

**OKLAHOMA ELECTRIC COOPERATIVE  
NOTICE REGARDING CONSIDERATION OF NEW PURPA STANDARDS**

Pursuant to Section 2621 of the Public Utility Regulatory Policies Act of 1978 (hereinafter, PURPA), 16 U.S.C. §§ 2601-2645, as amended by the Energy Independence and Security Act (EISA) of 2007, the Board of Directors (hereinafter, Board) of Oklahoma Electric Cooperative, at its regularly scheduled meeting on September 23<sup>rd</sup> 2008, approved a resolution initiating a proceeding to consider and determine whether to adopt the following federal standards established by Congress in the EISA of 2005, Pub.L. No. 110-140, H.R. 6 (2007), effective December 19, 2007.

**A. INTEGRATED RESOURCE PLANNING – Each electric utility shall - -**

- (1) integrate energy efficiency into utility, State, and regional plans; and
- (2) adopt policies establishing cost-effective energy efficiency as a priority resource.

**B. RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS -**

- (1) IN GENERAL – The rates allowed to be charged by any electric utility shall –
  - i. align utility incentives with the delivery of cost-effective energy efficiency; and
  - ii. promote energy efficiency investments.
- (2) POLICY OPTIONS – In complying with subparagraph (1), each State regulatory authority and each non-regulated utility shall consider—
  - i. removing the throughput incentive and other regulatory and management disincentives to energy efficiency;
  - ii. providing utility incentives for the successful management of energy efficiency programs;
  - iii. including the impact on adoption of energy efficiency as one of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;
  - iv. adopting rate designs that encourage energy efficiency for each customer class;
  - v. allowing timely recovery of energy efficiency-related costs; and
  - vi. offering home energy audits, offering demand response programs, publicizing the financial and environmental benefits associated with making home energy efficiency improvements, and educating homeowners about all existing Federal and State incentives, including the availability of low-cost loans, that make energy efficiency improvements more affordable.

## **C. CONSIDERATION OF SMART GRID INVESTMENTS**

- (1) **IN GENERAL** – Each State shall consider requiring that, prior to undertaking investments in non-advanced grid technologies, an electric utility of the State demonstrate to the State that the utility considered an investment in a qualified smart grid system based on appropriate factors, including –
  - i. total costs;
  - ii. cost-effectiveness
  - iii. improved reliability;
  - iv. security;
  - v. system performance; and
  - vi. societal benefit.
- (2) **RATE RECOVERY** – Each State shall consider authorizing each electric utility of the State to recover from ratepayers any capital, operating expenditure, or other costs of the electric utility relating to the deployment of a qualified smart grid system, including a reasonable rate of return on the capital expenditures of the electric utility for the deployment of the qualified smart grid system.
- (3) **OBSOLETE EQUIPMENT** – Each State shall consider authorizing any electric utility or other party of the State to deploy a qualified grid system to recover in a timely manner the remaining book-value costs of any equipment rendered obsolete by the deployment of the qualified smart grid system, based on the remaining depreciable life of the obsolete equipment.

## **D. SMART GRID INFORMATION**

- (1) **STANDARD** – All electricity purchasers shall be provided direct access, in written or electronic machine-readable form as appropriate, to information from their electricity provider as provided in subparagraph (2).
- (2) **INFORMATION** – Information provided under this section, to the extent practicable, shall include:
  - i. **PRICES** – Purchasers and other interested persons shall be provided with information on:
    - a. time-based electricity prices in the wholesale electricity market; and
    - b. time-based electricity retail prices or rates that are available to the purchasers.
  - ii. **USAGE** – Purchasers shall be provided with the number of electricity units, expressed in kWh, purchased by them.
  - iii. **INTERVALS AND PROJECTIONS** – Updates of information on prices and usage shall be offered on not less than a daily basis, shall include hourly price and use information, where available, and shall include a day-ahead projection of such price information to the extent available.
  - iv. **SOURCES** – Purchasers and other interested persons shall be provided annually with written information on the sources of the power provided by the utility, to the extent it can be determined, by type of generation, including greenhouse gas emissions associated with each type of generation, for intervals during which such information is available on a cost-effective basis.

- (3) ACCESS – Purchasers shall be able to access their own information at any time through the Internet and on other means of communication elected by that utility for Smart Grid applications. Other interested persons shall be able to access information not specific to any purchaser through the Internet. Information specific to any purchaser shall be provided solely to that purchaser.

The determination whether to adopt these new standards will be made by the Board of Trustees based on consideration of the evidence presented during the proceeding. All evidence shall be in written form submitted to the appropriate contact and in compliance with the procedural schedule. Evidence includes but is not limited to written testimony, analysis or comments regarding the impact that the adoption of the standards would have on the Cooperative. All parties interested in participating in the proceeding should contact Tracy Mowdy at (405) 321-2024 by December 15, 2008 to receive a Request to Participate form. Request to Participate forms are also available in person at our headquarters office located at 242 24<sup>th</sup> Ave NW, Norman, OK 73069.

#### **Procedural Schedule for Consideration Proceeding**

Consideration Process Approval	September Board Meeting
Notice to Members	November OEC News
Request to Participate Deadline	December 15, 2008
Initial Testimony, Analysis or Comments, Etc.	March 2, 2009
Requests for Information and Cross Examination Submitted by	April 1, 2009
Responses to RFI and Cross Examination requests by	April 30, 2009
Rebuttal Testimony, Analysis or Comments, Etc	June 1, 2009
Determination by Board of Directors	June Board Meeting