

**MOUNTAIN VIEW ELECTRIC ASSOCIATION, INC.**  
**NOTICE OF PURPA IMPLEMENTATION**

Issued: April 18, 2008

Mountain View Electric Association, Inc. (hereinafter "MVEA") hereby gives public notice regarding the process to be followed by it in implementing the statutory directives in the Energy Independence and Security Act of 2007 (the "2007 Act"), which amended the Public Utilities Regulatory Policies Act of 1978 (PURPA). The 2007 Act established new Federal standards under Section 111(d) of PURPA, which certain non-regulated electric utilities (including MVEA) are required to consider and to "make a determination whether or not it is appropriate to implement such standard[s]" within certain defined time lines based on evidence collected from interested persons after public notice and hearing.

The four new PURPA standards defined by the 2007 Act which MVEA must consider are set forth below. More information concerning these standards is posted on MVEA's website at [www.mvea.coop](http://www.mvea.coop). Any electric consumer on MVEA's system (referred to hereinafter as "Eligible Participants") not able to access MVEA's web site who desires a copy of the legislative language should contact MVEA by phone in Limon at 719-775-2861 or in Falcon at 719-495-2283, or long distance at 1-800-388-9881, or by mail to: PURPA Hearing Board, Mountain View Electric Association, Inc., P.O. Box 1600, Limon, Colorado 80828-1600, and a copy will be provided for the cost of reproduction.

New PURPA Standards to be Considered

(1) *Integrated Resource Planning*. Each electric utility shall (A) integrate energy efficiency resources into utility plans; and (B) adopt policies establishing cost-effective energy efficiency as a priority resource.

(2) *Rate Design modifications to Promote Energy Efficiency Investments*. (A) 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. (B) POLICY OPTIONS - In complying with subparagraph (A), each 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.

(3) *Consideration of Smart Grid Investments.*(A) IN GENERAL. - Each state shall consider requiring that, prior to undertaking investments in nonadvanced grid technologies, an electric utility of the State demonstrate to the State that the electric 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. (B) RATE RECOVERY. - Each State shall consider authorizing each electric utility of the State to recover from ratepayers any capital, operating expenditures, 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. ( C ) OBSOLETE EQUIPMENT. - Each State shall consider [when] authorizing any electric utility or other party of the State to deploy a qualified smart 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

(4) *Smart Grid Information.* (A) INFORMATION. - All electricity purchasers shall be provided direct access, in written or electronic machine-readable form as appropriate, and to the extent practicable, to the following information from their electricity provider: (I) PRICES. - time-based electricity prices in the wholesale electricity market, and time-based electricity 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; and (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. (B) 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.

Please note that MVEA purchases its full power requirements from Tri-State Generation and Transmission Association, Inc. (hereinafter “Tri-State”) under a long-term full-requirements contract. For this reason, MVEA would not be able on its own to affect certain of the PURPA standards, and its ability to effect aspects of other standards may be limited as well. In addition, the third standard is directed to action by regulatory commissions when reviewing filings by investor owned utilities, and it may not be applicable to cooperative electric associations. Commenters are urged to take such limitations into account when presenting their views.

In order for MVEA to fully consider the views of the Eligible Participants regarding the

standards so that it may determine whether or not it is appropriate to implement such standards, MVEA will follow the basic procedural schedule set forth below. A more complete schedule is included in the Procedural Rules found at MVEA's website at [www.mvea.coop](http://www.mvea.coop).

- Ø Notice – to be posted by May 22, 2008 and mailed to all consumers no later than June 1, 2008
- Ø A pre-hearing conference concerning procedural matters will be held at MVEA's Limon Headquarters on July 17, 2008 and notice to intervene as a Party to the proceedings must be filed by July 24, 2008
- Ø Pre-filed testimony or comments by Parties to the proceeding must be filed by September 30, 2008
- Ø Public Hearing, including opportunity for comment by consumers that are not party to the proceeding will be held on October 21, 2008, commencing at 9:00 a.m., at MVEA's Limon Headquarters; provided, that the hearing may be canceled and the decision will be made solely on the written record if no member of the Association files a Notice of Intervention or a Notice of Intent to Participate by the close of business on October 9, 2008.
- Ø Final Determination – to be rendered on or before December 16, 2008.

The procedures to be followed at the Public Hearing will depend in part on the number of participants (persons espousing the same position(s) are urged to consolidate their presentations), and will be determined by the presiding officer with the goal of ensuring a full and fair record on the issues. It is contemplated that a one-day hearing will be adequate, but if that is not the case, the hearing will continue on ensuing days until completed. The purpose of the hearing is to collect evidence in addition to that found in the written comments; a person need not participate in the hearing for his/her written comments to be considered. A transcript of the Public Hearing will be made and will be posted on MVEA's web site and made available to an Eligible Participant at cost.

*Determination.* The Determination to be made by the MVEA Board of Directors as to whether or not it is appropriate to implement any of the four standards will be in writing, will be based on findings supported by the evidence of record, will be posted on the Cooperative's web site and will be made available for any Eligible Participant at cost.

We urge persons interested in this matter to contact us with any questions as to any of the items discussed above. Thank you in advance for your interest.