NiSource Inc. - Climate Change 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

NiSource serves nearly 4 million natural gas and electric customers across seven states under our Columbia Gas and NIPSCO brands, and we employ approximately 8,000 people who are engaged in the communities we serve.

We are committed to addressing the challenge posed by climate change. The Intergovernmental Panel on Climate Change (IPCC) concluded that limiting the impacts of global warming to 1.5 degrees Celsius would require “rapid, far-reaching and unprecedented changes in all aspects of society.” We have developed and are actively implementing plans that result in a projected 90 percent reduction of our greenhouse gas emissions by 2030 through the retirement of all of our coal-fired electric generation. This effort is expected to provide approximately $4 billion in cost-savings to our electric customers over 30 years. In addition, we plan to invest ~$30 billion to modernize our electric and natural gas infrastructure over the next 20-plus years which is expected to provide additional environmental and customer benefits.

We are relentlessly focused on serving our customers and communities in a way that is safe, reliable, environmentally responsible and sustainable. Our operating companies and employees have been part of the communities we serve for generations. With each action we take, we actively consider economic, social and environmental values of our customers and communities today and in the future. NiSource companies are committed to engaging in activities to reduce potential risks and leverage opportunities to address climate change. We will continue to reduce greenhouse gas emissions and meet the energy needs of our customers through activities which promote sustained economic growth.

In 2019, we published our first Climate Report that incorporates recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) to disclose governance, strategy, risk management, and metrics and targets around climate-related risks and opportunities. NiSource also considered, and participated in the development of, the framework by Ceres and M.J. Bradley & Associates, *Climate Strategy Assessments for the U.S. Electric Power Industry: Assessing Risks and Opportunities Associated with a 2-Degree Transition and the Physical Impacts of Climate Change*. More than a disclosure or an assessment, our actions are producing real and positive generational impacts. In fact, as of the end of 2019, we had already reduced greenhouse gas emissions from electric generation by 50 percent from 2005 levels.

We are reducing our carbon transition risks. In the second quarter of 2020, the Midcontinent Independent System Operator (MISO) approved NIPSCO’s plan to retire the R.M. Schahfer Generating Station coal-fired units in 2023. The December 2019 NIPSCO electric rate case order included approval to create a regulatory asset upon the retirement of these units in 2023, thereby ensuring the recovery of and on the net book value of the units. The planned replacement of approximately 1,400 megawatts from this station could provide incremental capital investment opportunities of approximately $1.8 to $2.0 billion, primarily in 2022 and 2023. The current capacity replacement plan includes lower-cost, reliable, and cleaner energy resources to be obtained through a combination of NIPSCO ownership and power purchase agreements.

We are engaged in a robust, multiyear effort to replace existing cast iron and bare steel natural gas distribution pipe with state-of-the-art materials, such as advanced plastics and protected steel with an emphasis on modernizing our systems to enhance safety, reliability, and customer service. Replacing cast iron and bare steel pipe also reduces emissions of methane, a greenhouse gas which contributes to climate change. Since 2005, our methane emissions from natural gas main and service lines have decreased by 37 percent from pipe replacement, and we are targeting a 50 percent reduction by 2025. We are also seeking to implement mobile leak detection technology.

We also want to help customers reduce their emissions. In 2019, more than one million customers participated in our programs for energy-efficiency upgrades, home check-ups, and weatherization services, saving customers approximately $21 million on their energy bills. Specifically, our natural gas efficiency programs conserved more than 6.3 billion cubic feet of gas in 2019, reducing CO2 emission by approximately 345,000 metric tonnes.

Thank you for reviewing this questionnaire and acknowledging our progress to attain our aggressive climate targets.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain
Electricity generation
Transmission
Distribution

Other divisions
Gas storage, transmission and distribution

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain
Downstream

Other divisions
Grid electricity supply from gas
Grid electricity supply from coal
Grid electricity supply from renewables

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	For more than a decade, NiSource's commitment to greenhouse gas (GHG) emission reporting and reduction has been guided by the Environmental, Safety and Sustainability (ESS) Committee of the NiSource Board of Directors and implemented across the NiSource companies. The ESS Committee oversees programs, performance and risks relative to environmental, safety and sustainability matters, including climate-related issues. The ESS Committee meets a minimum of four times annually. The Environmental Safety and Sustainability charter for the Committee can be found on the NiSource website at https://www.nisource.com/investors/governance.
Chief Executive Officer (CEO)	Our CEO is ultimately responsible for the management of climate-related issues at NiSource.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues Other, please specify (Reviewing and approving the NiSource Climate Change Policy)	<Not Applicable>	The Environmental, Safety & Sustainability (ESS) Board Committee oversees programs, performance and risks relative to environmental, safety and sustainability matters, including climate-related issues. The ESS Committee meets a minimum of four times annually. The Environmental Safety and Sustainability charter for the Committee can be found on the NiSource website at https://www.nisource.com/investors/governance.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other, please specify (VP, Environmental and Sustainability)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Executive Officer (CEO)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Other C-Suite Officer, please specify (SVP, Strategy & Chief Risk Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Risk committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Annually
Chief Operating Officer (COO)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our CEO is ultimately responsible for the management of climate-related issues.

Several individuals and teams at NiSource are also responsible for assessing and managing climate-related risks and opportunities, including our Chief Strategy and Risk Officer, who reports to the CEO and aligns NiSource's long-term strategy with stakeholder priorities, including portfolio optimization, renewable energy and growth strategies. In addition, our Vice President, Environmental and Sustainability, monitors emerging climate policy and industry sustainability trends. This position reports to the Senior Vice President, Utility Operations Support, who reports to our Executive Vice President, COO, and President, NiSource Utilities.

Overall, our enterprise risk management process directs the identification, assessment, monitoring, and management of risk, including that from climate-related issues.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Management group	Monetary reward	Emissions reduction target	A portion of the NiSource officers' (vice president and above) long-term equity incentive (performance shares) is tied to progress against our publicly disclosed emission reduction targets. This applies to approximately 70 individuals in addition to the CEO and named executives.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	Shareholder Expectation
Medium-term	3	5	Business Planning Cycle
Long-term	6	25	Scenario Planning

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

NiSource measures risk relative to our Stakeholder Commitments and Strategic Priorities. The Commitments and Priorities are reviewed annually by the Executive Leadership Team, the Risk Management Committee, and the Strategy Council. Underpinning the Commitments and Priorities are specific goals and performance objectives around safety, reliability, customer satisfaction, environmental stewardship and sustainability (including climate), and financial performance, among others.

Goals and performance objectives are defined at multiple levels: team, operating company, business unit, or corporate. Generally, NiSource considers impacts to be substantive if they could interfere with the achievement of important goals and performance objectives. The importance is a reflection of the current business context including internal and external factors.

Risks are documented and managed at a team, operating company, business unit or corporate level in accordance with our enterprise risk management (ERM) framework.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
For a description of the general process for identifying and assessing climate-related risks and opportunities, please see C2.1b. Our management then leads the response to the identified risks and opportunities. Case Study - NIPSCO 2018 Integrated Resource Plan (IRP) Resource planning is a complex undertaking, one that requires addressing the inherent uncertainties and risks that exist in the electric industry. Key factors referred to in the IRP include market conditions, fuel prices, environmental regulations, economic conditions and technology advancements. Using in-depth data, modeling and risk-based analysis provided by internal and external subject matter experts, we project future customer energy needs and evaluate available options to meet those needs. In the IRP modeling, NIPSCO assumed three carbon price scenarios. The base case assumed a new federal rule or legislative action effective in 2026. The low case assumed a replacement Clean Power Plan rule with a focus on coal plant efficiency improvements. (No specific tax or emission cap requirement would be present under such regulations.) The high case assumed a stricter new federal rule or legislative action effective in 2026. Price levels were generally consistent with a 50-60% reduction in electric sector CO2 emissions relative to 2005 by the 2030s. New to NIPSCO's IRP, we issued a formal Request for Proposals (RFP) solicitation to uncover the breadth of actionable projects that were available to NIPSCO within the marketplace across all technology types. The RFP also served to collapse uncertainty about the costs of various technologies, particularly renewables. The projections included in our plan are based on the best available information at this point in time. Changes that affect our plan may arise, which is why it's important for us to remain flexible and continually evaluate current market conditions, the evolution of technology—particularly renewables—and demand side resources, as well as laws and environmental regulations. Resource planning requires the consideration of diverse points of view, which is one of the reasons that external stakeholder involvement is a critical component throughout the development of the IRP. We engaged stakeholder groups and individuals in a variety of ways throughout the entirety of the planning process. NIPSCO initiated stakeholder advisory efforts for its IRP in March 2018, hosting a public meeting and launching a web page for interested stakeholders to follow the progress. Four additional public meetings followed in May, July, September and October. NIPSCO also hosted public forums to discuss specific topics arising from the IRP. In addition to posting public invitations on our IRP web page, we sent an invitation to past IRP stakeholder participants. Members of our executive leadership team and several of our subject matter experts attended each meeting to hear feedback and answer questions. Throughout the IRP process, stakeholders were also invited to meet with us on a one-on-one basis to discuss key concerns and perspectives. Each interaction provided a forum for discussion and feedback related to the many components of the IRP. Valuable discussions arose in several key areas, including environmental regulations, fuel costs, load forecasting calculations, energy efficiency program analysis and renewable energy development. Throughout the IRP analysis, we were striving to balance the needs of our customers, employees and other community stakeholder interests. Our goal as we look forward is to transition to the best-cost, cleanest electric supply mix available while keeping options open for the future as technologies and markets change. Analysis shows that the most viable path for customers involves accelerating the retirement of a majority of NIPSCO's remaining coal-fired generation in the next five years and all coal within the next 10 years. Replacement options point toward lower-cost renewable energy resources such as wind, solar and battery storage technology. This plan allows NIPSCO and NiSource to target a 90 percent reduction of our greenhouse gas emissions by 2030 (from 2005 levels), which reduces climate risk and realizes an opportunity for lower-cost clean energy resources and customer savings.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current climate regulation, such as the Affordable Clean Energy rule, is assessed for risks.
Emerging regulation	Relevant, always included	While we continue to reduce GHG emissions through priority pipeline replacement, energy efficiency, leak detection, and other programs, and expect to further reduce GHG emissions through increase use of renewable energy, GHG emissions are currently an expected aspect of the electric and natural gas business. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our financial position, financial results and cash flows. Emerging state and federal regulations are considered in the company's climate-related risk assessments.
Technology	Relevant, always included	Energy conservation, energy efficiency, distributed generation, energy storage and other factors may reduce energy demand.
Legal	Relevant, always included	The company monitors the financial and reputational risk associated with climate-related litigation claims.
Market	Relevant, always included	A potential risk is reduced demand for natural gas and electricity due to a shift in customer preferences. A carbon tax policy, for example, could increase the price of energy and cause shifting customer preferences.
Reputation	Relevant, always included	Natural gas may cease to be viewed as an economically and environmentally attractive fuel, and certain groups may continue to oppose natural gas delivery and infrastructure investments because of perceived environmental impacts associated with the natural gas supply chain and end use.
Acute physical	Relevant, always included	A disruption or failure of natural gas distribution systems, or within electric generation, transmission or distribution systems, in the event of a major hurricane, tornado, flood, or other catastrophic event could cause delays in completing sales, providing services, or performing other critical functions. The occurrence of such events could adversely affect our financial position and results of operations.
Chronic physical	Relevant, always included	Climate change may exacerbate the risks to physical infrastructure. Such risks include heat stresses to power lines, storms that damage infrastructure, lake and sea level changes that damage the manner in which services are currently provided, droughts or other stresses on water used to supply services, and other extreme weather conditions. Climate change and the costs that may be associated with its impacts have the potential to affect our business in many ways, including increasing the cost we incur in providing our products and services, impacting the demand for and consumption of our products and services (due to change in both costs and weather patterns), and affecting the economic health of the regions in which we operate.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Future legislative and regulatory programs could significantly restrict emissions of GHGs or could impose a cost or tax on GHG emissions. We assess this risk driver at state, regional, and federal levels. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage, and end-use of natural gas could materially impact our financial position, financial results, and cash flows.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation
NiSource spends over $800M per year for the replacement of gas pipelines and leak detection, $50M per year on energy efficiency programs, and is ramping up investment in renewable energy. We continue to reduce GHG emissions through priority natural gas pipeline replacement, energy efficiency, leak detection, and other programs, and expect to further reduce GHG emissions through increased use of renewable energy. We plan to retire our remaining coal-fired electric generation by 2028. We are also targeting a 50% reduction in methane emissions from natural gas mains and service lines by 2025 and a 90% overall greenhouse gas emissions reduction by 2030 (from 2005 levels).

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Please select

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Existing climate-related regulation, such as the Affordable Clean Energy (ACE) rule, is applicable to our operations and assessed for risk. Furthermore, existing

environmental laws and regulations may be revised and new laws and regulations seeking to change environmental regulation of the energy industry may be adopted or become applicable to us. Revised or additional laws and regulations may result in significant additional expense and operating restrictions on our facilities or increased compliance costs, which may not be fully recoverable from customers through regulated rates and could, therefore, impact our financial position, financial results, and cash flow. Moreover, such costs could materially affect the continued economic viability of one or more of our facilities.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation
We continue to reduce GHG emissions through priority natural gas pipeline replacement, energy efficiency, leak detection, and other programs, and expect to further reduce GHG emissions through increased use of renewable energy. We plan to retire our remaining coal-fired electric generation by 2028 and transition to energy from wind, solar, and battery storage. We are also targeting a 50% reduction in methane emissions from natural gas mains and service lines by 2025 and a 90% overall greenhouse gas emissions reduction by 2030 (from 2005 levels). We are actively engaged in science and policy discussions at the federal, regional, state, and local levels, and we have partnered with the American Gas Association (AGA) to promote the benefits and value of natural gas.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Please select

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
A disruption or failure of natural gas distribution systems, or within electric generation, transmission or distribution systems, in the event of a major hurricane, tornado, or other catastrophic weather events could cause delays in completing sales, providing services, or performing other critical functions. We have experienced disruptions in the past from hurricanes and tornadoes and other events of this nature. The occurrence of such events could adversely affect our financial position and results of operations. Following customary industry practice, we maintain insurance against some, but not all, of these risks and losses.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation
Case studies indicate that natural gas infrastructure (e.g. underground assets) and services exhibit significant physical resilience to climate-related events. Potential climate-related impacts on our electric generation assets are partially mitigated by the transition away from using cooling water for electric generation. NIPSCO has already

reduced its water withdrawal and discharge associated with electric generation by 89% and 93%, respectively, since 2005. The company is targeting 99% reductions in both metrics by 2030 through the retirement of our remaining coal-fired electric generation.

Comment

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact
Please select

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
We conduct our operations across a wide geographic area subject to varied and potentially extreme weather conditions, which may from time to time persist for sustained periods. Despite preventative maintenance efforts, persistent weather-related stress on our infrastructure may reveal weaknesses in our systems not previously known to us or otherwise present various operational challenges across all business segments. Further, adverse weather may affect our ability to conduct operations in a manner that satisfies customer expectations or contractual obligations, including by causing service disruptions. There is also a concern that climate change may exacerbate the risks to physical infrastructure. Such risks include heat stresses to power lines, storms that damage infrastructure, lake and sea-level changes that damage the manner in which services are currently provided, droughts or other stresses on water used to supply services, and other extreme weather conditions. Climate change and the costs that may be associated with its impacts have the potential to affect our business in many ways, including increasing the costs we incur in providing our products and services, impacting the demand for and consumption of our products and services (due to change in both costs and weather patterns).

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation
Case studies indicate that natural gas infrastructure (e.g. underground assets) and services exhibit significant physical resilience to climate-related events. Potential climate-related impacts on our electric generation assets are partially mitigated by the transition away from using cooling water for electric generation. NIPSCO has already reduced its water withdrawal and discharge associated with electric generation by 89% and 93%, respectively, since 2005. The company is targeting 99% reductions in both metrics by 2030 through the retirement of our remaining coal-fired electric generation.

Comment

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures

Primary potential financial impact
Please select

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Rising mean temperature has a direct impact on our operations and customers' energy usage. In general, rising mean temperature decreases natural gas demand (i.e. heating demand) and increases electric demand (i.e. cooling demand) for residential and commercial customers. Rising mean temperatures could also exacerbate the risks to physical infrastructure, including heat stresses to power lines. Energy sales are sensitive to variations in weather. Forecasts of energy sales are based on “normal” weather, which represents a long-term historical average. Significant variations from normal weather could have, and have had, a material impact on energy sales.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation
While historically rate design at the distribution level has been structured such that a large portion of cost recovery is based upon throughput rather than in a fixed charge, operating costs are largely incurred on a fixed basis and do not fluctuate due to changes in customer usage. As a result, Gas Distribution Operations have pursued changes in rate design to more effectively match recoveries with costs incurred. Each of the states in which Gas Distribution Operations operate has different requirements regarding the procedure for establishing changes to rate design. Columbia of Ohio restructured its rate design through a base rate proceeding and has adopted a decoupled rate design which more closely links the recovery of fixed costs with fixed charges. Columbia of Massachusetts received regulatory approval of a decoupling mechanism which adjusts revenues to an approved benchmark level through a volumetric adjustment factor. Columbia of Maryland and Columbia of Virginia have regulatory approval for a revenue normalization adjustment for certain customer classes, a decoupling mechanism whereby monthly revenues that exceed or fall short of approved levels are reconciled in subsequent months. In a prior base rate proceeding, Columbia of Pennsylvania implemented a pilot residential weather normalization adjustment. Columbia of Maryland, Columbia of Virginia and Columbia of Kentucky have had approval for a weather normalization adjustment.

Comment

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Please select

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Climate change and the costs that may be associated with its impacts have the potential to affect the economic health of the regions in which we operate. Business operations throughout our service territories have been and may continue to be adversely affected by economic events at the national and local levels where they operate. In particular, sales to large industrial customers, such as those in the steel, oil refining, industrial gas, and related industries, may be impacted by economic downturns. The U.S. manufacturing industry continues to adjust to changing market conditions including international competition, increasing costs, and fluctuating demand for its products. Additionally, some customers have announced decarbonization efforts which could significantly change their energy choices and demand.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation
We are targeting a 90 percent reduction in our greenhouse gas emissions by 2030 (from 2005 levels). NIPSCO also offers Net Metering and Feed-in Tariff programs, which

allow customers to generate their own electricity from renewable energy to offset their usage or to sell back to NIPSCO. Renewable natural gas (RNG) is emerging as a potential energy source that helps provide a carbon-neutral or carbon-negative alternative for natural gas customers.

Comment

Identifier
Risk 7

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology

Primary potential financial impact
Please select

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
On October 31, 2018, NIPSCO submitted its 2018 Integrated Resource Plan with the IURC setting forth its short- and long-term electric generation plans in an effort to maintain affordability while providing reliable, flexible and cleaner sources of power. The plan evaluated demand-side and supply-side resource alternatives to reliably and cost-effectively meet NIPSCO customers' future energy requirements over the ensuing 20 years. The preferred option within the Integrated Resource Plan sets forth a schedule to retire R.M. Schahfer Generating Station (Units 14, 15, 17, and 18) by 2023 and Michigan City Generating Station (Unit 12) by 2028. The current replacement plan includes renewable sources of energy, including wind, solar, and battery storage. However, there are inherent risks and uncertainties, including changes in market conditions, regulatory approvals, environmental regulations, commodity costs and customer expectations, which may impede NIPSCO's ability to achieve these intended results. NIPSCO's future success will depend, in part, on its ability to successfully implement its long-term electric generation plans, to offer services that meet customer demands and evolving industry standards, and to recover all, or a significant portion of, any unrecovered investment in obsolete assets. NIPSCO's electric generation strategy could require significant future capital expenditures, operating costs and charges to earnings that may negatively impact our financial position, financial results and cash flows.

Time horizon
Short-term

Likelihood
Unlikely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

Comment
Link to 2018 NIPSCO IRP Executive Summary: https://www.nipsco.com/docs/librariesprovider11/rates-and-tariffs/irp/irp-executive-summary.pdf

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced direct costs

Company-specific description
NIPSCO has established plans to transition 100% of its existing coal units to renewable resources primarily, wind, solar, and storage by 2028. 60% of NIPSCO generation is expected to come from renewable resources by 2028.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
$4B in cost savings (NPV) for customers over 30 years as a result of retiring and replacing existing coal assets with renewable resources.

Cost to realize opportunity
3000000000

Strategy to realize opportunity and explanation of cost calculation
NIPSCO submitted its Integrated Resource Plan to the Indiana Utility Regulatory Commission on October 31, 2018, which evaluated demand-side and supply-side resource alternatives to reliably and cost-effectively meet NIPSCO customers' future energy requirements over the ensuing 20 years. Following the retirement of the coal-fired electric generation at Bailly Generating Station in 2018, the timeline for NIPSCO's five remaining coal-fired units is the expected retirement of Schahfer Generating Station no later than 2023, and Michigan City Generating Station by 2028. The replacement plan includes lower-cost sources of energy, including wind, solar and battery storage. NIPSCO expects this plan to save electric customers an estimated $4 billion over the long-term. An all source request for proposal provided NIPSCO insight into the most relevant prices and types of resources available to meet customer needs. In February 2019, NIPSCO announced the first phase of its plans to transition to lower-cost energy resources, with the addition of three new Indiana wind farms. The wind capacity is expected to be in operation by late 2020 and represent approximately 800 megawatts of nameplate capacity. NIPSCO continues to announce incremental additions to its portfolio of resources including new solar and storage projects in 2020 that expect to be in service in 2023.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Please select

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Please select

Company-specific description
Increased domestic supply of natural gas, combined with low cost and positive environmental attributes, will continue to provide investment opportunities through the development and expansion of low emission goods and services.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
NiSource is engaged in a robust, multiyear effort to replace existing cast iron and bare steel natural gas distribution pipe with state-of-the-art materials, such as advanced plastics and protected steel with an emphasis on modernizing our systems to enhance safety, reliability, and customer service. Replacing cast iron and bare steel pipe also reduces methane emissions. Since 2005, our methane emissions from natural gas main and service lines have decreased by 37 percent from pipe replacement, and we are targeting a 50 percent reduction by 2025.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Resilience

Primary climate-related opportunity driver
Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact
Please select

Company-specific description
An increased focus on energy efficiency measures and renewable energy programs may allow the company to expand customer offerings.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
The strategy to realize this opportunity is the same strategy as described in Opportunities #1 and #2. Furthermore, as the price of solar power continues to decline, opportunities to provide additional services to customers that manage decentralized energy generation along with NIPSCO's own renewable energy may become available.

Comment

Identifier
Opp4

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
As transportation gets increasingly electrified primarily through the increased adoption of electric vehicles, NiSource expects an increase in electricity demand from electric charging. One of the primary motivations for customers adopting electric vehicles is their desire to reduce their carbon and other emissions footprint. Electric utilities play a role in increasing the ease by which customers adopt electric vehicles and to the extent that NiSource is able to facilitate greater levels of adoption of electric vehicles, it will contribute directly to emissions reduction.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
There are multiple strategies to realize this opportunity for NiSource. NiSource could provide customers across various segments easier access to electric charging infrastructure to further support the adoption of electric vehicles. The spectrum of opportunities could range from NiSource providing information, services, and rebates to help customers adopt electric vehicles to NiSource deploying electric charging infrastructure across its service territories. Furthermore, NiSource could develop specific rates and tariff structures tailored to customers who adopt electric vehicles. Through its NIPSCO Electric subsidiary, NiSource has piloted various initiatives including, customer rebates for charging infrastructure and time of use rates for electric vehicle customers. NIPSCO is currently participating in a pilot program to deploy fast charging infrastructure along the interstate highways in its service territory as part of the State of Indiana's desire to create the DC Fast charging corridor across the entire state. The pilot should validate and inform the strategy to further deploy charging infrastructure across the service territory.

Comment

Identifier
Opp5

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of new technologies

Primary potential financial impact
Reduced direct costs

Company-specific description
NiSource through its NIPSCO electric subsidiary is evaluating a technology-focused grid modernization strategy. This strategy will leverage advances in sensor and communication technologies to increase visibility and situational awareness and enhance the company's ability to respond to disruptions in its ability to deliver electricity to customers. By enhancing these capabilities, the electrical distribution will become more resilient by minimizing the impact of disturbances to customers and enhancing the ability of the system to bounce back from such disruptions much quicker than today.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity
1400000000

Strategy to realize opportunity and explanation of cost calculation
Since 2015, NIPSCO has developed programs to systemically invest in improving the resiliency of its electric system by replacing with a primary focus on replacing aging assets. As a continuation of those programs, NIPSCO is looking at deploying advanced communication technologies and smart switches and automation technologies to enhance its operational capabilities. For instance, NIPSCO is looking to deploy distribution automation switches that have the capability to detect and reroute power around a fault or system disturbance thereby simultaneously minimizing the number of customers that are impacted and provide the exact parameters of the disturbance to speed up the restoration to normal operating conditions. As part of the portfolio of investments to realize this strategy NIPSCO is considering investments in Smart Meters (AMI) and advanced IT systems. The cost calculations are in line with the size of the current infrastructure modernization program. The $1.4B cost reflects the NIPSCO modernization program to provide a number of direct benefits to customers and communities by maintaining the overall safety and integrity of the system, identifying and eliminating system failures, providing direct and indirect economic benefits, supporting new business expansion across the state, and providing resilience.

Comment

Identifier
Opp6

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
NiSource is working with renewable natural gas (RNG) developers who wish to use its distribution network to transport and deliver renewable natural gas.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Unknown

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
The NiSource gas companies are looking at tariff changes that will more clearly define requirements for RNG that will streamline the process for RNG developers.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (We have engaged in quantitative and qualitative climate-related scenario analysis)	NIPSCO assumed three carbon price scenarios in its Integrated Resource Plan (IRP) modeling. The base scenario assumes a new federal rule or legislative action effective by the mid-2020s, the second scenario does not assume any price on carbon, and the Aggressive Environmental Regulation scenario assumes a new stricter federal rule or legislative action effective by the mid-2020s. In the Aggressive Environmental Regulation scenario, price levels are generally consistent with a 50-60% reduction in electric sector CO2 emissions relative to 2005 by the 2030s. NIPSCO used this scenario analysis to assess the potential implications of climate change and inform its strategy. The plan to transition coal generation assets to renewable energy allows the company to target a 90% reduction in greenhouse gas emissions by 2030 (from 2005 levels). NiSource is also using scenario planning to qualitatively think through the key uncertainties that have the most impact to our corporate strategy. Climate-related considerations are a key uncertainty identified. We iterate on future scenarios related to climate issues, and we also analyze how other key uncertainties like technology or policy could catalyze or inhibit outcomes.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Energy efficiency programs, renewable electricity, and renewable natural gas (RNG). We regularly consider renewable forms of energy in our planning. All of our companies offer energy efficiency programs to help our customers increase their efficient use of energy and reduce emissions.
Supply chain and/or value chain	No	
Investment in R&D	Evaluation in progress	R&D investment and pilots in emission reduction technologies are being evaluated.
Operations	Yes	As we considered replacing the current coal generation fleet in 2019, one of the criteria for consideration for replacement resources was the carbon emissions profile of each of the resource options under consideration. In 2018, NIPSCO was ranked in the fourth quartile of CO2 emissions on a megawatt-hour basis, and with the increasing likelihood of GHG regulation, it was important that we looked for opportunities to reduce the NIPSCO emissions profile. Our strategy allows us to target a 90 percent reduction in emissions by 2030 (from 2005 levels). In our natural gas operations, climate-related risks and opportunities have influenced our pipe modernization program and ongoing leak repair program. Our strategy allows us to target a 50 percent reduction in methane emissions from mains and services by 2025 (from 2005 levels).

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Access to capital Assets Liabilities	NiSource's strategic and financial planning processes take into account the commitments we have made to various stakeholder groups including customers, the communities in which we operate, employees, and shareholders. The processes also take into account various enterprise risks (including environmental risks) the company faces and associated risk mitigation strategies. Our financial plan incorporates the investments NiSource will make to mitigate these risks and the impact those investments will have on financial performance and financing needs. Investments related to climate change risks include significant generation strategy investments aimed at retiring coal-based generation capacity and building renewable electric generation capacity. This strategy will result in reduced emissions and lower overall costs for our customers and will impact NiSource's revenue and cost structure. NiSource is also making significant investments in its gas transmission and distribution systems. These investments will enhance the overall safety of these systems, including reducing leaks and associated methane emissions. NiSource also incorporates climate risks when procuring insurance on an annual basis.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Business division

Scope(s) (or Scope 3 category)
Scope 1

Base year
2005

Covered emissions in base year (metric tons CO2e)
18369782

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
91

Target year
2025

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
9184891

Covered emissions in reporting year (metric tons CO2e)
9246543

% of target achieved [auto-calculated]
99.3287672112821

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
Our Abs1 target is a 50% reduction in GHG emissions from our electric generation portfolio by 2025 (from 2005 levels). In combination with our other absolute targets, 96% of our Scope 1 base year emissions are covered by our emission reduction targets. We consider this target to be a science-based target as it exceeds GHG reductions required by the 1.5 degree IPCC report (i.e., 45% reduction by 2030).

Target reference number
Abs 2

Year target was set
2017

Target coverage
Business division

Scope(s) (or Scope 3 category)
Scope 1

Base year
2005

Covered emissions in base year (metric tons CO2e)
1046491

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
5

Target year
2025

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
523245.5

Covered emissions in reporting year (metric tons CO2e)
657175

% of target achieved [auto-calculated]
74.4040799204198

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
Our Abs2 target is a 50% reduction in methane emissions from our gas distribution companies' mains and services by 2025 (from 2005 levels). In combination with our other absolute targets, 96% of our Scope 1 base year emissions are covered by our emission reduction targets. We consider this target to be a science-based target as it exceeds GHG reductions required by the 1.5 degree IPCC report (i.e., 45% reduction by 2030).

Target reference number
Abs 3

Year target was set
2018

Target coverage
Business division

Scope(s) (or Scope 3 category)
Scope 1

Base year
2005

Covered emissions in base year (metric tons CO2e)
18369782

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
91

Target year
2030

Targeted reduction from base year (%)
90

Covered emissions in target year (metric tons CO2e) [auto-calculated]
1836978.2

Covered emissions in reporting year (metric tons CO2e)
9246543

% of target achieved [auto-calculated]
55.1826484507123

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
Our Abs3 target is at least a 90% reduction in GHG emissions from our electric generation portfolio by 2030 (from 2005 levels). In combination with our other absolute targets, 96% of our Scope 1 base year emissions are covered by our emission reduction targets. We consider this target to be a science-based target as it exceeds GHG reductions required by the 1.5 degree IPCC report (i.e., 45% reduction by 2030) and 2-degree scenarios (i.e., 80% reduction by 2050).

Target reference number
Abs 4

Year target was set
2018

Target coverage
Business division

Scope(s) (or Scope 3 category)
Scope 1

Base year
2005

Covered emissions in base year (metric tons CO2e)
1046491

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
5

Target year
2030

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
523245.5

Covered emissions in reporting year (metric tons CO2e)
657175

% of target achieved [auto-calculated]
74.4040799204198

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
Our Abs4 target is at least a 50% reduction in methane emissions from our gas distribution companies' mains and services by 2030 (from 2005 levels). In combination with our other absolute targets, 96% of our Scope 1 base year emissions are covered by our emission reduction targets. We consider this target to be a science-based target as it exceeds GHG reductions required by the 1.5 degree IPCC report (i.e., 45% reduction by 2030) and 2-degree scenarios (i.e., 80% reduction by 2050).

Target reference number
Abs 5

Year target was set
2017

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2005

Covered emissions in base year (metric tons CO2e)
19473363

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2025

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
9736681.5

Covered emissions in reporting year (metric tons CO2e)
10211521

% of target achieved [auto-calculated]
95.1231895589889

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
Our Abs5 target is a 50% reduction in GHGs from all NiSource companies and activities by 2025 (from 2005 levels). In combination with our other absolute targets, 96% of our Scope 1 base year emissions are covered by our emission reduction targets. We consider this target to be a science-based target as it exceeds GHG reductions required by the 1.5 degree IPCC report (i.e., 45% reduction by 2030).

Target reference number
Abs 6

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2005

Covered emissions in base year (metric tons CO2e)
19473363

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
90

Covered emissions in target year (metric tons CO2e) [auto-calculated]
1947336.3

Covered emissions in reporting year (metric tons CO2e)
10211521

% of target achieved [auto-calculated]
52.8462164216605

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
Our Abs6 target is at least a 90% reduction in GHGs from all NiSource companies and activities by 2030 (from 2005 levels). In combination with our other absolute targets, 96% of our Scope 1 base year emissions are covered by our emission reduction targets. We consider this target to be a science-based target as it exceeds GHG reductions required by the 1.5 degree IPCC report (i.e., 45% reduction by 2030) and 2-degree scenarios (i.e., 80% reduction by 2050).

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C-OG4.2c

(C-OG4.2c) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

Abs 2, Abs 4, Abs 5, and Abs 6 all incorporate methane emissions.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	1	1912000
Implemented*	4	341346
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

97002

Scope(s)

Scope 1
Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Please select

Estimated lifetime of the initiative

Ongoing

Comment

Net metering and feed-in tariff programs

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Various energy efficiency programs)

Estimated annual CO2e savings (metric tonnes CO2e)

215079

Scope(s)
Scope 1
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
111847573

Payback period
Please select

Estimated lifetime of the initiative
Ongoing

Comment
Energy efficiency programs

Initiative category & Initiative type

Fugitive emissions reductions	Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)
29232

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
159958

Investment required (unit currency – as specified in C0.4)
20000000000

Payback period
Please select

Estimated lifetime of the initiative
21-30 years

Comment
Natural gas pipeline replacement program

Initiative category & Initiative type

Fugitive emissions reductions	Other, please specify (Flaring for transmission grade pipeline blowdowns)

Estimated annual CO2e savings (metric tonnes CO2e)
33.59

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
Ongoing

Comment
Flaring for transmission grade pipeline blowdowns

Initiative category & Initiative type

Low-carbon energy generation	Other, please specify (Solar, wind, battery storage)

Estimated annual CO2e savings (metric tonnes CO2e)
1912000

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
133333333

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
21-30 years

Comment
Retire coal-fired generation and replace with renewables (solar, wind, battery storage)

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	State regulatory commissions frequently issue orders mandating that utilities offer programs to help customers save money. NiSource's demand-side management (DSM) programs are regulated by these state commissions and have regular reporting requirements.
Dedicated budget for energy efficiency	NiSource companies staff DSM department and budget for the necessary resources to ensure thorough execution and reporting of DSM programs.
Dedicated budget for other emissions reduction activities	NIPSCO has staff dedicated to conducting evaluations of the electric generating system which result in recommendations and projects to improve the unit heat rates and result in lower GHG emissions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Product

Description of product/Group of products
By signing up for NIPSCO's Green Power Program, customers choose to have a portion of their monthly electric usage attributed to power generated by renewable energy (e.g., wind power). NIPSCO buys renewable energy certificates (RECs) on their behalf. The incremental cost is less than $2 per month for the average home (based on a monthly electric use of 1,000 kWh) to receive 100% of its electricity from renewable sources. This added cost is passed along to participating customers without any additional markup or financial return for NIPSCO. Non-participating customers are not responsible for additional charges associated with making this program available. Residential customers may designate 25, 50 or 100 percent of their monthly electric usage to be attributed to power generated by renewable energy sources. Commercial and industrial customers have the added flexibility to designate 5 or 10 percent of their monthly usage.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Please select

% revenue from low carbon product(s) in the reporting year
0

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Percent of revenue is 0.001%. For details on the Green Power Program, see https://www.nipsco.com/docs/librariesprovider11/services/renewable-energy-programs/green-power/green-power-prospective-and-historic-product-content-label.pdf.

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

NiSource is engaged in a multi-year effort to replace existing natural gas distribution pipes with advanced plastic pipe and protected steel. This will improve the safety and reliability of our gas distribution system and reduce methane emissions associated with leaks. As a founding member of EPA's Natural Gas STAR Methane Challenge voluntary program, we are reinforcing our commitment to infrastructure modernization through investments that improve safety and reliability while reducing emissions. We have committed to achieving a replacement rate of 1.5% of bare steel and cast iron inventory by 2021. This includes achieving a replacement rate of 6.5% of bare steel and cast iron pipeline inventory at Columbia Gas of Maryland and Virginia by 2021. All NiSource utilities are represented in the commitments. Indiana, Massachusetts, Ohio and Pennsylvania are also committed individually to best management practices associated with the Methane Challenge Program with specific targets identified for each company. These targets are publicly available at https://www.epa.gov/natural-gas-star-program/methane-challenge-partner-commitments. Through the 5-year program commitment, we will continue to replace cast iron and bare steel pipe in our natural gas system. As part of planned investments, we expect to further reduce methane emissions by more than 300 MMcf.

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

NiSource is engaged in a multi-year effort to replace existing natural gas distribution pipes with advanced plastic pipe and protected steel. This will improve the safety and reliability of our gas distribution system and reduce methane emissions associated with leaks. As a founding member of EPA's Natural Gas STAR Methane Challenge voluntary program, we are reinforcing our commitment to infrastructure modernization through investments that improve safety and reliability while reducing emissions. We have committed to achieving a replacement rate of 1.5% of bare steel and cast iron inventory by 2021. This includes achieving a replacement rate of 6.5% of bare steel and cast iron pipeline inventory at Columbia Gas of Maryland and Virginia by 2021. All NiSource utilities are represented in the commitments. Indiana, Massachusetts, Ohio and Pennsylvania are also committed individually to best management practices associated with the Methane Challenge Program with specific targets identified for each company. These targets are publicly available at https://www.epa.gov/natural-gas-star-program/methane-challenge-partner-commitments. Through the 5-year program commitment, we will continue to replace cast iron and bare steel pipe in our natural gas system. As part of planned investments, we expect to further reduce methane emissions by more than 300 MMcf.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

NiSource does not operate oil and gas production activities, but follows all state and federal laws and regulations regarding leak identification, monitoring, and repair for its transmission and distribution operations.

Each Operations Center has a leak inspection and control program to locate, monitor and eliminate natural gas leaks. Several methods may be used for performing leakage surveys and tests, including surface gas detection, subsurface gas detection, mobile surveys, vegetation surveys, pressure drop tests, exposed piping tests and odor and sound indication.

Leakage surveys are conducted at intervals ranging from once per year to every five years depending upon the location and characteristics of the pipeline system. Increased leakage survey frequencies are considered based on particular circumstances and conditions.

All leaks are evaluated and classified by grade. Leaks are then re-evaluated regularly and/or eliminated by repair or replacement of the pipeline.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

NiSource does not operate oil and gas production activities. Flaring is included in our combustion emissions and is minimal.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2005

Base year end
December 31 2005

Base year emissions (metric tons CO2e)
20190231

Comment

Scope 2 (location-based)

Base year start
January 1 2005

Base year end
December 31 2005

Base year emissions (metric tons CO2e)
65297

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
10202077

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment
NiSource Scope 2 emissions are from electricity consumption at company facilities. NiSource calculates these indirect greenhouse gas emissions by obtaining annual electricity usage and applying an emission factor specific to the region where the electricity was consumed. NiSource obtains emission factors for each state of our operations from EPA's e-GRID database.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
42003

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Capital goods

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3429286

Emissions calculation methodology
NiSource subsidiary (NIPSCO) purchases electricity for delivery to its customers. This electricity is supplied by MISO, which is the local operator of the electrical transmission grid. MISO does not report greenhouse gas emissions from its electricity suppliers and has not calculated an average greenhouse gas emission factor for the electricity it supplies to NIPSCO. The mix of electrical generation types in the United States has been changing as coal fired units are taken out of service, natural gas plants are constructed and more wind power and solar power is available for purchase. Given this annual variation in generation, NiSource uses emission factors from the US EPA's eGrid database. Carbon dioxide, methane and nitrous oxide emissions per megawatthour of electricity produced are reported in eGrid by individual generating units, by company and also by NERC region. NIPSCO is located closest to the MRO, RFC and SERC regions given in the eGrid database. There is currently no way to track which region the electricity supplied by MISO comes from, so the NiSource purchased power emission factor was chosen to be the average of the emission factors from these three NERC regions. Each year, the eGrid database is checked to ensure that the latest eGrid emission factors are used to calculate the Scope 3 emissions in the NiSource Greenhouse Gas Inventory.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
NiSource Scope 3 emissions come from purchased electric power. NIPSCO has entered into two power purchase agreements (PPAs) for wind energy. The first is a 20-year PPA with Iberdola, in which NIPSCO purchases wind generation from Barton Wind (in Worth County, Iowa). The total net capacity of Barton is 50 MW. The second PPA is a 15-year PPA with Iberdola, in which NIPSCO purchases wind generation from Buffalo Ridge Wind (in Brookings County, South Dakota). The total net capacity of Buffalo Ridge is 50.4 MW. In 2018, NIPSCO purchased 266 GWh of wind energy from these two wind farms.

Upstream transportation and distribution

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Waste generated in operations

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Business travel

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Employee commuting

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Upstream leased assets

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Downstream transportation and distribution

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Processing of sold products

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Use of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
NiSource's sold products are electricity and natural gas.

Downstream leased assets

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
NiSource's sold products are electricity and natural gas. There are no franchises.

Investments

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (upstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.001966649

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
10244080

Metric denominator
unit total revenue

Metric denominator: Unit total
5208900000

Scope 2 figure used
Location-based

% change from previous year
16.65

Direction of change
Decreased

Reason for change
Retirement of 2 coal-fired units and less utilization of remaining coal-fired fleet.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)
Million cubic feet of natural gas

Metric tons CO2e from hydrocarbon category per unit specified
0.95

% change from previous year
1

Direction of change
Decreased

Reason for change
Continued replacement of legacy pipe with modern materials

Comment

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division
Downstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division
0.173

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division
0.173

Comment
assumed equivalent for natural gas

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	9316441	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	807319	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	37351	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	40966	IPCC Fourth Assessment Report (AR4 - 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	0	0	1.8	40966	
Combustion (Electric utilities)	9204952	862	0	9304568	Scope 1 CO2e figure includes 37088.0862352943 metric tons CO2e resulting from 124.5 metric tons of N2O.
Combustion (Gas utilities)	0	0	0	0	
Combustion (Other)	0	0	0	0	
Emissions not elsewhere classified	0	0	0	0	

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category
Venting

Value chain
Downstream

Product
Gas

Gross Scope 1 CO2 emissions (metric tons CO2)
122

Gross Scope 1 methane emissions (metric tons CH4)
4159

Total gross Scope 1 emissions (metric tons CO2e)
104101

Comment

Emissions category
Other (please specify) (Fugitive emissions)

Value chain
Downstream

Product
Gas

Gross Scope 1 CO2 emissions (metric tons CO2)
801

Gross Scope 1 methane emissions (metric tons CH4)
27268

Total gross Scope 1 emissions (metric tons CO2e)
682501

Comment
fugitive leaks

Emissions category
Combustion (excluding flaring)

Value chain
Downstream

Product
Gas

Gross Scope 1 CO2 emissions (metric tons CO2)
74292

Gross Scope 1 methane emissions (metric tons CH4)
2

Total gross Scope 1 emissions (metric tons CO2e)
74340

Comment
combustion at gas distribution facilities

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	10202077

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By business division
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Electric Generation	9256138
Electric Transmission and Distribution	48430
Natural Gas Distribution	897510

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Electric Generation	9246543
Electric Transmission and Distribution	40966
Natural Gas Distribution - Combustion	66743
Natural Gas Distribution - Fugitive/Vented	757675
Natural Gas Distribution Underground Storage - Combustion	6106
Natural Gas Distribution Underground Storage - Fugitive/Vented	26766
Natural Gas Distribution Storage - LNG/LPG	3657
Building Natural Gas	10902
Mobile Sources	42718

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	9246543	<Not Applicable>	
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	0	<Not Applicable>	no upstream activity
Oil and gas production activities (midstream)	0	<Not Applicable>	no midstream activity
Oil and gas production activities (downstream)	860947	<Not Applicable>	
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	42003	0	63850	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electric Generation	8224	0
Electric Transmission and Distribution	10644	0
Natural Gas Distribution	23135	0

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Building Electricity Consumption	42003	0

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	0	0	no upstream activity
Oil and gas production activities (midstream)	0	0	no midstream activity
Oil and gas production activities (downstream)	23135	0	
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	not applicable
Other emissions reduction activities	0	No change	0	not applicable
Divestment	0	No change	0	not applicable, no divestments
Acquisitions	0	No change		not applicable, no acquisitions
Mergers	0	No change		not applicable, no mergers
Change in output	2377093	Decreased	20.2	
Change in methodology	12941	Decreased	78	
Change in boundary	1883	Decreased	3.4	
Change in physical operating conditions	11527	Increased	1.5	
Unidentified	0	No change	0	not applicable
Other	0	No change	0	not applicable

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	30852039	30852039
Consumption of purchased or acquired electricity	<Not Applicable>	0	63850	63850
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	30915889	30915889

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Coal

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

22239735

MWh fuel consumed for self-generation of electricity

22239735

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0

Unit
metric tons CO2 per million Btu

Emissions factor source
CO2 CEMS

Comment
All CO2 from coal combustion is measured by CO2 CEMS. For CH4 and N2O we use emission factors from Table C-2 to Subpart C of 40 CFR Part98 (Fuel type 'Coal and Coke', 0.011 kg CH4/million Btu, 0.0016 kg N2O/million Btu)

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
8438255

MWh fuel consumed for self-generation of electricity
7908135

MWh fuel consumed for self-generation of heat
530121

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.05306

Unit
metric tons CO2 per million Btu

Emissions factor source
Table C-1 to Subpart C of 40 CFR Part 98 (Natural gas - Weighted U.S. Average) (converted from kg/million Btu to metric tons per million Btu)

Comment
For CH4 and N2O we use emission factors from Table C-2 to Subpart C of 40 CFR Part98 (Fuel type 'Natural Gas', 0.001 kg CH4/million Btu, 0.0001 kg N2O/million Btu)

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
77390

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
77390

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.07396

Unit
metric tons CO2 per million Btu

Emissions factor source
Table C-1 to Subpart C of 40 CFR Part 98 (Distillate Fuel Oil No. 2) (converted from kg/million Btu to metric tons per million Btu)

Comment
For CH4 and N2O we use emission factors from Table C-2 to Subpart C of 40 CFR Part98 (Fuel type 'Petroleum Products', 0.003 kg CH4/million Btu, 0.0006 kg

N2O/million Btu)

Fuels (excluding feedstocks)
Jet Kerosene

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
4986

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
4986

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.07222

Unit
metric tons CO2 per million Btu

Emissions factor source
Table C-1 to Subpart C of 40 CFR Part 98 (Kerosene-Type Jet Fuel) (converted from kg/million Btu to metric tons per million Btu)

Comment
For CH4 and N2O we use emission factors from Table C-2 to Subpart C of 40 CFR Part98 (Fuel type 'Petroleum Products', 0.003 kg CH4/million Btu, 0.0006 kg N2O/million Btu)

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
90095

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
90095

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
19.36

Unit
lb CO2 per gallon

Emissions factor source
EPA420-F-05-001 February 2005

Comment
For CH4 and N2O we use emission factors from DOE 1605b Technical Guidelines Table 1.D.2 (January 2007)

Fuels (excluding feedstocks)
Propane Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
25

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
25

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
5.67732

Unit
kg CO2 per gallon

Emissions factor source
Table C-1 to Subpart C of 40 CFR Part 98 (Liquefied petroleum gases (LPG) converted from kg CO2 per million Btu to kg CO2 per gallon)

Comment
For CH4 and N2O we use emission factors from Table C-2 to Subpart C of 40 CFR Part98 (Fuel type 'Petroleum Products', 0.003 kg CH4/million Btu, 0.0006 kg N2O/million Btu)

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	11606109	1291422	46816	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)
2094

Gross electricity generation (GWh)
7764

Net electricity generation (GWh)
6556

Absolute scope 1 emissions (metric tons CO2e)
7817283

Scope 1 emissions intensity (metric tons CO2e per GWh)
1192

Comment

Lignite

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no lignite

Oil

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no oil

Gas

Nameplate capacity (MW)
721

Gross electricity generation (GWh)
3795

Net electricity generation (GWh)
3712

Absolute scope 1 emissions (metric tons CO2e)
1416615

Scope 1 emissions intensity (metric tons CO2e per GWh)
382

Comment

Biomass

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no biomass

Waste (non-biomass)

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no waste (non-biomass)

Nuclear

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no nuclear

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no fossil-fuel plants fitted with CCS

Geothermal

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no geothermal

Hydropower

Nameplate capacity (MW)
10

Gross electricity generation (GWh)
47

Net electricity generation (GWh)
47

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment

Wind

Nameplate capacity (MW)
100

Gross electricity generation (GWh)
263

Net electricity generation (GWh)
263

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
Wind generation is acquired through purchase power agreements.

Solar

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no solar

Marine

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no marine

Other renewable

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no 'other renewable'

Other non-renewable

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
no 'other non-renewable'

Total

Nameplate capacity (MW)
2925

Gross electricity generation (GWh)
11869

Net electricity generation (GWh)
10578

Absolute scope 1 emissions (metric tons CO2e)
9233898

Scope 1 emissions intensity (metric tons CO2e per GWh)
873

Comment
Scope 1 emissions intensity is expressed in metric tons CO2e per net GWh. Since NIPSCO does not own or operate wind generation it has been excluded from the totals information, including the emissions intensity.

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?
Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/Region
United States of America

Voltage level
Transmission (high voltage)

Annual load (GWh)

Annual energy losses (% of annual load)
2

Scope where emissions from energy losses are accounted for
Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)
69022

Length of network (km)
4619

Number of connections

Area covered (km2)

Comment

Country/Region
United States of America

Voltage level
Distribution (low voltage)

Annual load (GWh)

Annual energy losses (% of annual load)
2

Scope where emissions from energy losses are accounted for
Scope 2 (location-based)

Emissions from energy losses (metric tons CO2e)

Length of network (km)
17459

Number of connections

Area covered (km2)

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-OG9.3a

(C-OG9.3a) Disclose your total refinery throughput capacity in the reporting year in thousand barrels per day.

	Total refinery throughput capacity (Thousand barrels per day)
Capacity	0

C-OG9.3b

(C-OG9.3b) Disclose feedstocks processed in the reporting year in million barrels per year.

	Throughput (Million barrels)	Comment
Oil	0	not applicable to our business
Other feedstocks	0	not applicable to our business
Total	0	not applicable to our business

C-OG9.3c

(C-OG9.3c) Are you able to break down your refinery products and net production?

No

C-EU9.5a

(C-EU9.5a) Break down, by source, your total planned CAPEX in your current CAPEX plan for power generation.

Primary power generation source	CAPEX planned for power generation from this source	Percentage of total CAPEX planned for power generation	End year of CAPEX plan	Comment
Please select				

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Other, please specify (Other energy efficiency measures in the oil and gas value chain)	Applied research and development	Please select		NiSource is a member of MJ Bradley's Downstream Natural Gas Initiative (DSI). DSI is a group of leading natural gas utilities collaborating to address key technical and regulatory challenges related to the role of natural gas in a low carbon future. The Initiative is focused on opportunities for expanding natural gas end-use markets and leveraging existing infrastructure to support near- and long-term environmental and economic goals. To explore the opportunities for and challenges to natural gas in a low carbon future, DSI is concentrated on three priority topics: 1. Methane Emissions from Natural Gas Distribution Systems DSI will continue its engagement with EPA on the Methane Challenge program and GHG emissions inventories, provide updates on state and federal methane regulations, and work with diverse stakeholders on the development of technologies and strategies to better understand and limit methane leaks from the distribution system. 2. Renewable Natural Gas DSI will work to identify RNG opportunities for LDCs and address barriers to integrating RNG into natural gas distribution systems. This work will cover a number of interconnected areas, including engagement with federal and state policymakers, exploration of business models that facilitate injection of RNG into distribution systems, and RNG market development strategies. 3. Decarbonization Pathways As states begin to explore options for achieving long-term climate goals, states and NGOs have initiated pathways analyses to model the energy and economic impacts of deep decarbonization. Policies based on decarbonization analyses have the potential to significantly influence the role of natural gas in the future, including in the distribution sector. DSI will collaborate to share approaches on decarbonization, engage with outside stakeholders, including state policymakers and NGOs, and assess decarbonization pathways analyses, including identifying key questions and information gaps associated with current analyses.

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2019 Independent Verification Statement - CDP.pdf

Page/ section reference
Page 2, 'Conclusions' section

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2019 Independent Verification Statement - CDP.pdf

Page/ section reference
Page 2, 'Conclusions' section

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2019 Independent Verification Statement - CDP.pdf

Page/section reference
Page 2, 'Conclusions' section

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Navigate GHG regulations
Stakeholder expectations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Stress test investments
Identify and seize low-carbon opportunities
Supplier engagement
Other, please specify (To provide our customers with long-term, affordable and reliable energy)

GHG Scope
Scope 1
Scope 3

Application
NIPSCO updates its Integrated Resource Plan (IRP) every 2-3 years, completed its most recent update in October 2018. Updated carbon cost estimates and timeframes were included in the 2018 IRP.

Actual price(s) used (Currency /metric ton)
56.7

Variance of price(s) used
In the IRP modeling, NIPSCO assumed three carbon price scenarios. The base case assumes a new federal rule or legislative action effective in 2026. (Carbon price of $9.90/ton in 2026 increasing to $20.40/ton in 2038.) The low case assumes a replacement Clean Power Plan rule with a focus on coal plant efficiency improvements. No specific tax or emission cap requirement would be present under such regulations. The high case assumes a stricter new federal rule or legislative action effective in 2026. Price levels are generally consistent with a 50-60% reduction in electric sector CO2 emissions relative to 2005 by the 2030s. (Carbon price of $24.60/ton in 2026 increasing to $56.70/ton in 2038.)

Type of internal carbon price
Shadow price

Impact & implication
These carbon costs are incorporated into IRP models and allow the company to assess the impact of carbon costs on future electric generation portfolios. Carbon costs drive energy efficiency and low-carbon investment, among other impacts.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our customers

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Other, please specify

Details of engagement
Other, please specify (Integrated Resource Planning, Energy Efficiency, Demand Side Management, Green Power, Net Metering, and Feed-In Tariff Programs)

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
At NIPSCO, we are offering opportunities for customers to generate their own electricity from renewable resources to offset their bills. To support more sustainable renewable electricity generation, NIPSCO's Net Metering program allows customers to generate up to 1 MW of their own renewable energy from solar, wind or hydroelectric sources. The power generated would be reimbursed through a credit on their monthly electric bill. In addition, NIPSCO has developed a Feed-in Tariff program which allows customers to connect up to 200 kW megawatts of solar and 1 MW of biomass generation to our NIPSCO power grid and sell the generated power back to the company. NIPSCO initiated stakeholder advisory efforts for its 2018 Integrated Resource Plan in March, hosting a public meeting and launching a web page for interested stakeholders to follow the progress. Four additional public meetings followed in May, July, September and October. NIPSCO also hosted public forums to discuss specific topics arising from the IRP. In addition to posting public invitations on our IRP web page, we sent an invitation to past IRP stakeholder participants. Members of our executive leadership team and several of our subject matter experts attended each meeting to hear feedback and answer questions. Throughout the IRP process, stakeholders were also invited to meet with us on a one-on-one basis to discuss key concerns and perspectives. Each interaction provided a forum for discussion and feedback related to the many components of the IRP. Valuable discussions arose in several key areas, including environmental regulations and climate-related impacts, energy efficiency program analysis and renewable energy development. NiSource operates a number of natural gas distribution energy efficiency programs through its six distribution companies (Columbia Gas of Virginia, Columbia Gas of Ohio, Columbia Gas of Massachusetts, Columbia Gas of Pennsylvania, Columbia Gas of Maryland, and Columbia Gas of Kentucky)

Impact of engagement, including measures of success
Over 719,486 megawatt hours have been generated by renewable sources in the Feed-in Tariff program since 2011 (over 122,600 MWh hours in 2019 alone). NIPSCO's electric energy efficiency programs resulted in gross savings of 130,300 MWh in 2019. NIPSCO's gas energy efficiency programs served 249,353 customers and resulted in gross savings of 480,611 dekatherms (Dth) in 2019. Columbia Gas energy efficiency programs served 723,814 customers and resulted in gross savings of 1,628,992 Dth. Also, the feedback gathered during the NIPSCO Integrated Resource Plan stakeholder process raised valuable questions, helped us better evaluate our options and improved the final plan.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Direct engagement with policy makers
Trade associations
Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Climate-related legislation)	Support with minor exceptions	NiSource has a Governmental Affairs office in Washington D.C. NiSource is also a member of numerous industry-related trade associations. We promote adoption of reasonable policies addressing climate change.	NiSource will support appropriately crafted federal legislation on climate change that (1) Recognizes that greenhouse gas reduction targets must be applicable to all sources of greenhouse gas and be realistically achievable and consistent with projected availability of commercial technology; (2) Protects against undue increases in energy costs to any particular regions or groups of consumers; and (3) Recognizes the environmental benefits of natural gas and promotes policies and practices that result in the continued efficient use of natural gas by all customers.
Energy efficiency	Support	NiSource supports reasonable and cost-effective energy efficiency policies that help our customers save energy.	NiSource will support appropriately crafted federal legislation on climate change that (1) Recognizes that greenhouse gas reduction targets must be applicable to all sources of greenhouse gas and be realistically achievable and consistent with projected availability of commercial technology; (2) Protects against undue increases in energy costs to any particular regions or groups of consumers; and (3) Recognizes the environmental benefits of natural gas and promotes policies and practices that result in the continued efficient use of natural gas by all customers.
Clean energy generation	Support with minor exceptions	NiSource engages with policymakers regarding clean energy generation.	NiSource will support appropriately crafted federal legislation on climate change that (1) Recognizes that greenhouse gas reduction targets must be applicable to all sources of greenhouse gas and be realistically achievable and consistent with projected availability of commercial technology; (2) Protects against undue increases in energy costs to any particular regions or groups of consumers; and (3) Recognizes the environmental benefits of natural gas and promotes policies and practices that result in the continued efficient use of natural gas by all customers.
Regulation of methane emissions	Support with minor exceptions	NiSource engages with policymakers regarding methane emission regulations for natural gas systems.	NiSource will support appropriately crafted federal legislation on climate change that (1) Recognizes that greenhouse gas reduction targets must be applicable to all sources of greenhouse gas and be realistically achievable and consistent with projected availability of commercial technology; (2) Protects against undue increases in energy costs to any particular regions or groups of consumers; and (3) Recognizes the environmental benefits of natural gas and promotes policies and practices that result in the continued efficient use of natural gas by all customers.
Mandatory carbon reporting	Support	NiSource engages with policymakers on greenhouse gas reporting requirements.	A legislative solution is not needed. The Environmental Protection Agency (EPA) and certain state environmental agencies already mandate greenhouse gas reporting. NiSource plans to engage EPA through industry groups to recommend improvements to the existing reporting framework.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
NiSource is a member of the Edison Electric Institute (EEI) and the American Gas Association (AGA).

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
EEI: "Global climate change presents one of the biggest energy and environmental policy challenges this country has ever faced. EEI member companies are committed to addressing the challenge of climate change and have undertaken a wide range of initiatives over the last 30 years to reduce, avoid or sequester GHG emissions. Policies to address climate change should seek to minimize impacts on consumers and avoid harm to U.S. industry and the economy. As of the end of 2019, electric power sector CO2 emissions had declined 33 percent from 2005 levels, driven in part by low natural gas prices, increased deployment of renewable generation and customer demands." Please see EEI's website for further information regarding its climate change position: https://www.eei.org AGA: "The American Gas Association is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers." Please see AGA's Climate Change Position Statement for further explanation of its position, utility commitments, and principles for policy action: https://www.aga.org/globalassets/aga_climate-change-document_final.pdf

How have you influenced, or are you attempting to influence their position?
NiSource advocates for positions that support and align with the NiSource Climate Change Policy.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
Yes

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Environmental Safety and Sustainability Committee of the Board oversees programs, performance and risks relative to environmental, safety and sustainability matters, including our Climate Change Policy. In 2009, the ESS Committee adopted the NiSource Climate Change Policy. Our direct and indirect activities that influence policy are guided by NiSource's Board-level Climate Policy. Advocacy is overseen by NiSource's Government Affairs, Environmental, and Sustainability professionals who ensure that the Climate Policy is followed.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
Y
2019-Integrated-Annual-Report.pdf

Page/Section reference
PDF pages 3-6, 12-17, 42-43, 45

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
2019 Integrated Annual Report

Publication
In mainstream reports

Status
Complete

Attach the document
Y
2019-supplemental-sustainability-data.xlsx
2019-eei-and-aga-quantitative-data.xlsx
2019nisourcesustainabilityscorecard.pdf
2019-2020-eei-and-aga-qualitative-report.pdf

Page/Section reference
Please see pages 5-6 of the Sustainability Scorecard. Please review all pages of the other attachments.

Content elements
Emissions figures
Emission targets

Comment
2019 Sustainability Scorecard, Supplemental Sustainability Data, and EEI/AGA Qualitative Report and Quantitative Data

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Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Y
2018climatereport-final.pdf

Page/Section reference

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
2018 Climate Report, published in 2019

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Vice President, Environmental and Sustainability	Other, please specify (Vice President)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms