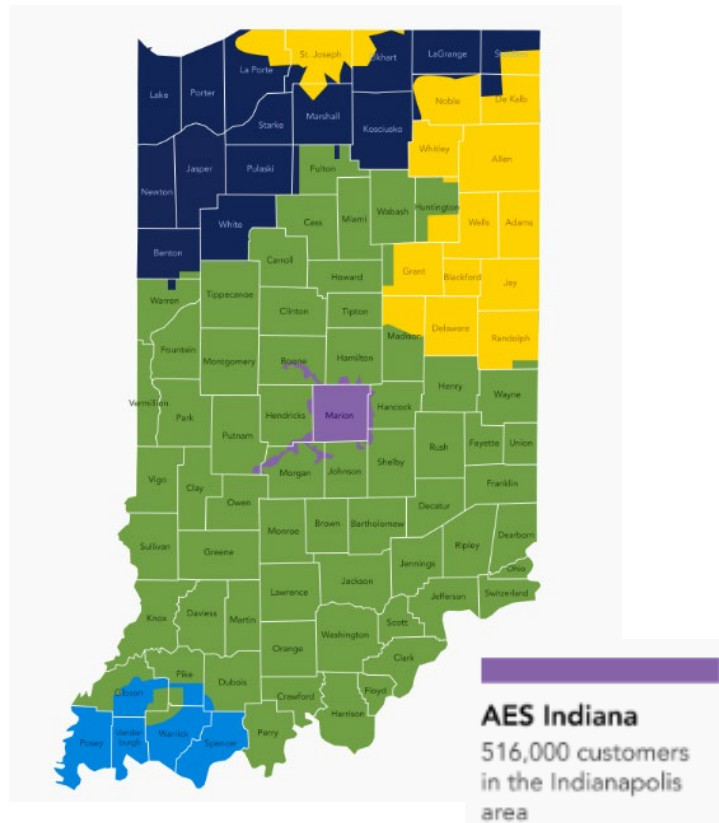
AES Indiana's
2024 Requests for Proposals ("RFP")

Respondent Information Session



Introduction

- Welcome to this information session for AES Indiana's ("AES" or "the Company") 2024 Requests for Proposals ("RFP")



- AES Indiana is an American utility company providing electric service to Central Indiana.
- It is a subsidiary and the largest utility of the AES Corporation.
- AES Indiana provides electric service to more than 520,000 customers in a 528-square-mile service territory in and around Indianapolis.

This presentation will be posted to the RFP Information Website:
<https://www.aesindianarfp.com/>

Background and Disclaimer

- In association with the Company's resource planning process, AES Indiana has concluded that it is in the best interest of its customers to solicit proposals for supply side resources through four (4) RFP processes that will be administered in 2024.
- Through the RFPs, AES Indiana intends to identify additional projects to meet its potential large-scale customer additions and the Company anticipates executing definitive agreements with one or more counterparties upon the conclusion of each of the 2024 RFP. It is AES Indiana's intention to enter due diligence and negotiations with a shortlist of Respondents in early 2025.
- The resource cost information collected through this competitive RFP process will be used to inform the selectable replacement resource options in AES Indiana's 2025 IRP. The Company will fully engage in the 2025 IRP Stakeholder process at the beginning of 2025 with the intention of filing the IRP by November 1, 2025, per IURC statutory requirement.
- This presentation is intended to provide only generally descriptive and summary information. The information and material provided on the RFP Information Website is controlling. Any conflict between the information conveyed during the bidder information session with information or material provided on the RFP Information Website, is unintentional. Some information may be subject to change

Introduction

- **We welcome attendees to submit questions during the presentation**
 1. Send an email to AESIndiana.RFPManager@crai.com or
 2. Use the Zoom Q&A feature to submit your questions
 - Other attendees will not be able to view the questions you submit
- **Questions will be answered after the presentation portion of the webinar**
- **Following the prepared presentation**
 - Questions sent via email will be answered first, questions on Zoom Q&A will be answered next
 - Q&A will remain anonymous
 - CRA will post all Q&A to the Information Website

Agenda

- Introduction
- RFP Overview
- Pre-Qualification Process
- Proposal Content Requirements
- Proposal Evaluation Criteria
- Credit Qualification and Collateral
- RFP Timeline and Milestones
- Post RFP Timeline
- Q&As

Overview of the 2024 Request for Proposal Processes

- On September 27, 2024 AES Indiana issued a set of four (4) Requests for Proposals (RFP) designed to identify resources positioned to support the Company's near and long-term resource requirements.
- The four RFPs will be executed in parallel with each individual RFP targeting different technologies and resource categories.
- Responses from the RFP will help inform the costs for replacement resources that will be modeled in AES Indiana's 2025 IRP.

AES Indiana has concluded that it is in the best interest of its customers to:

1. Seek to acquire, construct or contract for additional intermittent and non-intermittent/dispatchable capacity that qualifies for capacity in Local Resource Zone 6 (“LRZ6”). This could include resources that are outside of LRZ6 or in neighboring RTOs.
2. Identify 36 to 72-month bridge solutions to respond to large-scale incremental load opportunities that may arise within 18 to 36-month time horizon.
3. Identify ZRCs to fill capacity needed in MISO planning years 2025/2026 and 2026/2027.
4. Identify supply side and demand side Distributed Energy Resource opportunities. These resources may allow AES Indiana customers to benefit from certain Inflation Reduction Act tax incentive programs.
5. Engage developers of emerging technologies such as nuclear or hydrogen-enabled resources to identify long-term development opportunities and inform resource planning.

AES Indiana is soliciting proposals for supply side resources through four (4) RFP processes

RFP Overview

AES Indiana has issued four 2024 Requests for Proposals as of Sept 27th:

RFP1 and RFP2 together will target both renewable and dispatchable resources under an All-Source RFP umbrella. Through these RFP, the company will target approximately 6,000 MW of resources located in, or deliverable to LRZ6. AES Indiana is seeking transmission-interconnected, supply side resources including solar, wind, thermal and storage options in support of the Company's resource requirements

As part of the All-Source RFP, AES Indiana is conducting a Request for Information ("RFI") for emerging technologies and developmental resources that may not be sufficiently far along in planning and development to qualify as an RFP resource or to submit a completed proposal. AES Indiana is encouraging Respondents to submit indicative information on nuclear, hydrogen, CC, or CT and other emerging technologies or capacity resources.

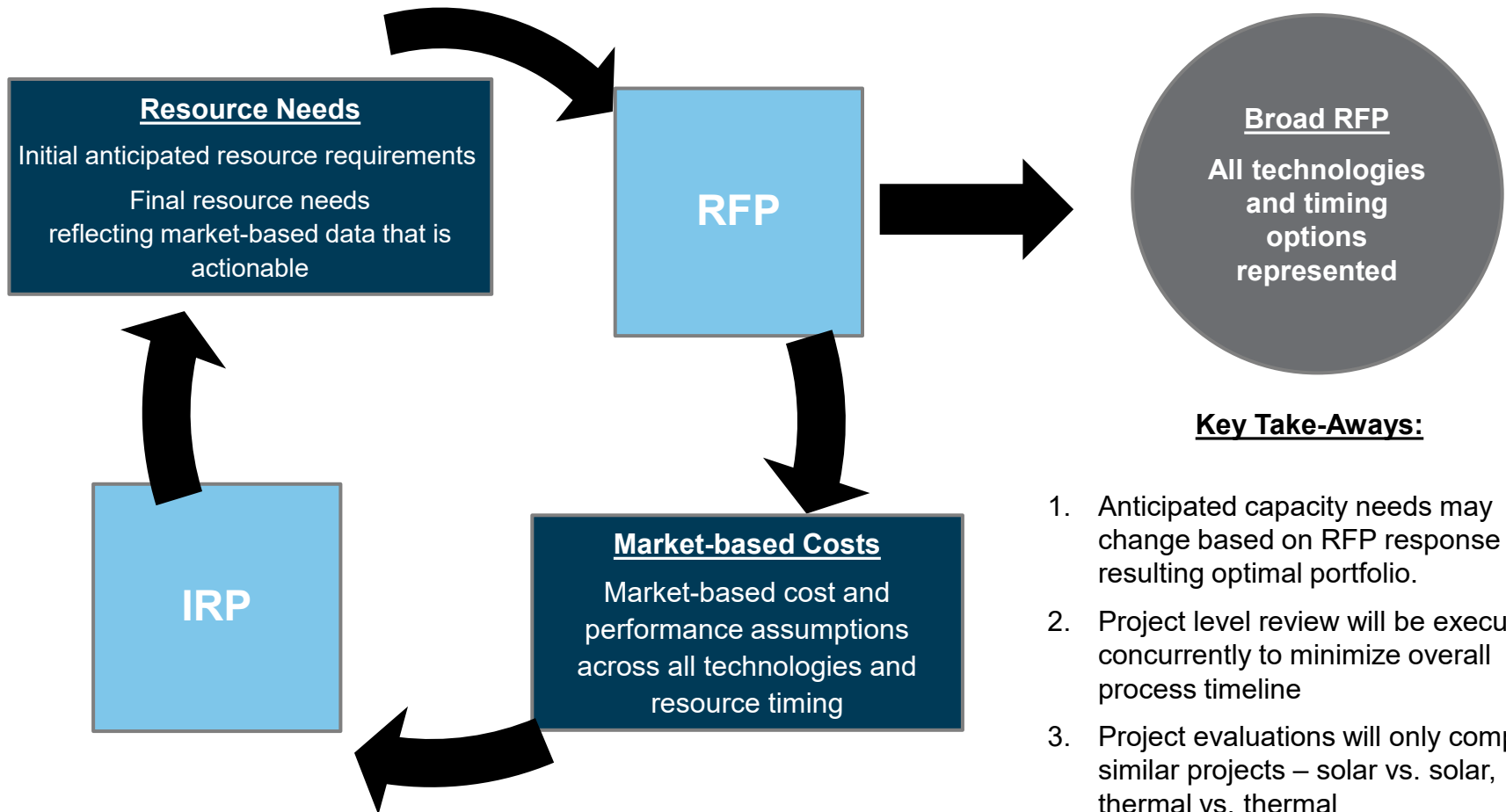
RFP3, the Bridge and Near-Term Capacity Solutions RFP, will seek resources positioned to support potential AES needs related to emerging, near-term, large-scale customer loads. The Company is targeting 3,000 MW of capacity or capacity and energy resources that can be available within 18-36 months from LRZ6 or neighboring MISO zones.

Resources could be short-term, 3 to 8-year bridge solutions (including ZRCs) or longer-term resource options. Additionally, AES Indiana is requesting proposals for MISO ZRCs from all fuel types to fill near-term capacity in the amounts of 10-500 MW during each season of the 2025/2026 and 2026/2027 MISO planning years.

RFP4, targeting Distributed Energy Resources (DER) will consider up to 100 MW of transmission or distribution-level DER capacity. DER projects must interconnect with the AES Indiana's distribution system or be physically located in AES Indiana's Local Balancing Authority. AES Indiana is considering only supply-side resources under this RFP. Demand Response proposals will not be considered at this time. Projects must qualify for support under at least one of the Inflation Reduction Act's bonus incentive categories - Energy Communities, Low-Income Communities or Low-Income Economic Benefit Project.

RFP Process and Resource Planning

- AES will adopt an integrated IRP and RFP Structure



RFP Overview

----- All-Source RFP -----

Element	RFP1 – Intermittent	RFP2 – Non-Intermittent/ Dispatchable	RFP3 – Bridge & Near-term Capacity Solutions	RFP4 – Distributed Energy Resources
Technology	Renewables and hybrid resources	Thermal, standalone storage, emerging technologies and other	Near-term bridge resources that provide both energy and capacity solutions designed to respond to large-scale, new customer activity	Distributed energy resources that qualify for IRA incentives and/or provide MISO capacity credit
Event Size	Up to 3,000 MW	Up to 3,000 MW	Up to 3,000 MW + 10-500 MW of ZRC during each season of the 2025/2026 and 2026/2027 MISO planning years	Up to 100 MW; projects with 1-25 MW of UCAP
Ownership Structure	Unit contingent PPA, APA, BTA, existing asset sales	Unit contingent PPA, system power, APA, BTA, existing asset sales, shaped products	ZRC, PPA, shaped or financial products, unit contingent PPA	Unit contingent PPA, existing asset sales
Duration	Targeting long-term resources; 5+ years duration	Targeting long-term resources; 5+ years duration	Targeting resources available in 18-36 months. Short-term, 3 to 8-year bridge solutions (including ZRCs) or longer-term resource options.	Targeting long-term resources; 5+ years duration
Deliverability	Preference for LRZ6	Preference for LRZ6	Flexible	Distribution resources
Qualification Requirements	Credit worthy counterparties	Credit worthy counterparties	Credit worthy counterparties	Credit worthy counterparties

RFP Overview: Emerging Technologies

- As part of the All-Source RFP, AES Indiana is conducting a Request for Information (“RFI”) for emerging technologies and developmental resources.
- Resources may not be sufficiently far along in planning and development to qualify as an RFP resource or to submit a completed proposal.
- AES Indiana is encouraging Respondents to submit indicative information on nuclear, hydrogen, CC, or CT and other emerging technologies or capacity resources.

RFP Overview: IRA Tax Incentives

The Inflation Reduction Act, containing several incentives related to power sector, was signed into law in August 2022

- **Production Tax Credit (PTC)**
 - 10-year credit of \$27.5/MWh (growing with inflation)*
 - Re-introduced the PTC for solar and created new universal clean energy PTC
 - Eligibility through 2035*
- **Investment Tax Credit (ITC)**
 - Upfront credit equal to 30% of qualifying investment*
 - Extended the ITC to stand-alone storage
 - Eligibility through 2035**
- **New Hydrogen PTC** (up to \$3/kg)
- Increased 12-year **CCUS[^]** credit value to \$85/ton
- New “bonus” credit opportunities exist:
 - 10% additional credit if cited in an **“energy community”**
 - 10% additional credit for facilities constructed with **domestically manufactured components**
 - 20% additional credit for **low-income benefit projects** at small-scale
- New monetization opportunities via tax credit transfer: tax credits can be directly sold to other parties if original beneficiary lacks a tax liability

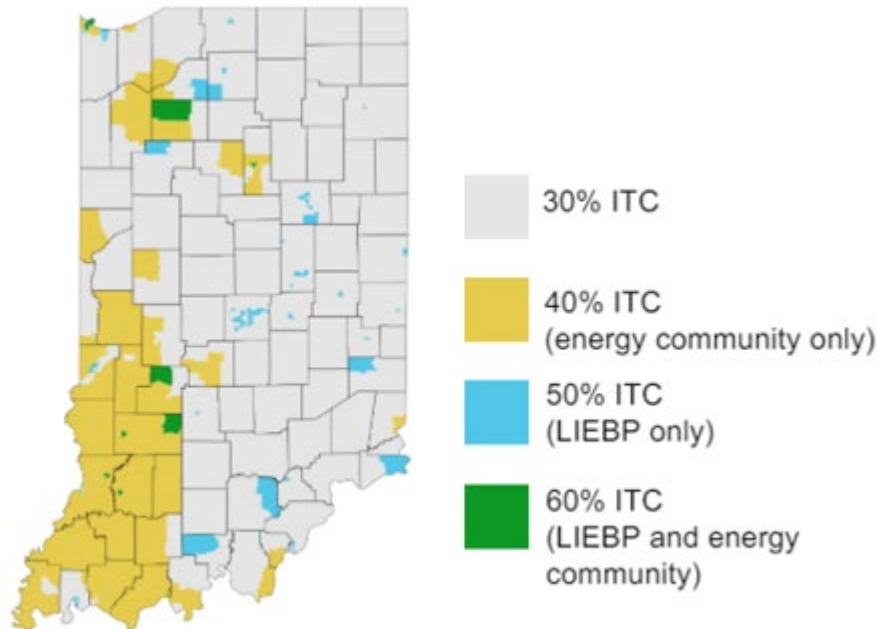
*Assuming apprenticeship and prevailing wage requirements

**Credit availability could be extended longer if U.S power sector emission reduction targets are not achieved

[^]CCUS = Carbon Capture Utilization and Storage

Low Income Benefit Projects

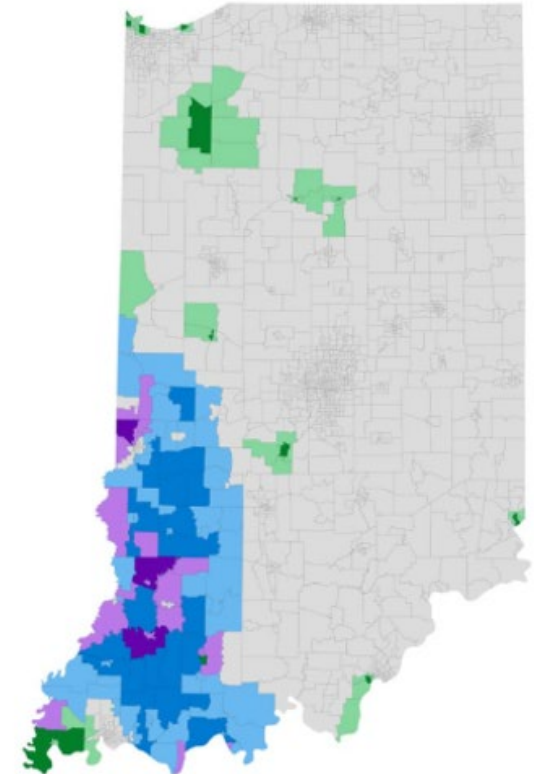
- LIEBPS provide 20% ITC credit adders for a limited number of small-scale (5 MW or less) clean energy projects each year
- Projects must reduce bills for low-income customers and must pass through a competitive US Dept Energy application process, through strategic site selection and financial benefits allocations could increase the likelihood of acceptance
- LIEBPS located in climate justice census tracts will receive priority consideration in the application, greatly improving chances of project qualification



Because of the small-scale requirement (5 MW or less) for LIEBS qualification, project opportunities may be limited to the RFP4 targeting distributed energy resources

Energy Communities Opportunities in Indiana

- Many Energy Community locations exist in Indiana, largely due to retired coal generating units or coal mines in the state.
- As part of the bidder response to the RFP, CRA is requesting bidders describe the IRA assumptions underlying their bids both for PPA submissions and submissions for AES ownership. Accurate assumptions for credit qualification will help ensure an accurate economic assessment of bids.



RFP Overview

- Information Website for the RFP Process is <https://www.aesindianarfp.com/>
- The Information Website is the central source of information for all RFP processes. Respondents are encouraged to familiarize themselves with the website and materials and to regularly check the Website for updates and updates to FAQ.
- **The Website includes the following sections:**
 - RFP Information
 - RFP Documents
 - RFP Timeline
 - Frequently Asked Questions (“FAQ”)
 - Information about AES Indiana and CRA
- **Bidders may also:**
 - Register to receive updates
 - Submit questions

RFP Overview

CRA encourages all interested parties to register on the Information Website to remain informed about the RFP process

- Registrants receive any information updates about the RFP via email
 - Provide name, company name, valid email address
- Once registered, prospective bidders can submit questions

Questions regarding the RFP must be submitted to the RFP Manager. There are two ways to submit questions during the RFP:

- Via the Information Website (www.aesindianarfp.com)
- Via email to the RFP Manager (AESIndiana.RFPManager@crai.com)

FAQs will be posted to the Information Website FAQ page to ensure that all process participants have equal access to information.

**All questions should be submitted to the RFP Manager;
Bidders should not reach out to AES Indiana directly.**

Data Confidentiality

Confidentiality of all Proposals submitted in response to this RFP becomes the responsibility of CRA and AES Indiana upon submittal.

- Respondents should clearly identify each page of information considered to be confidential or proprietary. Consistent with the RFP Confidentiality Agreement, CRA will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all information so identified

AES Indiana reserves the right to release any Proposals to agents, attorneys or consultants for purposes of proposal evaluation.

- Regardless of the confidentiality claimed, however, and regardless of the provisions of these RFPs, all such information may be subject to review by, and disclosable by AES Indiana, to the appropriate state authority, or any other governmental authority or judicial body with jurisdiction relating to these matters and may also be subject to discovery by other parties subject to fully executed NDAs / confidentiality agreements.

AES Indiana may disclose certain information to inform its stakeholders of the summary results of the RFPs including:

- The unforced capacity (“UCAP”) MW offered
- The technology/resource type, average price, and proposal duration of all proposals unless a given technology has less than 3 bidders
- The names of Respondents participating in the RFP

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Pre-Qualification Documents due by October 11, 2024

- Respondents must be pre-qualified to be eligible to submit a Proposal
- To pre-qualify, a Respondent must submit the following by the Pre-Qualification due date:
 - A completed Notice of Intent (Appendix A);
 - A completed Confidentiality Agreement (Appendix B); and
 - A completed Pre-Qualification Application (Appendix C), including credit worthiness information
- All documents are available for download at <https://www.aesindianarfp.com/>
- Items should be emailed no later than 12:00 PM EPT on October 11, 2024 to AESIndiana.RFPManager@crai.com
- **CRA will notify Respondents October 16, 2024 whether they have successfully pre-qualified to submit a Proposal.**

Potential Respondents that have not submitted a Pre-Qualification application package by 12:00 PM EPT on October 11th risk having their Proposals disqualified from further consideration

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Proposal Content Requirements

1. Executive Summary

- Proposals must include an executive summary of the Proposal's characteristics including any unique aspects and benefits.

2. Respondent's Information

- Proposals must be submitted in the legal name of the actual party or the ultimate "upstream" organizational entity that would be bound by any resulting definitive agreement with AES Indiana. Proposals must be authenticated by an officer or other employee who is authorized.

3. Respondent's Experience

- The Respondent must provide a description of prior experience and qualifications as it relates to the execution of the Proposal. This should incorporate a summary of the experience and qualifications of the key contributors, including the total number of employees and prior experience and qualifications of any key developers, engineering, procurement and construction contractors, fuel managers, or other key contributors relating to the generation facility.

Proposal Content Requirements

- The data required to be submitted in response to each RFP varies depending on the technology, development status, and the proposed transaction structure. Bidders should refer to the Solicitation Document posted to the RFP Website for a full list of the bidding requirements
- Representative data requirements include:
 - Operating performance and characteristics
 - Availability and reliability data
 - Information on past revenue and costs including recent and projected CAPEX expenses
 - Development status, timeline and plan
 - Facility permitting
 - Economic considerations including PPA or bid pricing
 - Other contractual commitments
 - Other factors

Proposal Content Requirements

- All Proposal documents must be submitted to the RFP Manager via CRA's secure ShareFile platform
- The primary proposal, including responses to all of the content requirements, should be provided in Microsoft Word and Adobe Acrobat PDF file formats
- All data related to economic, financial, and operating characteristics of a generation facility should be provided on a unit basis rather than for the plant as a whole (if a plant is made up of multiple units). Other data may be provided on an aggregated plant basis.
- Bidders should submit a catalog of other files associated with the Proposal, including file names and descriptions
- Financial statements, annual reports, and other large documents may be referenced via a website address
 - If possible, all such documents should be made available in Adobe Acrobat PDF file format

Information Form Addendum templates for each resource type are available on the RFP website in Microsoft Excel file format. This file allows for:

- Standardized entry of economic, financial, and operating data necessary to perform an economic assessment of bids

The RFP Manager will send each Pre-Qualified Bidder instructions on how to submit their Proposal through CRA's secure ShareFile platform.

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Bid Evaluation Categories



Project Economics LCOE and LCOC

The economic analysis will be conducted over a fixed planning horizon and bid specific planning horizon for all assets. The analysis will reflect all expected costs related to the bid. The project level analysis will be based on data submitted with the bids, standard assumptions for key commodity considerations and may reflect adjustments for material uncertainties associated with a bid.



Reliability and Deliverability

The asset reliability and deliverability evaluation will include an assessment of transmission considerations, facility age and performance, and fuel risk and fuel security.



Development

Development risk will consider how many key development milestones have been met as well as the development experience of the potential counterparty.



Asset Specific Benefits/ Risks

Asset specific benefits and risks will consider individual, unique, project level risks associated with an individual project or counterparty. CRA will evaluate projects based on community benefits, supplier diversity spending, unique environmental considerations, specific regulatory risks and other considerations.

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Credit Qualification and Collateral

DA Collateral Requirements

During the negotiation of the definitive agreement, CRA and AES Indiana will determine the required form of DA Collateral a Respondent must satisfy at the execution of the definitive agreement (development security or maintenance security).

The DA Collateral to be posted will be dependent on the type of Capacity Asset reflected in the selected Respondent's Proposal:

Capacity Asset	Collateral Type	Collateral Amount
New Generation Facility*	Development Security	\$20.00/kW at execution of definitive agreement
New Generation Facility*	Development Security	\$75.00/kW at regulatory approval
Existing Generation Facility	Maintenance Security	12-months expected total O&M expense

In addition, winning Respondents may be required to post operating collateral over the term of any PPA consistent with the terms and conditions of final agreements as negotiated between AES Indiana and the supplier.

Capacity Asset	Collateral Type	Collateral Amount
Purchase Power Agreement	Operating Security	lesser of \$200/MW or 12-months expected revenues

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RFP Timeline and Milestones

Milestone	Date
Issue RFP	September 27, 2024
Bidder Information Session	October 4, 2024
Pre-Qualification Deadline	October 11, 2024
Notification of Pre-Qualification	October 16, 2024
Proposals Due	November 1, 2024

AES Indiana expects to begin final due diligence and commercial negotiations with short-listed Respondents in Q1 2025.

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Post RFP Timeline

- Bid evaluation is expected to be completed during Q1 2025. As part of the bid evaluation, it is expected that certain Proposals will be advanced to the final negotiation of DAs
- During the final negotiation phase of the process, AES Indiana will undertake certain due diligence which may include:
 - Onsite visits
 - Detailed engineering assessments
 - Management interviews
 - Legal and regulatory due diligence
 - Dispatch modeling (as necessary)
 - Negotiation of final terms and conditions

AES Indiana may at its sole discretion terminate negotiations at any time or choose to execute definitive agreements with only a subset of finalists

Post RFP Timeline

- AES Indiana expects to begin final due diligence and commercial negotiations with short-listed Respondents in Q1 2025.
- Agreement(s) with selected Respondents may be subject to approval by regulatory bodies including, but not limited to, the IURC and the Federal Energy Regulatory Commission (“FERC”).
- Any agreement(s) would not go into effect until such time approval is received from the applicable commission/agency.

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Questions and Answers

- Questions will be queued in the following order. Questions will remain anonymous:
 1. Email
 2. Zoom Q&A Feature
- Q&As raised during this bidder information session will be posted on the RFP Information Website

Thank you for your interest in the RFP