

Unapproved Minutes
Board of Directors Meeting
Municipal Energy Agency of Nebraska
Younes Conference Center South – 416 W. Talmadge Rd, Kearney, Nebraska
May 22, 2025 – 9:00 a.m. (CT)

The Board of Directors of the Municipal Energy Agency of Nebraska (MEAN) met Thursday, May 22, 2025, at the Younes Conference Center South, located at 416 W. Talmadge Road, in Kearney, Nebraska, the designated public meeting site. Notice of the meeting was given to board members by e-mail, and the public was advised by publication in print and online in the Lincoln Journal-Star newspaper and website on May 5, 2025. The notice and agenda were posted upon issuance at the NMPP Energy office, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. Meeting information and the current version of the Nebraska Open Meetings Act were made available on NMPP Energy's Public Meeting Information website.

CALL TO ORDER

Chair Tom Ourada called the meeting to order at 9:00 a.m. (CT). Pursuant to Section 84-1412 (8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room and made available to the public.

Roll Call

A quorum was declared with 29 of 56 Directors in attendance:

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| 1. Curt Atkins – Waverly, IA | 16. Grant Jorgensen – Beaver City, NE |
| 2. Kirby Bridge – Alliance, NE | 17. Jeff Kohrs – Nebraska City, NE |
| 3. Bart Brinkman – Shickley, NE | 18. Matt Langhorst – Glenwood Springs, CO |
| 4. Derek Brueggeman – Grant, NE | 19. Andrew Lee – Curtis, NE |
| 5. Cole Langford – Aspen, CO | 20. Bob Lockmon – Stuart, NE |
| 6. Pat Davison – Imperial, NE | 21. Brent Nation – Fort Morgan, CO |
| 7. James DePue – Wray, CO | 22. Tom Ourada – Crete, NE |
| 8. Chris DesPlanques – Indianola, IA | 23. John Prettyman – Yuma, CO |
| 9. Will Dowis – Gunnison, CO | 24. Todd Rust – Chappell, NE |
| 10. Nathan Francis – Fairbury, NE (arrived at 9:05) | 25. Adam Suppes – Delta, CO |
| 11. Tom Goulette – West Point, NE | 26. Jeremy Tarr – Plainview, NE |
| 12. Glen Gralheer – Pender, NE | 27. Blake Waldow – Broken Bow, NE |
| 13. Bill Hinton – Kimball, NE | 28. Mark Wickard – Bridgeport, NE |
| 14. Duane Hoffman – Oxford, NE | 29. Randy Woldt – Wisner, NE |
| 15. Nate James – Morrill, NE | |

Board Members not in attendance: Chad Anderson – Pierce, NE; Keith Beck – Fleming, CO; Rod Brestel – Callaway, NE; Trevor Campbell – Falls City, NE; Aaron Caplan – Lyons, CO; Ron Carpenter – Haxtun, CO; CJ Duncan – Basin, WY; Larry Edgar – Blue Hill, NE; Tory Edwards – Arnold, NE; Larry Farley – Denver, IA; Kevin Fowlkes – Bayard, NE; Bernard Gagne – Oak Creek, CO; Sandra Hendren – Mitchell, NE; Gene Horne – Red Cloud, NE; Andrea Johnson – Sergeant Bluff, IA; Paul Lopez – Center, CO; Deven Markley – Carlisle, IA; Rhonda Martin – Breda, IA; Greg Nein – Julesburg, CO; Mike Palmer – Sidney, NE; Domingo Palomo – Gering, NE; Jeff Pohl – Burwell, NE; Kim Robb – Lyman, NE; Chris Rodman – Wall Lake, IA; Tim Smith – Benkelman, NE; Dallas Thomas – Ansley, NE; and Dana Youtz – Torrington, WY

Others in attendance: Ron Doggett, Mike Kalkwarf, Doug Linton, Erin Loughlin, Greg Pariset, Pete Rice, and John Rundel

NMPP staff in attendance: Beth Ackland, Aidan Beckman, Matt Edwards, Brad Hans, Stacy Hendricks, Joe Hobelman, Nathan Horrell, Kara Hunt, Orianna Jia, Jamie Johnson, Jill Jones, Sarah Jones, Kyle Kaldahl, Nicole Kubik, Michelle Lepin, Michael Maas, Maggie Miseno, Bob Poehling, Matt Reed, David Russell, and Kevin Wickham.

PUBLIC COMMENT PERIOD

The Public Comment Period was announced, and a review of the rules applicable to the public participation process at MEAN public meetings was provided. There were no public comments.

REPORTS

Bob Poehling, Executive Director/CEO A staffing update was presented, the current administration's impact on the energy industry after the first one hundred days in office, and the wholesale electric rate increase approved by the MEAN Board of Directors in January was discussed.

Brad Hans, Director of Wholesale Electric Operations reported on resource adequacy; MEAN staffing and assessing the impact of changes and Planning Reserve Margins (PRM), and Regional Transmission Organization Expansion (RTOE) Activity Levels.

CONSENT AGENDA

Minutes

Minutes of the January 23, 2025, meeting were previously distributed and included as Attachment A of the meeting packet. There were no changes to the minutes.

Next Meeting

The next meeting of the MEAN Board of Directors will be held on August 21, 2025, at the Younes Conference Center South, located at 416 W. Talmadge Road, in Kearney, Nebraska.

2025 Summer Season Load and Capability Report

Detailed information was previously distributed in the meeting packet for the Board's review.

Financial Report

A summary of MEAN's preliminary fiscal year 2024-2025 financial report, which included results for MEAN and the NMPP Energy organizations; an analysis of MEAN's balance sheet; cash and investments; and fiscal year-to-date operating results was presented. MEAN financials for December 2024 and January and February 2025 were previously distributed. A copy of the Pre-Audit Communication Letter from Forvis Mazars was included as Attachment B of the meeting packet and was summarized at the meeting.

Consent Resolution

Motion: Tom Goulette moved to approve the following consent resolution. Jeremy Tarr seconded the motion, which carried on a 27-1-0 roll call vote. (Randy Woldt did not vote)

Yays: Curt Atkins, Kirby Bridge, Bart Brinkman, Derek Brueggeman, Pat Davison, James DePue, Chris DesPlanques, Will Dowis, Nathan Francis, Tom Goulette, Glen Gralheer, Bill Hinton, Duane Hoffman, Nate James, Grant Jorgensen, Jeff Kohrs, Cole Langford, Matt Langhorst, Andrew Lee, Bob Lockmon, Brent Nation, Tom Ourada, John Prettyman, Adam Suppes, Jeremy Tarr, Blake Waldow, and Mark Wickard

Nays: Todd Rust

Abstain: None

MEAN BOARD OF DIRECTORS CONSENT RESOLUTION

WHEREAS, certain business of the Board of Directors of the Municipal Energy Agency of Nebraska (MEAN) transpires on a regular and routine basis or is not of a controversial nature; and,

WHEREAS, roll call votes on each individual issue greatly extended the meeting time.

NOW, THEREFORE, BE IT RESOLVED BY THE MEAN Board of Directors that in the interest of economizing time, yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the minutes of the January 23, 2025 meeting are hereby approved; and

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the next meeting will be held on Thursday, August 21, 2025 at the Younes Conference Center South, 416 W Talmadge Rd., Kearney, Nebraska; and

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the 2025 Summer Season Load and Capability Report is hereby approved; and

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the financial statements for December 2024, and January, and February 2025 are hereby accepted; and the preliminary year-end financial statements ending March 31, 2025 are hereby accepted; and

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the pre-audit communication letter is hereby accepted.

RATES AND CHARGES TASK FORCE ESTABLISHMENT AND ASSOCIATED SCOPE DOCUMENT*

Presenter: Michelle Lepin, General Counsel

Staff presented an overview of a proposed new Rates and Charges Task Force. The purpose of the task force will be to recommend rates and charges applicable to one or more of the types of contracts MEAN offers to participants. Establishing a task force will allow for a thorough review of rates and charges and more opportunity for discussion. The task force will be advisory only and will report directly to the Board. The proposed Rates and Charges Task Force Scope document was previously distributed and included as Attachment C of the meeting packet.

Motion: Duane Hoffman moved to approve the following resolution. Andrew Lee seconded the motion, which carried unanimously on a roll call vote. (Grant Jorgensen and Jeremy Tarr did not vote)

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, MEAN provides wholesale power and related services to various participating municipalities and utilities and collects rates and charges related to such services; and

WHEREAS, the MEAN Board of Directors finds it appropriate to review the rates and charges applicable to one or more of the types of contracts MEAN offers to participants; and

WHEREAS, the MEAN Board of Directors desires to create a rates and charges task force (the “Rates and Charges Task Force”) to review and recommend changes to such rates and charges; and

WHEREAS, the proposed scope of the Rates and Charges Task Force, including its composition, responsibilities, voting rights, quorum, and other aspects, has been delivered to the members of the MEAN Board of Directors (the “Rates and Charges Task Force Scope”).

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors, that the Board hereby establishes a Rates and Charges Task Force, which shall have the composition, responsibilities, and hold meetings and report to the Board as established in the Rates and Charges Task Force Scope, which is hereby approved as presented, effective May 22, 2025.

MEAN CHARTER AMENDMENT – CITY OF HOLYOKE, COLORADO*

Presenter: Michelle Lepin, General Counsel

The City of Holyoke, Colorado has requested to join as a participating municipality on the MEAN Board of Directors. The City has been a total requirements participant of MEAN since 1994.

Motion: Mark Wickard moved to approve the following resolution. Brent Nation seconded the motion, which carried unanimously on a roll call vote. (Grant Jorgensen and Nathan Francis did not vote)

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the City of Holyoke, Colorado, intends to adopt or has adopted an ordinance to become a member of MEAN and serve on the MEAN Board of Directors; and,

WHEREAS, following approval by the MEAN Board of Directors and the City of Holyoke, Colorado’s ordinance, a petition to amend the Petition for Creation and MEAN’s Charter to provide for the addition of the City of Holyoke will be submitted to the Nebraska Power Review Board for final approval.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that staff is authorized to do all things necessary to file a petition to amend the Petition for Creation and MEAN’s Charter to add the City of Holyoke, Colorado, as a participating municipality, update the list of directors serving on the MEAN Board of Directors, and submit the petition to the Nebraska Power Review Board, and the agency’s legal counsel is authorized to make any grammatical or non- substantive changes to the language in the Charter amendment application that are necessary to effectuate the purposes of this resolution.

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the City of Holyoke, Colorado, be accepted as a participating municipality of MEAN, subject to the adoption of an ordinance by the City of Holyoke, Colorado to become a Member of MEAN, receipt of all necessary documents from the City of Holyoke, Colorado, and approval by the Nebraska Power Review Board.

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the Board determines the proposed amendment to the MEAN Charter is in compliance with the statutory requirement set forth in the Municipal Cooperative Financing Act, Nebraska Revised Statutes Section 18-2433, that plants, systems, and works, the operation of the same, the exercise of powers, and the assumptions of duties and responsibilities of, or on the part of, such agency, do not nullify, conflict with, or materially

affect those of any other district or a corporation organized under the provisions of Chapter 70, article 6 or 8 or the Electric Cooperative Corporation Act, or those of any part of such district or corporation.

INTEGRATED RESOURCE PLAN – PROCESS OVERVIEW

Presenter: Nathan Horrell, Manager of Resources Planning & Transmission

An overview of the Integrated Resource Plan (IRP) process, background, and a timeline was presented and included what is an IRP, why it is required, what it must include, and when it is due. During phase I, stakeholder surveys will be sent to MEAN communities to assist in defining goals and to gather data for resource planning. Economic modeling and resource evaluation will take place in phase II. Public participation is encouraged throughout the entire process.

COMMITTEE REPORTS AND RECOMMENDATIONS

The MEAN Power Supply, Services, Risk Oversight, and Finance Committees met on Wednesday, May 21, 2025.

Power Supply Committee

Presenter: Brad Hans, Director of Wholesale Electric Operations

Meeting Summary. A summary of topics discussed at the May 21, 2025, committee meeting was presented and included resource adequacy, battery storage and wind and solar project updates.

Expected changes in load and resources over the next ten years, changes to the regulatory environment, Effective Load Carrying Capability (ELCC), rising winter Planning Reserve Margin (PRM) requirements, and a new construct with Regional Transmission Organization (RTO) expansion into the West was discussed.

An update on the Kilgore Wind Project, a 53MW Wind Farm located near Valentine, Nebraska was presented. The project is progressing with an estimated Commercial Operation Date (COD) during the 4th quarter of 2026. The MEAN Board in May 2024 approved the purchase of capacity and energy from this Project.

A battery storage policy is in development following discussions with inquiring member communities.

Status updates were presented for multiple solar generating projects including:

- Rolling Prairie, a 250 MW solar project in Cass County, Nebraska with an anticipated COD in the 3rd quarter of 2028
- Next steps for the 40 MW Solar project near Sidney, Nebraska
- Raceway Solar, a 7 MW solar project on Fort Morgan, Colorado's distribution system, the output of which project was approved to be purchased by MEAN by the MEAN Board of Directors in January 2024. The project construction will begin in November of 2025 with an expected COD of June 2026
- Updates on sixteen MEAN Contracted and Community Solar projects

Asset Management Policies and Procedures Modifications*

A summary of proposed modifications to the Asset Management Policies and Procedures (AMPP) included three new provisions; to ensure MEAN has telemetry data access, stating participants are responsible for communication of telemetry data, and clarifying that the AMPP applies to total requirements participants only. Updates to existing provisions included general housekeeping changes

and updating language to allow constructive notice of member termination of lease without formal written notice.

At its May 21, 2025, meeting the Power Supply Committee recommended the MEAN Board of Directors approve the proposed modifications as presented and as shown in the redlined copy of the AMPP that was included as Attachment D of the meeting packet. Discussion ensued.

Motion: Adam Suppes moved to approve the following resolution. Matt Langhorst seconded the motion, which carried unanimously on a roll call vote. (Grant Jorgensen and Nathan Francis did not vote)

MEAN BOARD OF DIRECTORS RESOLUTION

BE IT RESOLVED BY the MEAN Board of Directors that the modifications to the Asset Management Policies and Procedures are approved as presented.

MEAN 2030 Clean Energy Plan for Colorado*

Presenter: Aidan Beckman, Staff Attorney

A summary of Clean Energy Plan requirements for wholesale power marketers in Colorado and its timeline was presented. The Clean Energy Plan was filed by MEAN on May 24, 2024 to the Colorado Department of Public Health and Environment Division of Administration. The Plan was modified slightly by, and verified by, the Colorado Department of Public Health and Environment on March 19, 2025. C.R.S. § 25-7-105(1)(e)(VIII.2) requires approval of the Plan by the MEAN Board of Directors and that it be filed with the Colorado Public Utilities Commission on or before June 4, 2025. A copy of the Plan as verified was included as Attachment E of the meeting packet.

At its May 21, 2025, meeting, the Power Supply Committee recommended the Board approve the Clean Energy Plan as verified by the Colorado Department of Public Health and Environment on March 19, 2025.

Motion: Brent Nation moved to approve the following resolution. James DePue seconded the motion, which carried 25-1-0 on a roll call vote. (Derek Brueggeman, Todd Rust, and Blake Waldow did not vote)

Ayes: Curt Atkins, Kirby Bridge, Bart Brinkman, Pat Davison, James DePue, Chris DesPlanques, Will Dowis, Nathan Francis, Tom Goulette, Glen Gralheer, Bill Hinton, Duane Hoffman, Nate James, Grant Jorgensen, Jeff Kohrs, Cole Langford, Matt Langhorst, Andrew Lee, Bob Lockmon, Brent Nation, Tom Ourada, John Prettyman, Adam Suppes, Jeremy Tarr, and Randy Woldt

Nayes: Mark Wickard

Abstain: None

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Colorado General Assembly enacted Senate Bill 23-198, requiring wholesale power marketers operating in Colorado to file a Clean Energy Plan with the Colorado Department of Public Health and Environment Division of Administration and the Colorado Public Utilities Commission to reduce the wholesale power marketer's greenhouse gas emissions caused by the wholesale power marketer's electricity sales in Colorado and to achieve at least an eighty percent

(80%) reduction in greenhouse gas emissions caused by the entity's Colorado electricity sales by 2030 relative to 2005 levels; and

WHEREAS, the Municipal Energy Agency of Nebraska (MEAN) filed a Clean Energy Plan with the Colorado Department of Public Health and Environment on May 24, 2024, and subsequently filed minor updates based on the feedback from the Colorado Department of Public Health and Environment during the verification process; and

WHEREAS, the modified Clean Energy Plan was verified by the Colorado Department of Public Health and Environment on March 19, 2025; and

WHEREAS, the MEAN Board of Directors desires to approve the Clean Energy Plan as verified by the Colorado Department of Public Health and Environment on March 19, 2025.

NOW THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that the Clean Energy Plan as verified by the Colorado Department of Public Health and Environment on March 19, 2025 is hereby approved.

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that staff is hereby authorized and directed to file the approved Clean Energy Plan with the Colorado Public Utilities Commission.

City of Pierce, Nebraska, Solar Total Requirements Participant (TRP) Resource under MEAN Renewable Distributed Generation Policy*

Ten MEAN communities participated in a competitive bidding process in 2021 to receive competitive bids on installing community solar for each community under the 5% cap outlined in the Renewable Distributed Generation Policy. The project increased in scope to include over sixteen communities, each within their 5% cap.

Due to logistics of a combined site, installation challenges, and being a remote location on another Transmission Provider's system, Denver, IA is considering assigning its agreement with Sandhills Energy for 375 kW of solar in Stuart, NE that was set up for Denver, IA to be the off taker. The City of Pierce, Nebraska expressed interest in proceeding with an assignment of the power purchase agreement to offtake from that resource should Denver be unable to, which will require MEAN's approval of the TRP Resource for the City of Pierce.

At its May 21, 2025, meeting, the Power Supply Committee recommended the Board determine the power purchase agreement meets the criteria as a Total Requirements Participant (TRP) Resource under the MEAN Renewable Distributed Generation Policy for the City of Pierce, NE.

Motion: Andrew Lee moved to approve the following resolution. Brent Nation seconded the motion, which carried unanimously on a roll call vote.

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the MEAN Board of Directors adopted a Renewable Distributed Generation Policy (the "DG Policy"); and

WHEREAS, the DG Policy allows MEAN Total Requirements Participants to utilize the electrical output from certain qualifying behind the meter renewable generators, which may include certain

qualifying purchases under power purchase agreements, to offset a specified portion of the Total Requirements Participant's energy purchases from MEAN; and

WHEREAS, such qualifying behind the meter renewable generators and qualifying purchases under power purchase agreements (each defined as a "TRP Resource" in the DG Policy) are subject to approval by the MEAN Board of Directors; and

WHEREAS, certain MEAN total requirements participant communities either participated in a Request for Proposals process facilitated by MEAN on behalf of certain Total Requirements Participants for TRP Resources, or subsequently expressed interest in considering participation in such a TRP Resource, and may elect to proceed with the power purchase agreement, which will require MEAN's approval of the TRP Resource; and

WHEREAS, for the TRP Resource which is the subject of this Resolution, MEAN desires to waive the DG Policy requirement that the Total Requirements Participant submit an application for the TRP Resource since MEAN facilitated the Request for Proposals process.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that the following project meets the criteria as a TRP Resource subject to the DG Policy, contingent upon the Total Requirements Participant accepting the power purchase agreement and providing all necessary documentation to MEAN for the project listed below:

Photovoltaic Facility (via power purchase agreement) – size AC:

Pierce, Nebraska – 1,007,876 kWh photovoltaic facility (via power purchase agreement)

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the Board waives the DG Policy requirement that the Total Requirements Participant submit an application for the TRP Resource approved in this Resolution.

City of Denver, Iowa, Assignment of Solar Power Purchase Agreement to MEAN, and Related Solar Power Purchase Agreement with Sandhills Energy*

At its May 21, 2025 meeting the MEAN Power Supply Committee recommended the Board approve for MEAN to enter into an agreement with Sandhills Energy for MEAN to purchase output from solar generation installed in the participating MEAN community of Stuart, Nebraska, if the City of Pierce, Nebraska opts not to purchase such output.

Motion: Tom Goulette moved to approve the following resolution. Duane Hoffman seconded the motion, which carried unanimously on a roll call vote (Nathan Francis did not vote).

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Municipal Energy Agency of Nebraska (MEAN) desires to purchase additional renewable energy and associated capacity from Sandhills Energy to meet MEAN's 2050 Vision for carbon neutrality; and

WHEREAS, MEAN is exploring options to accept assignment from the City of Denver, Iowa (City) of the City's Solar Power Purchase Agreement with Sandhills Energy (Denver Solar PPA), under which the City agreed to purchase a total of approximately 375 kW of capacity and energy from the solar resource to be owned by SE Municipal Solar, LLC and located on the distribution system of one of MEAN's participating communities, the City of Stuart, Nebraska (Solar

Project in Stuart).

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that the Executive Director is hereby authorized to negotiate and execute the necessary agreements under which MEAN will accept assignment and assume all obligations of the City under the Denver Solar PPA, to effectuate the transaction as presented, subject to final legal and management review.

BE IT FURTHER RESOLVED BY the MEAN Board of Directors that the Executive Director is hereby authorized to negotiate and execute an agreement with Sandhills Energy under which MEAN will amend and restate the Denver Solar PPA to utilize a form of agreement similar to those executed by MEAN and Sandhills Energy for solar projects currently in development by Sandhills Energy, subject to final legal and management review.

BE IT FURTHER RESOLVED BY the MEAN Board of Directors, that the Executive Director of MEAN is hereby authorized to do any and all things and to execute and deliver any and all documents which he deems necessary or advisable in order to consummate the execution and delivery of such agreements. Notwithstanding any provision of this Resolution authorizing the Executive Director to take any action or execute any document to the contrary, in the absence of the Executive Director or in lieu of the Executive Director, the person designated in writing by the Executive Director, may take such action or execute such document with like effect as fully as though named in this Resolution instead of the Executive Director.

City of Scribner, Nebraska Southwest Power Pool (SPP) Market Assistance Agreement*

MEAN entered into an agreement to provide SPP Market Assistance to the City of Scribner, Nebraska on January 1, 2020. An extension to the original agreement expires on June 30, 2025, and the city has chosen to move forward with a modernized SPP Market Assistance Agreement beginning on July 1, 2025. The new agreement will supersede the old agreement.

At its May 21, 2025 meeting the MEAN Power Supply Committee recommended the Board approve the modernized SPP Market Assistance Agreement with the City of Scribner, Nebraska for the five-year term from July 1, 2025 to June 30, 2030.

Motion: Randy Woldt moved to approve the following resolution. Andrew Lee seconded the motion, which carried unanimously on a roll call vote (Derek Brueggeman and Nathan Francis did not vote).

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Agreement Regarding SPP Market Assistance between the Municipal Energy Agency of Nebraska (MEAN) and the City of Scribner, Nebraska, is scheduled to expire on June 30, 2025, and

WHEREAS, MEAN staff has prepared a modernized SPP Market Assistance Agreement to facilitate the marketing of the City of Scribner's load in the Southwest Power Pool Market, to serve as transmission agent for the City of Scribner and to provide certain related services, and

WHEREAS, the City of Scribner, Nebraska, signed the modernized SPP Market Assistance Agreement on April 1, 2025.

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Board of Directors that the SPP Market Assistance Agreement is hereby approved.

BE IT FURTHER RESOLVED BY the MEAN Board of Directors, that the Executive Director of MEAN is hereby authorized to do any and all things and to execute and deliver any and all documents which he deems necessary or advisable in order to consummate the execution and delivery of such agreement. Notwithstanding any provision of this Resolution authorizing the Executive Director to take any action or execute any document to the contrary, in the absence of the Executive Director or in lieu of the Executive Director, the person designated in writing by the Executive Director, may take such action or execute such document with like effect as fully as though named in this Resolution instead of the Executive Director.

The MEAN Board of Directors recessed for a break at 10:10 a.m. The meeting resumed at 10:35 a.m.

Risk Oversight Committee

Presenter: Sarah Jones, Director of Corporate Services

Meeting Summary. The Risk Oversight Committee lacked a voting quorum at its May 21, 2025 meeting and therefore did not meet.

Services Committee

Presenter: Brad Hans, Director of Wholesale Electric Operations

Meeting Summary. A summary of the items discussed at the May 21, 2025, meeting was presented including a discussion on potential shared distribution services, the status of the Department of Energy (DOE) Rural and Municipal Cybersecurity Grant program, a new SCADA communication service and an overview of the new Master Services Agreement under development by MEAN.

Potential options for shared distribution services included Contractor/3rd Party, Nebraska Public Power District (NPPD), Joint Action Agency (JAA) Model, and Multi-Community with a MEAN employee as Lead Lineman or Project Coordinator.

MEAN was notified in March that the Cyber Security Grant funding would be indefinitely delayed. Pricing models are being developed to determine what the program would cost for MEAN to provide the services without grant funding.

MEAN has developed a new SCADA communication service to ensure secure, reliable, and efficient data transmission for energy facilities. The service is currently being used by Sandhills Energy to communicate real-time data to WAPA. The service was designed to support member communities and their communication needs and is scalable.

Finance Committee

Presenter: Jamie Johnson, Director of Finance and Accounting

Meeting Summary. The Finance Committee lacked quorum at its May 15, 2025 meeting. The Board was presented a summary of items discussed at the May 21, 2025, meeting that included:

Considerations related to Preliminary Fiscal Year 2024 – 2025 Financial Results*

A review of the fiscal year 2024-2025 Coverage Analysis, Energy Analysis, Fixed Cost Recovery Charge (FCRC) Analysis, and Year-End Cash Reserves was presented. Preliminary results from the Energy Charge and FCRC Analysis were favorable due to favorable market activity, an insurance payout related to an event in June of 2024, and a decrease in capital projects and favorable true ups. The preliminary change in unrestricted funds for the year exclusive of timing variances is approximately \$5.2 million.

The preliminary net revenue for the Fiscal Year ended March 31, 2025, is approximately \$7.6 million. Preliminary net revenue includes the transfer from the Rate Stabilization Account of \$1.0 million from the Fixed Costs component which was included in the Fiscal Year 2024-2025 approved budget. A review of the Rate Stabilization – Reserve Minimum, Operating Fund Minimum and Total Cash Reserve Minimums set by the MEAN Board of Directors was presented. Preliminary year-end results show underfunding of \$2.5M in Rate Stabilization – Reserve component based on the approved 2025-2026 fiscal year budget.

At its May 21, 2025 meeting the MEAN Finance Committee recommended the Board approve the transfer of \$2.5 million of revenues into the Reserve component of MEAN's Rate Stabilization Fund.

Motion: Kirby Bridge moved to approve the following resolution. Matt Langhorst seconded the motion, which carried unanimously on a roll call vote. (Bill Hinton did not vote)

MEAN BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Municipal Energy Agency of Nebraska ("MEAN") Financial and Administrative Policies and Guidelines establish various components of the Rate Stabilization Fund to facilitate tracking of the accumulation of and intended use of funds; and,

WHEREAS, the approved budget for Fiscal Year 2024-2025 includes a transfer of \$1.0 million from the Fixed Costs component of the Rate Stabilization Fund into revenues; and,

WHEREAS, the approved budget for Fiscal Year 2025-2026 shows an underfunding of the Reserve component of MEAN's Rate Stabilization Fund of approximately \$2.5 million when compared to the funding goal in MEAN's Financial and Administrative Policies and Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the MEAN Board of Directors that the Board hereby finds, determines and declares that the MEAN Board of Directors maintain the budgeted transfer of \$1.0 million from the Fixed Costs component of the Rate Stabilization Fund into revenues and approves the transfer of \$2.5 million of revenues for the Fiscal Year ended March 31, 2025 into the Reserve component of MEAN's Rate Stabilization Fund as of March 31, 2025 to meet the Reserve component funding goal in accordance with MEAN's Financial and Administrative Policies and Guidelines.

UPDATES AND REPORTS

Market & Operations

Presenter: Brad Hans, Director of Wholesale Electric Operations

A summary of MEAN Load Locational Marginal Prices (LMPs) for 2024 versus 2025, WECC: Mid_C, Palo Verde, and Natural Gas forward curve pricing and an update on the Southwest Power Pool (SPP) Regional Transmission Organization Expansion (RTOE) timeline was presented.

Western Area Power Administration (WAPA)

Presenter: Nicole Kubik, Member Relations Representative

WAPA updates were presented on Upper Great Plains (UGP), Loveland Area Projects (LAP), Colorado River Storage Project (CRSP), and Salt Lake City Area (SLCA).

WAPA's efforts are still underway to determine if customers may sell allocated federal hydropower Renewable Energy Certificates (RECs). WAPA does not think there will be any impacts to the RTOE project as a result of staffing terminations and departures. Hydropower legislation is currently before both the House and the Senate.

LEGISLATIVE UPDATE

Presenter: Kara Hunt, Information Governance Project Manager

An update on the status of the following legislative bills MEAN is following in Nebraska, Colorado, and Iowa was presented:

- Nebraska: LB526 passed on final reading and LB548 was placed on General file with a committee amendment. The Nebraska legislative session is scheduled to end on June 9th.
- Colorado: The last day of the Colorado legislative session was May 7th. The 2040 Clean Energy Plan bill was not submitted this legislative session, and HB1286 is indefinitely postponed. HB1053, HB1040, SB023, and SB068 were passed and signed by the governor.
- Iowa: An update was presented on the Iowa governor's comprehensive energy bill including what it does and why it matters to MEAN Communities. The bill did not move further this session.

Representatives were encouraged to utilize the legislative bill tracking system on the NMPP Energy website at www.nmppenergy.org/nmpp-energy-legislative-bill-tracker.

GENERAL COUNSEL REPORT – CONTRACTS AND LEGAL UPDATES

Presenter: Michelle Lepin, General Counsel

Information regarding the following agreements was included in the meeting packet.

| Other Party | Agreement Name |
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| SE Municipal Solar, LLC | SCADA Service Provider Agreement |
| SE Municipal Solar, LLC | Statement of Work #1 (SOW #1) to SCADA Service Provider Agreement (Sandhills Energy Sidney Solar facility) |
| SE Municipal Solar, LLC | Statement of Work #2 (SOW #2) to SCADA Service Provider Agreement (Sandhills Energy Gering Solar facility) |
| SE Municipal Solar, LLC | Statement of Work #4 (Amends and Restates SOW #2) to SCADA Service Provider Agreement (Sandhills Energy Gering Solar facility) |
| Black Hills Power, Basin Elec., Powder River Energy Corp. | Service Agreement for Firm Point-to-Point Transmission Service (15 MW from Wyodak 230 kV bus to Stegall West 230 kV bus) (for Black Hills PPA) |
| Central Nebraska Public Power and Irrigation District (CNPPID) | Acknowledgement under SPP Market Assistance Agreement (Includes Temporary Scheduling Procedures - Jeffrey) |
| The Energy Authority, Inc. (TEA) | Amendment No. 1 to Fourth Amended and Restated Task Order 1 to Resource Management Agreement (Portfolio Management, Regional Transmission Organization (RTO) Market Management and Trading, and Bilateral Trading Services) |

| Other Party | Agreement Name |
|--|---|
| The Energy Authority, Inc. (TEA) | Task Order 7 to Resource Management Agreement (SPP RTO West Onboarding) (RTOE) |
| MidAmerican Energy Company | JOU Confirmation Letter to Market Services Agreement (Walter Scott Unit 4 and Louisa share) 2025-2026 |
| Black Hills Wyoming, LLC; Liberty Mutual Insurance Company | Wygen I Reimbursement and Payment Bond (renewal of bond #6621399) 2025 |
| Western States Power Corporation | FY-2025 Participation in Loveland Area Projects (LAP) Member Financing for Reclamation's Supplemental Funding |
| Southwest Power Pool, Inc. (SPP) | Service Agreement #1906R19 for Network Integration Transmission Service (main NITSA) |
| Midcontinent Independent System Operator, Inc. (MISO) | Transaction Specification Sheet for Network Integration Transmission Service (Lake View, IA), Study AREF#105055107 (WAPA allocation as DNR) |
| Midcontinent Independent System Operator, Inc. (MISO) | Transaction Specification Sheet for Network Integration Transmission Service (Lake View, IA), Study #105055059 (WSEC4 as DNR) |
| M-Files Inc. | M-Files Agreement (software license) |
| Center, CO, WAPA | Contract No. 24-SLC-1333 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Fort Morgan, CO, WAPA | Contract No. 24-SLC-1334 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Holyoke, CO, WAPA | Contract No. 24-SLC-1335 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Wray, CO, WAPA | Contract No. 24-SLC-1336 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Aspen, CO, WAPA | Contract No. 24-SLC-1346 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Delta, CO, WAPA | Contract No. 24-SLC-1347 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Fleming, CO, WAPA | Contract No. 24-SLC-1348 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Glenwood Springs, CO, WAPA | Contract No. 24-SLC-1349 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Gunnison, CO, WAPA | Contract No. 24-SLC-1350 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Haxtun, CO, WAPA | Contract No. 24-SLC-1351 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Oak Creek, CO, WAPA | Contract No. 24-SLC-1352 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |
| Torrington, WY, WAPA | Contract No. 24-SLC-1353 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |

| Other Party | Agreement Name |
|----------------|---|
| Yuma, CO, WAPA | Contract No. 24-SLC-1354 for Purchasing and Scheduling Agent Services (for SLCA FES allocation) |

Legal and Regulatory Report:

Recent changes to Chapter 70 affecting electric suppliers in Nebraska due to the passage of LB 43 in the Nebraska Legislature was presented. The definition of military installation was clarified and will affect member communities within a ten-mile radius of Offutt Airforce Base or a missile silo. LB43 contained an emergency clause and took effect February 26, 2025, after it was signed by the Governor.

The Nebraska Open Meetings Act is expected to be updated again this year in the Nebraska Legislature to add back language that was inadvertently removed last year by a prior legislative bill.

CLOSING COMMENTS

Bob Poehling reviewed future 2025 MEAN meeting dates. The next MEAN Committee and Board of Directors meetings are scheduled for August 20-21, 2025, in Kearney, Nebraska. The MEAN Finance Committee will be meeting virtually on October 22, 2025.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:37 a.m.

Prepared by:
Stacy Hendricks
Municipal Energy Agency of Nebraska

Submitted by:
Chris DesPlanques
Secretary/Treasurer
MEAN Board of Directors

Attachment: AMPP (Approved 5.22.2025)


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The Municipal Energy Agency of Nebraska (MEAN) has set forth written documentation of the policies and procedures regarding total requirements participant (Participant) generation and electric systems. This Asset Management Policies and Procedures (AMPP) document incorporates the established Electrical Resources Pooling Agreement (ERPA) policies and procedures that MEAN has been following over the years as well as new policies and procedures approved by the Management Committee or the MEAN Board of Directors (Board) from time to time. This document shall serve as part of the “policies and procedures” and “rules and regulations” which may be authorized by, and made pursuant to, the agreement between MEAN and the Participant, including without limitation the MEAN General Terms and Conditions of Service. Effective August 15, 2019, the Management Committee delegated its duties and assigned its rights to the Board. Accordingly, references in this document to matters to be determined by, or actions to be taken by, the Management Committee have been updated to refer to the Board. In the performance of services under these policies and procedures, staff which provide services to and on behalf of MEAN (MEAN Staff) are officially employed by the Nebraska Municipal Power Pool (NMPP) and are utilized by MEAN through a Joint Operating Committee Agreement.


I. NON-LEASED GENERATION

- A. Participants that have local generation **not** leased to MEAN must comply with and are permitted to generate in accordance with the then-current Unit Generating Procedure (Unit Generating Procedure). A current copy of the Unit Generating Procedure is attached hereto as Appendix A. The Unit Generating Procedure may be modified from time to time in the discretion of MEAN Staff, and an updated copy will be provided to all applicable Participants. Participants may request to exercise from time to time other than the pre-determined scheduled exercises in accordance with the Unit Generating Procedure, subject to all applicable Standards. “Standards” as used in these Asset Management Policies and Procedures shall mean the then-current laws, ordinances, orders, rules, regulations, tariffs, policies, protocols, business practices, criteria, and standards including but not limited to those Standards adopted at the local, state, regional, or federal level by a transmission system or energy or capacity market utilized to market or transmit the output from Participant’s generating units, or by Midcontinent Independent System Operator (MISO), Southwest Power Pool (SPP), Midwest Reliability Organization (MRO), Western Electricity Coordinating Council WECC), North American Electric Reliability Corporation (NERC), Federal Energy Regulatory Commission (FERC), Environmental Protection Agency (EPA), a state department of environmental quality, natural resources,

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environment and energy, or public health and environment, a state utilities board, public utilities commission, power review board, or public service commission, MEAN, or other third party or governmental entity asserting jurisdiction.

1. Compensation:
 - a. The non-leasing Participant will be compensated for energy production as set forth in Article VII, Section M below. The compensation provided for herein is subject to the generation meeting all other applicable requirements set forth in these Asset Management Policies and Procedures or established from time to time by the Board.
 - b. MEAN will add back to the non-leasing Participant's total load calculation the hourly energy production provided during generation to ensure proper billing of monthly peak demand and energy. To the extent required by applicable Tariff(s), MEAN also will add back to the Participant's total load calculation the hourly energy production provided during generation, to ensure proper billing of network transmission.
 - c. In the event the non-leasing Participant does not timely and properly provide advance notice of its intent to operate, as outlined in the Unit Generating Procedure, even during emergencies, the non-leasing Participant will **not** be compensated. In such event, the non-leasing Participant may be responsible for all resulting charges and penalties assessed by a third party, including without limitation a transmission provider, Balancing Authority, market operator, reliability coordinator, regional transmission organization (RTO) or independent system operator (ISO), arising out of the failure to timely and properly notify MEAN. "Balancing Authority" as used in these Asset Management Policies and Procedures shall have the same meaning as that term is used in the NERC Glossary of Terms Used in NERC Reliability Standards.
2. All provisions of these Asset Management Policies and Procedures shall apply to non-leasing Participants except for the following Articles which


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are applicable only to leased generation: VI, VII (except that the summary table provisions regarding non-leased generation shall apply), VIII, X, XIII, XIV, XV.

- B. MEAN-Owned or MEAN-Contracted Distributed Generation Interconnected with a Participant's Distribution System. Staff is authorized to develop criteria for MEAN's evaluation and selection of sites for MEAN-owned and MEAN-contracted generating units to be interconnected with a Participant's distribution system. MEAN shall at all times remain responsible for compensating the third party for electrical output of such generation on a site selected by MEAN. Compensation to the Participant for any use of lands or systems owned by the Participant will be negotiated on a case-by-case basis between MEAN and the Participant and set forth in a separate agreement between the parties.
 - 1. MEAN will add back to the non-leasing Participant's total load calculation the hourly energy production provided during generation to ensure proper billing of monthly peak demand and energy. To the extent required by applicable Tariff(s), MEAN also will add back to the Participant's total load calculation the hourly energy production provided during generation, to ensure proper billing of network transmission.
 - 2. Metering: It is MEAN's responsibility to install and maintain or cause to be installed and maintained, revenue quality metering equipment, or make alternative arrangements for data sharing, that can measure the gross and net output of the unit(s) on an hourly interval.


II. MEAN'S REGISTRATION WITH NERC

- A. MEAN is currently registered with NERC in the MRO and the WECC regions as a Resource Planner (RP). MEAN must comply with or demonstrate non-applicability with all FERC approved reliability standards that are applicable to this function. MEAN's NERC responsibilities do not extend beyond the requirements of the RP function. All other NERC requirements are retained by the Participant.
- B. To demonstrate compliance with, or non-applicability with, all FERC-approved reliability standards in MEAN's RP function, MEAN will prepare planning and operating studies or other reports, as appropriate.

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III. INTEGRATED RESOURCE PLAN DEVELOPMENT

- A. MEAN Staff will develop an Integrated Resource Plan (IRP) on behalf of MEAN and its Participants every five (5) years as well as annual updates to the IRP as required by rule, regulation, the Western Area Power Administration (WAPA) or others.
- B. The IRP will comply with the provisions of the WAPA Energy Planning and Management Program, which requires the following elements:
 - 1. Identify and compare all practicable energy efficiency and energy supply resource options.
 - 2. Include an action plan with timing set by customer.
 - 3. Describe efforts to minimize adverse environmental effects of new resource acquisitions.
 - 4. Provide ample opportunity for full public participation.
 - 5. Conduct load forecasting.
 - 6. Include brief description of measurement strategies for options identified in the IRP to determine whether objectives are being met.
- C. MEAN will submit progress reports to WAPA on an annual basis.
- D. In the event WAPA changes its Energy Planning and Management Program in a manner which affects the IRP obligation, content, or filing requirements for MEAN or its Participants, this procedure will be amended to include such changes and submitted to the Board for approval.
- E. If the situation warrants, MEAN will update elements of the IRP more often than every five (5) years, including load forecasts, resource plans, and demand side management alternatives. The results will be reviewed with the Board as necessary.


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- F. Participant will respond to MEAN data requests in a timely manner.
- G. Participant will implement measures selected in the development of a plan as specified by the IRP.


IV. ABNORMAL SYSTEM CONDITIONS AND RESTORING SERVICE

- A. In periods where a Participant has abnormal conditions on its system, the Participant will notify MEAN immediately in order to coordinate any assistance needed by the Participant. The Participant will attempt to isolate the abnormal condition to its own system so the effects on surrounding utilities are minimized.
- B. In the event of loss of power from the grid due to any reason (blackout, brownout, storm damage, weather problems, transmission system overload, etc.), the Participant will separate from the grid, and if capable, begin to self-generate to stabilize their distribution system. Generator operators are responsible for operating their systems in a manner that complies with all applicable Standards.
 - 1. Participant will provide notice as outlined in the Unit Generating Procedure immediately to report the conditions and provide all appropriate generation output data.
- C. In periods where MEAN has an abnormal condition in its operation of power supply, or where the applicable Balancing Authority, market operator, or Transmission Operator has an abnormal condition on its system, MEAN or the TEA Real Time Operator may ask Participants to generate to levels requested or take other steps necessary to relieve the condition, such as implement load management programs and/or load curtailments. "TEA Real Time Operator" as used in these Asset Management Policies and Procedures shall mean The Energy Authority, Inc. when acting in its role as an agent of MEAN.

"Transmission Operator" as used in these Asset Management Policies and Procedures shall have the same meaning as that term is used in the NERC Glossary of Terms Used in NERC Reliability Standards.
- D. Every effort will be made by all Participants, MEAN and the TEA Real Time Operator to maximize effective communication during abnormal periods.

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- E. MEAN and the Participant will coordinate taking generation offline.
- F. In cases of a widespread grid event (i.e., blackout), MEAN or the TEA Real Time Operator may direct Participants to isolate from the grid and generate to their distribution load or 'self-generate'.
 - 1. If called upon by MEAN or the TEA Real Time Operator, Participants will self-generate in conjunction with regional power system restoration efforts.
 - 2. Participants will continue to self-generate (even if the surrounding distribution systems have power restored) for as long as directed by MEAN or the TEA Real Time Operator.
 - 3. MEAN or the TEA Real Time Operator will work with Participants on when to reconnect to the grid.
- G. In periods where planned transmission and distribution work is scheduled either by a Participant, or a third party where the Participant has knowledge of the work where there will be an impact on load and/or the equipment used by MEAN to collect data, the Participant will notify MEAN by phone or electronic means as soon as possible, and will indicate the planned duration of the outage, the equipment impacted and the basic scope of work. Examples include but are not limited to the following:
 - 1. Planned changes, additions, or removals of a delivery point.
 - 2. Substation work. Including repair or replacement of transformer, current transducer (CT), potential/voltage transducer (PT/VT).
 - 3. Any meter testing, repair or replacement. This includes when meter agents let the Participant know they will be performing meter testing on their equipment.

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V. CONTRACT CAPACITY

- A. MEAN in its sole discretion will determine the amount of each Participant's Net Dependable Capacity, as defined in Article VI, Section C below, that will be compensated as leased generation under these Asset Management Policies and Procedures (Contract Capacity). The Contract Capacity amount may be changed by MEAN from time to time based on performance, performance-based accreditation, seasonal accredited capacity, testing, compliance with other provisions of these Asset Management Policies and Procedures, or for other reasons as may be determined by the Board.
- B. From time to time, it is necessary for MEAN to adjust generating capacity levels in order to meet MEAN's resource needs. These adjustments are the result of fluctuations in unit capability testing results, changes to loads in MEAN's system, or for other reasons. In any instance where an adjustment is 2 MW or less, the following procedure may be used:
 1. Staff will investigate possible options for capacity including existing and available resources of entities from which MEAN already receives generating capacity.
 2. If MEAN Staff determines that increasing the Contract Capacity of any Participant from existing and available resources would be appropriate, MEAN Staff will contact the Participant to discuss modifications to the Contract Capacity. If the Participant agrees, MEAN Staff will provide the information to the Executive Director of MEAN for approval.
 3. Once approval has been received from the Executive Director of MEAN, MEAN Staff will update the necessary documentation for reporting and capacity compensation. The change in Contract Capacity will be reported to the Board at the next scheduled meeting.


VI. UNIT CAPABILITY TESTING PROCEDURES

All unit capability tests (each referred to in these Asset Management Policies and Procedures as a "Unit Capability Test") shall be conducted in accordance with all applicable Standards.

- A. Scheduling of Unit Capability Tests:

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1. All scheduling of Unit Capability Tests will be coordinated with MEAN.
 2. MEAN will give Participant no less than forty-eight (48)-hour written or verbal notice that a Unit Capability Test will be conducted.
 - a. If the Participant refuses or is not ready to conduct the test as scheduled, the Participant will be assessed a penalty equal to one month's capacity compensation payment to the Participant. The penalty will automatically be deducted from the next monthly invoice.
 3. MEAN or the TEA Real Time Operator reserves the right to postpone or reschedule a test at any time as system conditions warrant with no recourse from the Participant.
 4. Unit Capability Tests will be conducted during the months of June, July, August or September. Exceptions must be approved by MEAN.
 5. During any Unit Capability Test, the net output of the generating unit(s) being tested will be recorded hourly and reported to MEAN by the on-site and authorized MEAN Staff member, or at MEAN's discretion a Participant designee, in order to allow proper blending of the energy output of the unit(s) with other MEAN resources.
- B. Persons required to be present during Unit Capability Test:
1. In order to be accredited by the Board, Unit Capability Tests must be attended by at least one authorized MEAN Staff member, or at MEAN's discretion a Participant designee when the plant has Supervisory Control and Data Acquisition (SCADA) capabilities or similarly approved monitoring instrumentation. This individual will keep a record of plant output and operation during the test.
 2. Any member of the Board may attend any such tests in an advisory capacity.

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C. Testing procedures to demonstrate capability:

1. MEAN will determine the amount of Net Dependable Capacity in MEAN's sole discretion. "Net Dependable Capacity" as used in these Asset Management Policies and Procedures shall mean the maximum capacity a unit can sustain over a specified period modified for seasonal limitations and reduced by the capacity required for station service or auxiliaries. Criteria for establishing seasonal accredited capacity defined by relevant Standards may be used in determining Net Dependable Capacity. Ratings will be confirmed annually or more frequently as necessary to demonstrate the Net Dependable Capacity. All units will be tested at least once per year.
2. Units which are dependent upon common systems which can restrict total output shall be tested simultaneously to demonstrate the Net Dependable Capacity of the entire plant. MEAN Staff will determine on a case-by-case basis which units may be tested independently based on plant system configuration and equipment condition.
3. All equipment, when tested, will be in good operating condition with all auxiliaries needed for normal operation in service and with provision for enhanced output facilities operating (i.e. added cooling) if this capability is to be included in Net Dependable Capacity. Energy consumption by auxiliary facilities common to the entire plant (e.g. fuel handling or lighting) will be distributed over the appropriate units in the plants and will represent the consumption normally experienced during the high load part of the day.
4. A standard auxiliary power deduction will be assessed for Participants that do not have auxiliary metering available. The current standard deduction is 2.5% of gross plant output. Such standard deduction percentage may be modified from time to time by the Board.
5. The fuel used during the test shall be individually metered for each generator.

Natural gas fuel integrator readings for the test shall be taken at the start of the test, at the end of each testing hour, and at the conclusion of the test.

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For liquid fuel units with no day tank, or with fuel meters (inlet and return) located downstream of the day tank, the fuel integrator readings (both inlet and return) will be read in the same manner as the natural gas fuel meters.

For liquid fuel units with day tanks and the fuel meter located upstream of the day tank, the liquid fuel integrator readings shall be taken at the start of the test, and at the conclusion of the test, after the day tank has been refilled to the precise level as prior to testing. Liquid fuel usage will be calculated based on total fuel burned and times recorded by MEAN Staff, or at MEAN's discretion a Participant designee, that represent unit load levels.

For dual fuel units, the methods of recording fuel usage listed above shall be used in the appropriate combination to reflect fuel used.

Minimum fuel storage volume shall be the fuel that will be available in sufficient quantities to run the unit at its accredited level for the four (4) peak hours for five (5) days in succession at the time of MEAN's annual peak. (Minimum fuel storage volume = Unit Capability Test fuel/hr x 4 hrs x 5 days.)

6. The test loading shall be maintained at as constant a level as practical. The reported test results shall be the hourly average of the MWh/hr integrated net output for the two (2)-hour test period. The test for all units is deemed successful only if such net output reported is equal to or greater than the Contract Capacity in kW in MEAN's current Participant Generator Master Data. "Participant Generator Master Data" as used in these Asset Management Policies and Procedures, shall mean the data in MEAN's possession related to Participant generation. If the test results in a kW output that is less than the current kW amount found in the Participant Generator Master Data, the latest test result will be recorded in the next Participant Generator Master Data, unless the Participant retests the units in compliance with the then current policies and procedures.

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D. Steam turbine-generator unit tests:


1. The test period for steam turbine-generator units will be not less than four (4) continuous hours.
2. Net Dependable Capacity will be corrected using the average of the past five (5) summers' maximum inlet circulating water temperatures. Steam conditions will correspond to the operating standard established by the owner of the unit or plant. The steam generator will be operated with type and quality of fuel allowed by law.

E. Combustion turbine and reciprocating engine generator unit tests:

1. The test period for combustion turbine and reciprocating engine generator units shall be two (2) continuous hours following sufficient warm-up and stabilized operating conditions not to exceed thirty (30) minutes.
2. The Net Dependable Capacity for combustion turbine units only will be determined by using the temperature correction methodology as prescribed in SPP Criteria 7 Electrical Facility Ratings. That corrected temperature will be used in conjunction with the original equipment manufacturer compressor inlet temperature vs. unit output performance curve (if available). This correction will be completed by MEAN.

F. Requests for retesting of units:

1. Should all or a portion of the Contract Capacity identified in MEAN's current Participant Generator Master Data not be available to MEAN during any month because of an Outage, the provisions for retesting of such unit(s) when they become available again shall be as provided in Article VII and the tests shall comply with this Article VI. "Outage" as used in these Asset Management Policies and Procedures shall have the same meaning as that term is used in Article VII. Section F of these Asset Management Policies and Procedures.

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G. Costs:

If any Unit Capability Test is authorized by the Board for the purpose of establishing the Contract Capacity, that Participant will be fully reimbursed for FOM, as defined in Article VII, Section M below, during the period of the test (full load run) as approved by the Board, so long as the test is deemed successful by MEAN in accordance with Article VI, Section C.6.

1. Actual cost of diesel fuel consumed will be the total gallons consumed as indicated in Article VI, Section C, multiplied by the average fuel tank price per gallon, which is calculated in the following manner:

$$\frac{(\text{Current fuel quantity} * \text{Current fuel price}) + (\text{New fuel quantity} * \text{New fuel price})}{\text{Total fuel quantity}}$$


2. Actual cost of natural gas consumed will be the cubic feet consumed as indicated in Article VI, Section C, multiplied by the cost per cubic feet as indicated by the natural gas bill from the supplier. If the supplier charges per MMBtu, the appropriate calculation will be used per the supplier's bill.

- H. A summary of the compensation arrangements for Unit Capability Testing is shown below in Article VII, Section M.

VII. OPERATION OF GENERATION

Each Participant that leases generation to MEAN will, upon request by MEAN, supply MEAN energy up to the full amount of its Contract Capacity net of any derated amount communicated to MEAN.

- A. MEAN or the TEA Real Time Operator will contact the Participant by telephone of the need to generate. MEAN or the TEA Real Time Operator will specify a start time and an amount to generate. The Participant must be available to generate within one (1) hour of the request, or within the timeframe specified in any applicable Standards.
- B. When MEAN or the TEA Real Time Operator determines generation is no longer required, it will contact the Participant by telephone or electronic means to indicate the appropriate time to stop generating.


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- C. MEAN or the TEA Real Time Operator may request Participant to generate reactive volt-amperes (VARs) as system conditions warrant.
- D. If Participant cannot operate designated unit(s) to supply specified Contract Capacity net of any derated amount communicated to MEAN, the Participant will immediately provide notice as outlined in the Unit Generating Procedure so other generation can be scheduled.
- E. Participants that lease generation to MEAN will not plan discretionary maintenance outages from June 1 through September 30 and December 1 through March 31. Notification of planned maintenance outages that occur in the remaining months will be made by the Participant to MEAN as soon as possible and within the timeframe specified in any applicable Standards, but at minimum forty-eight (48) hours prior to the outage start time. Participant will indicate the planned duration of the outage, which units will be unavailable and the basic scope of work.
- F. Should all or a portion of the Contract Capacity identified in MEAN's current Participant Generator Master Data not be available to MEAN during any month because of a forced outage, which includes a condition in which the equipment is unavailable due to an unanticipated failure (referred to herein as a "Forced Outage"), or because of a planned outage scheduled in advance to occur between June 1 and September 30 or between December 1 and March 31 with a predetermined duration (referred to herein as an "Unapproved Planned Outage"), the capacity compensation payment will be adjusted and made in an amount that is reflective of the Equivalent Availability Rate for any such month or any subsequent month until capacity is restored. Forced Outage and Unapproved Planned Outage are collectively referred to herein as "Outage".

$$\text{Equivalent Availability Rate (\%)} = \frac{\text{Contract Capacity kW} - \text{Outage kW}}{\text{Contract Capacity kW}}$$

$$\text{Adjusted Capacity Payment} = \text{Equivalent Availability Rate \%} * \text{Capacity Payment}$$

Participant must notify MEAN immediately in the event all or a portion of the Contract Capacity identified in MEAN's current Participant Generator Master Data is not available to MEAN, without regard to whether MEAN is in need of generation from Participant at that time. Failure to notify MEAN within eight (8)

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hours of the commencement of any outage may result in Participant being responsible for any charges and penalties applicable to MEAN from a third party, including without limitation the market, Balancing Authority, RTO, ISO, or transmission provider(s), which charges and penalties may be passed through to Participant, and Participant will have the obligation to repay MEAN for capacity compensation payments made by MEAN during any period of unavailability. If the commencement date of the outage cannot be determined to MEAN's satisfaction, then the commencement date shall be deemed to be the later of the following dates: (i) the date of the last MEAN-documented generation by the affected unit(s), or (ii) the date of the last successful Unit Capability Test of the affected unit(s).

For purposes of clarity:


If an outage that was planned to occur between April 1 and May 31 extends past May 31, or if an outage that was planned to occur between October 1 and November 30 extends past November 30, it will transition to an Unapproved Planned Outage under this Article VII unless the outage was originally approved by MEAN to include such extended time period.

An Unapproved Planned Outage scheduled in advance to occur between June 1 and September 30 that extends past September 30, or an Unapproved Planned Outage scheduled in advance to occur between December 1 and March 31 that extends past March 31, will continue to be subject to this Article VII as an Unapproved Planned Outage until such time MEAN determines in its sole discretion that the unit has been brought back to service.

- B. If the total Contract Capacity is made available to MEAN within ninety (90) days after commencement of any such Outage and the generating unit(s) pass any required Unit Capability Test as described in Section I below, retroactive payment will be made by MEAN to the Participant for the amount of Contract Capacity in MEAN's current Participant Generator Master Data, which was unavailable from Participant because of the Outage. The commencement of the ninety (90)-day period referred to in this Article VII shall not be delayed by failure of Participant to timely notify MEAN of the Outage.

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- C. If all or a portion of the Contract Capacity is unavailable to MEAN for a period of ninety (90) days or longer, MEAN will make no retroactive payment for the unavailable capacity commitment.
- D. Upon notice to MEAN by the Participant that all or a portion of the previously unavailable capacity is again available, a plant Capability Test will be conducted in accordance with the plant testing procedures set forth in Article VI unless MEAN otherwise determines in its sole discretion that the unit has been brought back to service.
- E. To the extent a Participant cannot bring back to service a portion or all Contract Capacity after an Outage, the Participant can request, in writing, to extend the ninety (90)-day period described in Section F below. The request shall be made to the Executive Director of MEAN. The Executive Director shall have the authority to grant extensions as outlined below, and may approve retroactive payment of capacity compensation or may elect to defer such action for consideration and approval by the Board.
 - 1. The petition for extension must be received prior to the expiration of the initial ninety (90)-day period.
 - 2. The petition must include a description of the repairs made to date, repairs remaining, and the expected date the unit will return to service, as well as the remaining net generation output still available from the plant.
 - 3. Any extension approved by the Executive Director cannot exceed fifteen (15) months beyond the initial ninety (90)-day period.
 - 4. If an extension is granted, the Participant must provide monthly progress reports to MEAN until such time MEAN determines in its sole discretion that the unit has been brought back to service.
- F. Except as described below in this Section F, regardless whether Participant requests or receives an extension, any existing Contract Capacity returned to service after being unavailable for ninety (90) days or longer (or after the expiration of the term of any approved extension of such ninety (90)-day period) must reapply to the Board for compensation for such Contract Capacity and, if approved, such amount shall be incorporated into the Participant Generator


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Master Data. The Executive Director may from time to time grant exceptions to this requirement that Participant reapply for compensation.

G. Compensation:

1. MEAN will compensate the Participant for Contract Capacity at the Contract Capacity Demand Rate. The Contract Capacity Demand Rate is included in the applicable Schedule of Rates and Charges for Service Schedule M, Service Schedule K, and Service Schedule K-1.
2. Compensation for energy production varies depending on the reason for generation. Compensation may include all or a portion of fuel, variable operation and maintenance cost, and labor expended to operate each generating unit. MEAN will compensate Participant for energy production as set forth in Article VII, Section M below.
3. MEAN will add back to the Participant's total load calculation the hourly energy production provided during generation to ensure proper billing of monthly peak demand and energy. To the extent required by applicable Tariff(s), MEAN also will add back to the Participant's total load calculation the hourly energy production provided during generation to ensure proper billing of network transmission.

- H. A summary of the compensation arrangements is shown in the following Compensation Arrangements Summary table. Payments are contingent on generation meeting all other applicable requirements set forth in these Asset Management Policies and Procedures, or as established from time to time by the Board.


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| Compensation Arrangements Summary Table | |
|--|--|
| Reason for Generation | Leased Generation |
| Successfully completed quarterly exercise or Unit Capability Test per MEAN schedule | FOM |
| Request from MEAN, Balancing Authority or Transmission Operator | FOM + Labor Rate |
| Emergency Outage | FOM |
| All other generation | Energy Charge if not reimbursed by third party |
| Reason for Generation | Non-Leased Generation |
| Request from MEAN not tied to a Balancing Authority or Transmission Operator directive | FOM |
| All other generation | Energy Charge if not reimbursed by third party |

For purposes of the Compensation Arrangements Summary Table above:

“FOM” shall mean the actual cost of fuel consumed, as calculated according to Article VI Section G above, plus a portion of variable operation and maintenance (O&M) cost. Variable O&M cost will be paid at an amount equal to the “Variable O&M Rate”. The Variable O&M Rate per kWh is included in the applicable Schedule of Rates and Charges for Service Schedule M, Service Schedule K, and Service Schedule K-1; Participants with an effective Agreement for Firm Power Interchange Service (Service Schedule J) with MEAN will receive a Variable O&M Rate equal to that set forth in the Schedule of Rates and Charges for Service Schedule M.

“Labor Rate” shall be a dollar amount per unit Operating Hour. The Labor Rate is included in the applicable Schedule of Rates and Charges for Service Schedule M, Service Schedule K, and Service Schedule K-1; Participants with an effective Agreement for Firm Power Interchange Service (Service Schedule J) with MEAN will receive a Labor Rate equal to that set forth in the Schedule of Rates and

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Charges for Service Schedule M. The Labor Rate compensates the Participant for a portion of labor cost expended to operate each generating unit.

“Emergency Outage” shall mean a situation in which a Participant operates its generator to stabilize its distribution system to prevent a loss of power. MEAN in its sole discretion will determine whether circumstances qualify as an Emergency Outage.

“Energy Charge” shall mean the then-current rate charged by MEAN for the produced kWh. The rates may include the Energy Charge and/or Green Energy Charge, as applicable, in accordance with the applicable Schedule of Rates and Charges. Generation compensation to Participants under the “Energy Charge” method will be via a credit on the Statement of Power and Energy Delivery from MEAN to the Participant.


“Operating Hour” shall mean any clock hour or fraction thereof when energy is being generated by the generating unit, as determined by MEAN in its sole discretion based on data available to MEAN.

- I. Point of Delivery. To the extent the energy generated by behind the meter generation interconnected with a Participant’s distribution system and leased to or purchased by MEAN is used by MEAN to serve such Participant, the energy may be delivered at the generator’s point of interconnection with the Participant or alternate point at which MEAN acquires the energy as agreed in writing between MEAN and the Participant or Participant’s customer.


VIII. EXERCISING OF UNIT(S) AND SCHEDULING OBLIGATIONS

Participants will maintain in good operating condition all generating units, switches, buildings and auxiliaries (power plant facilities) leased to MEAN. Participants will operate power plant facilities so as to not cause any type of impairment to the electric service of other Participant(s) or the electric system that is interconnected to their power plant, and will be required to periodically operate to prove the capability of such unit(s).

- A. Exercising of unit(s):

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1. Participants who lease generation to MEAN will exercise their generating units on a quarterly basis for reciprocating internal combustion engines (RICE) and combustion turbines (CT) per a predetermined schedule as set by MEAN. Testing will include:
 - Starting the unit, tying on line and operating for the predetermined duration.
 - The fuel used during the test will be the fuel that will be available in sufficient quantities to run the unit at its accredited level for the four (4) peak hours for five (5) days in succession at the time of MEAN's annual peak. (Minimum fuel storage volume = Unit Capability Test fuel/hr x 4 hrs. x 5 days.)
2. Schedule to be set by MEAN. An annual schedule for exercising will be created by MEAN and will be confirmed as outlined in the Unit Generating Procedure. The generator operator will follow the Unit Generating Procedure.
3. Participant may request to exercise from time to time other than the predetermined scheduled exercises.
 - a. The generator operator will follow the Unit Generating Procedure.
4. Compensation:
 - a. Compensation for unit exercises will be as set forth in Article VII, Section M above. The rate varies depending on whether the exercise follows the predetermined schedule or is considered to be other generation because it is in excess of the predetermined schedule.
 - b. MEAN will add back to the Participant's total load calculation the hourly energy production provided during generation to ensure proper billing of monthly peak demand and energy. To the extent required by applicable Tariff(s), MEAN also will add back to the Participant's total load calculation the hourly energy production

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provided during generation to ensure proper billing of network transmission.

5. Payments are contingent on generation meeting all other applicable requirements set forth in these Asset Management Policies and Procedures or established from time to time by the Board.


B. Process for compensation for charges and penalties incurred:

Participant may, at MEAN's discretion, be responsible for any charges and penalties incurred by MEAN as a result of, or arising from, Participant's failure to comply with Subsection 1, 2, 3, 4, and 5 of Section A of this Article VIII. Such charges and penalties may be passed through to Participant at MEAN's sole discretion.

IX. RECORDKEEPING AND REPORTING

Participants are required to prepare and submit reports concerning schedules, loads and generating facilities capabilities, as may be reasonably requested by MEAN. Participants are also required to promptly inform MEAN of any new interconnected substation, distribution or transmission points with other Participants or third parties and any changes to existing points or facilities.

- A. The Participant must maintain hourly log sheets for all emission unit operation and generation activity.
 1. MEAN will supply each Participant specific log sheets for their generating unit(s).
 2. The Participant will record hourly kWh generated, per unit, hourly station service (auxiliary), and the total quantity of fuel used for the operation of the unit. A log sheet must be submitted any time fuel is consumed, even if no energy was generated.
 3. The Participant will email the completed log sheet as outlined in the Unit Generating Procedure.


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- a. If necessary, the Participant may call MEAN and orally relay the information.
 - b. Oral communication will be followed up with a completed log sheet mailed or emailed to MEAN within the timeframe specified in the Unit Generating Procedure.
- B. All generation reports should be kept neatly and open for inspection by either party. Records of all transactions will be kept at MEAN including information being supplied by Participant. In some cases, this information is also required for air emissions permits for regulatory compliance.
- C. In order to receive compensation, Participant will submit a report to MEAN within thirty (30) days of the end of the month in which generation occurred. The monthly data report will serve as the invoice to MEAN and must be accompanied by copies of diesel and/or natural gas invoices from Participant's supplier. Failure to submit such monthly data within thirty (30) days of the end of the month will result in suspension of capacity compensation payments from MEAN.

X. PLANT STAFFING OBLIGATIONS


Participant is required to maintain one (1) continuously available and manned primary telephone number and one (1) or more back-up telephone number(s) for contact by MEAN and response by Participant to a request for any of the services provided by the Agreement.

- A. Contact list:
MEAN and the TEA Real Time Operator will maintain a contact list of the primary and secondary contacts, including pertinent telephone numbers, for each Participant that leases generation output to MEAN and all back-up numbers made available by the Participant. The contact list will be updated on a regular basis.
- B. Penalties for inability to generate:
 - 1. The following will apply to any Participant unable or unwilling to begin operation of requested generation within the one (1) hour requirement,

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or if applicable, within the time frame specified in any applicable Standards due to limited staff and/or other municipal commitments:

- a. First offense – Letter to the Participant’s governing body outlining the contractual obligations the community has with MEAN and clarification of the ramifications of future failures.
 - b. Second offense (within the same twelve (12)-month period of the first offense) – Letter to the Participant’s governing body plus a \$500 assessment that will be automatically deducted from the Participant’s monthly capacity compensation payment.
 - c. Third offense (within the same 12-month period of the first offense) – Letter to the Participant’s governing body plus an assessment of 25% of one month’s capacity compensation or \$500, whichever amount is higher, that will be automatically deducted from the Participant’s monthly capacity compensation payment.
 - d. Any further offenses (within the same twelve (12)-month period of the first offense) – MEAN will cease payment of the Participant’s monthly capacity compensation until such time the Board meets to review and determine the appropriate action. MEAN will make no retroactive payment for the unavailable capacity commitment.
2. No assessment will be incurred if a Participant provides documentation acceptable to MEAN that the generating unit failed due to mechanical failure beyond the control of the Participant and that such failure was not a result of negligence, poor maintenance or poor operating practice.
- C. Appeal process:
1. In the event a Participant desires to appeal the imposed assessment as outlined in Section B. 1. above, the Participant will give notice, in writing, to MEAN within sixty (60) days from the date of the imposed assessment. The Participant’s notice must state the specific grounds for disputing the assessment.

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2. Any such appeal received by MEAN will be presented to the Board at its next regularly scheduled meeting.
 - a. Prior to the meeting, a copy of the Participant's written notice will be distributed to the Board along with a written response from MEAN as to why the assessment was incurred.
3. Any action taken by the Board will be final and binding.


XI. METERING

A. Wholesale revenue metering

1. All points of measurement must have, at a minimum, revenue quality metering equipment meeting the accuracy range and other requirements enforced by the applicable transmission provider.
2. The Participant and applicable transmission provider will determine the appropriate revenue metering equipment.
3. MEAN is responsible for installing a data recorder or arranging alternate methods to collect and record metering data for Participants to ensure accurate billing.
4. If Participant owns instrument transformers, Participant shall maintain such instrument transformers in accordance with good practice and accepted industry standards, within revenue metering accuracy specifications.

B. Generation and fuel metering:

1. All generation must have revenue quality electric equipment meeting the accuracy range and other requirements enforced by the applicable transmission provider. For clarity, revenue quality electric metering can include electro-mechanical meters, SCADA information, generator data pack meters, "smart" relay output, and any other means, provided the readings meet the accuracy range and other requirements enforced by the applicable transmission provider. This accuracy shall be the overall

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accuracy including any error introduced by the potential and current transformers.

All Participants must provide and maintain metering equipment on their fuel sources. All generation must have fuel metering, accurate to at minimum +/- 4.0%. Fuel meters must be rated for the type of fuel being measured (i.e., diesel fuel, natural gas).

2. It is the Participant's responsibility to install and maintain revenue quality metering equipment that can measure the gross and net output of the unit(s) on an hourly interval. If auxiliary electric metering is not available, the then-current standard auxiliary power of gross plant output will be assessed. (See Section VI.C.4, Unit Capability Testing Procedures for additional information.)
3. The Participant is responsible for all metering relaying equipment, current and potential transformers, as well as any and all other equipment necessary to obtain revenue quality electric metering readings, and precise fuel usage readings at the accuracy level indicated in Section XI.B.1, Generation and fuel metering. This includes verifying calibration of all meters at a frequency appropriate to ensure the specified accuracy.
4. If Participant owns instrument transformers, Participant shall maintain such instrument transformers in accordance with good practice and accepted industry standards, within revenue metering accuracy specifications.

C. Penalties for not having appropriate metering equipment installed:

1. The following penalties may apply to Participants that do not have revenue quality metering equipment installed on all generation or fail to maintain such metering equipment:
 - a. First violation – Letter to the Participant's governing body outlining the contractual obligations the community has with MEAN and clarification of the ramifications of future violations.


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- b. Second violation (if not corrected within thirty (30) days of the first written request) – Letter to the Participant’s governing body plus a \$500 assessment that will be automatically deducted from the Participant’s monthly capacity compensation payment.
- c. Third violation (if not corrected within sixty (60) days of the first written request) – Letter to the Participant’s governing body plus an assessment of twenty-five percent (25%) of one (1) month’s capacity compensation or \$500, whichever amount is higher, that will be automatically deducted from the Participant’s monthly capacity compensation payment.
- d. Any further violations (if not corrected within ninety (90) days) – MEAN will cease payment of the Participant’s monthly capacity compensation until such time the Board meets to review and determine the appropriate action. MEAN will make no retroactive payment for the unavailable metering capabilities.

2. Appeal process:

- a. In the event a Participant desires to appeal the imposed assessment as outlined in Section C. 1 above, the Participant will give notice, in writing, to MEAN within sixty (60) days from the date of the imposed assessment. The Participant’s notice must state the specific grounds for disputing the assessment.
- b. Any such appeal received by MEAN will be presented to the Board at its next regularly scheduled meeting.
- c. Prior to the meeting, a copy of the Participant’s written notice will be distributed to the Board along with a written response by MEAN as to why the assessment was incurred.
- d. Any action taken by the Board will be final and binding.


- D. Metering equipment shall be tested at reasonable intervals in accordance with applicable Standards and its accuracy of registration maintained in accordance with good practice and accepted industry standards. The expense involved in such tests shall be borne by the Participant owning the metering equipment.

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- E. If any test of metering equipment discloses an inaccuracy exceeding the accuracy rating of the metering equipment, the Participant shall be promptly notified. Such correction and adjustment shall be made from the date the meter became inaccurate, if known; if this cannot be determined, then such adjustment shall be made for the previous month, or from the date of the latest test if within the previous month and for the elapsed period in the month during which the test was made. Should any metering equipment at any time fail to register, or should the registration thereof be so erratic as to be meaningless, or fails to pass scheduled meter testing and calibration, the power and energy transmitted shall be determined by the revenue meter owner and MEAN.
- F. Right of Access: MEAN, the applicable transmission provider and any intervening carrier agency shall have access to the Participant's premises at all reasonable times for the purpose of reading meters and for installing, testing, repairing, renewing, exchanging or removing any or all equipment installed by MEAN or third parties.
- G. Telemetry Data Access: Participant shall provide or cause to be provided telemetry data access to MEAN, or access to MEAN to access the data recorder (or successor recorders which must be compatible with the then-current MEAN equipment) located at the point of measurement, for scheduling and billing purposes. Any and all costs associated with replacing and maintaining the data recorders in order to stay compatible with MEAN's system shall be borne by the Participant.
- H. Communications: Participant shall be responsible to provide, and for the cost of providing, any telemetry data requested by a third party pursuant to any applicable Standards.


XII. NEW OR ADDITIONAL GENERATION

Any generating units installed by Participants or by MEAN should be the most economical size and type practicable based on size of the system, loads of other Participants, anticipated growth, transmission facilities, alignment with MEAN's Integrated Resource Plan and ability to interconnect with other systems. All generating units installed by Participants are subject to the applicable provisions of these Asset Management Policies and Procedures. Nothing in this section is intended to preclude a


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Participant from constructing or utilizing generation and transmission facilities other than those recommended by MEAN; however, such facilities shall be subject to the applicable provisions of these Asset Management Policies and Procedures.

- A. Any Participant requesting capacity compensation for new or additional generation is required to submit a formal written request to the MEAN Director of Wholesale Electric Operations. The following technical information must be included in the written request:
1. Size of the proposed new or additional generation
 2. Requested megawatt capacity compensation
 3. Type of generating unit (combustion turbine, reciprocating engine-generator, wind and water powered turbine generators, photovoltaic generators/invertors, etc.)
 4. Fuel type (single fuel only – natural gas or oil; combined fuel – oil and natural gas by percent (%) of total; secondary fuel option – natural gas or oil only or combined oil and natural gas by percent (%) of total, or wind, hydro, biofuel, etc.)
 5. Fuel storage on-site (type of fuel and available storage, in gallons, as applicable)
 6. Fuel transportation arrangements
 7. One-line electrical diagram including existing plant, proposed addition, and interconnection
 8. Capability Test-determined or manufacturer's/installer's estimated heat rate (BTUs of fuel / kWh of generation)
 9. Staffing schedule of plant operating employees for the proposed generation addition
 10. Consulting engineer selected to perform engineering functions necessary to complete installation and capability test of unit

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11. Implementation plan for formal approval by any government or regulatory bodies, if applicable
 12. Estimated operating hourly capability for a typical year (annual load duration curve or equivalent), limits imposed by environmental regulations and any other unit output limits applicable
 13. Other characteristics (warranty of equipment, expected maintenance schedules and special equipment needs for repair; i.e. lifting cranes, lab equipment, black start capability, distribution benefits, retirement of existing unit, etc.)
- B. Upon receipt of a formal written request, MEAN Staff will evaluate the proposed generation facility using the following criteria to determine if it is an economic and operational fit with MEAN's existing resource mix:
1. Category:
 - a. Traditional powered and dispatchable resources, (fossil, existing hydro and nuclear) or
 - b. Renewable powered restricted dispatchable resources (new hydro, wind, solar, biofuel, etc.)
 2. Type of prime mover, such as combustion turbine, combined cycle, aero-derivative, combustion engine, wind or water turbine, etc.
 3. Amount of generation (MW) and the annual energy production compared to the Participant's total and supplemental peak demand and energy needs
 4. Fuel type, availability, and fuel cost projections
 5. Available capacity factor, maximum hours of operation and capacity limits listed by time of year
 6. MEAN's projected loads, resource needs, and resource mix specifically for restricted dispatchable renewable generators:

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- a. The proposed and existing restricted dispatchable generation cannot exceed two percent (2.0%) of MEAN's peak load responsibility in the respective control area. For example, in Fiscal Year Ending 2016:

| Summer MEAN Peak Load Responsibility by Balancing Area in KW Non-coincident Peak | | | | |
|---|---------|---------|--------|---------|
| MISO | SPP | WACM | PSCO | Total |
| 90,602 | 160,107 | 160,894 | 34,089 | 445,692 |
| 2% | 2% | 2% | 2% | 2% |
| 1,812 | 3,202 | 3,218 | 682 | 8,914 |

- b. The sum of all restricted dispatchable generation shall not exceed 10,000 kW of the total of MEAN's generation resources.
7. Staffing levels of existing and proposed generation at power plant site
 8. Transmission (local and regional) impacts determined by transmission load flow studies
 9. Summary of the Participant's past leased generation performance and compliance with the Asset Management Policies and Procedures requirements
 10. Compliance with interconnection requirements and Standards ISO
 11. Potential rate impact on MEAN Participants
 12. Other factors, as necessary


The Participant and/or the Participant's consulting engineer will supply MEAN with the required information outlined above and/or any additional information that may be necessary in order to complete the evaluation.

- C. Upon receipt of the required information from the Participant, MEAN Staff has sixty (60) days to evaluate the proposed new or additional generation request and submit a written report back to the Participant. If any deficiencies are noted during the evaluation process, MEAN Staff may ask the Participant to modify its

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request. MEAN’s written report may include, but not be limited to, the following:

1. General background information
 2. Evaluation of request based on the criteria listed in Section B above
 3. Conclusions and recommendation to Power Supply Committee and the Board
- D. The Participant has thirty (30) days to review and respond to MEAN’s written report. After this thirty (30)-day period, MEAN Staff will finalize the report and submit it to the Power Supply Committee for review and consideration at its next regularly scheduled meeting.
1. The Power Supply Committee will make a recommendation to the Board to approve/deny the request for new or additional generation.
 2. Final approval/denial of the request for new or additional generation is made by the Board. If the request is approved, the Board determines the level of capacity compensation paid to the Participant. (Capacity compensation is not addressed in this section of the Asset Management Policies and Procedures document.)
- E. Upon Board approval for new or additional generation:
1. MEAN will complete, at the expense of the generation project and to be paid as outlined in the Board’s approval document, the necessary load flow studies for regional reliability accreditation (i.e., MISO, SPP, WECC), request interconnection from the control area provider, request network resource designation from the transmission provider, and request any accreditation necessary from regional, state and/or local regulatory body, if applicable.
 2. MEAN is responsible for the costs of all studies required for regional reliability accreditation. The Participant is responsible for all labor, consulting, and material costs necessary to address and meet or exceed the transmission provider’s requirements for interconnection, protective relaying, metering equipment, and any transmission improvement

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required to designate the proposed generation as a network resource for MEAN.

- F. If the proposed new or additional generation is not a traditional reciprocating or combustion turbine engine peaking facility, MEAN Staff will, in conjunction with the evaluation process, work with the Participant to develop an appropriate capacity and energy compensation methodology. The recommended compensation will be based upon:
 - 1. The avoided cost of resources off-set by new generation.
 - 2. The market price of excess capacity and energy from the proposed generation net of transmission cost for delivery that MEAN is able to remarket.
 - 3. Other criteria that may be deemed appropriate by the Power Supply Committee.
- G. Capacity compensation for the new or additional generation begins only when the arrangements listed under Section E above are completed, the unit is placed into commercial service, and the unit has successfully passed the Unit Capability Test. (NOTE: MEAN representative(s) must conduct the Unit Capability Test.)

XIII. SUBSTITUTION OF LEASED GENERATION FACILITIES

A Participant that desires to commit to MEAN the output of one or more of Participant's generating facilities not then leased to MEAN, or replace an existing leased generation unit with a unit of similar type and characteristics of the existing leased generating facilities (Alternate Facilities), in lieu of output from one or more generating facilities then-currently leased to MEAN, shall be permitted to make such substitution in accordance with the following policies and procedures:

- A. Written notice of such substitution of generating facilities must be provided by Participant to the MEAN Executive Director at least ninety (90) days prior to the desired effective date.
- B. The amount of capacity committed to MEAN by Participant and compensated by MEAN to the Participant after such substitution may not exceed the amount of capacity committed to MEAN by Participant prior to such substitution.


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- C. MEAN shall verify the amount of Participant's Contract Capacity via a Unit Capability Test that follows the then-current Asset Management Policies and Procedures to reflect the substitution of generating facilities leased to MEAN.
- D. Alternate Facilities must be of a similar type and characteristics of the existing generating facility including, but not limited to startup time and hours of availability. Alternate Facilities must also remain in compliance with all Standards and are subject to the provisions of the then-current Asset Management Policies and Procedures as applicable to generation leased to MEAN.

XIV. DISCONTINUANCE OF COMMITMENT OF CAPACITY TO MEAN

A Participant that desires to discontinue commitment to MEAN of any generating facility may be permitted to discontinue such commitment in accordance with the following policies and procedures:

1. The Participant must provide MEAN's Executive Director with advance written notice to discontinue commitment of capacity to MEAN, including the reason and the proposed scheduled final date of capacity commitment. Such notice shall be given immediately after the Participant's governing body reviews the issue and makes its decision, whether the decision results from the Participant's inability to comply with Standards (examples include a state operating permit renewal or a newly implemented EPA rule) or because the Participant chooses not to modify its equipment and/or operations to comply, or for any other reason.
2. Once the written termination notice is received, or if MEAN's Executive Director deems that constructive notice of termination has been received, MEAN's Executive Director will refer the matter to the Board unless the Executive Director determines the discontinuance of commitment of capacity will have minimal or no negative impact on MEAN (De Minimis). In the event that the discontinuance of commitment of capacity is determined to be De Minimis, MEAN Staff is authorized to relieve the Participant of its obligation to commit the capacity to MEAN. MEAN Staff shall report to the Board any such action to relieve the Participant of its obligation.
3. In the event the impact is not determined to be De Minimis under Subsection 2 above, the Board will consider formally "accepting" notification from the

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Participant that the Participant's affected generator(s) will no longer serve as generating units committed to pooling or leased to MEAN. Acceptance will be subject to a necessary transition period, the length of which will be determined by MEAN in its sole discretion, to assure that MEAN and the Participant maintain compliance with then-current Standards. This compliance includes, but is not limited to, MEAN's regional reliability and capacity reserve requirements, Participant's operating permits, contractual obligations with suppliers and service providers, and all other obligations of both MEAN and the Participant.

4. As a general guideline, the necessary transition period will be at least ninety (90) days.
5. If for any reason insufficient notice is provided to MEAN to allow for the necessary transition period as described above, Participant will reimburse MEAN for all penalties, charges and costs incurred arising out of the discontinuance of commitment of capacity.
6. The Participant will be subject to the then-current Asset Management Policies and Procedures for approval of new and additional generation (currently Article XII) in the event that the Participant desires to reestablish the lease of such capacity or any new capacity to MEAN after the date upon which the capacity payments and capacity commitment obligations of Participant end. This provision includes instances where the Participant fails to meet deadlines for compliance with Standards, but corrects the deficiency after the deadline that is given by the duly authorized regulatory body.
7. If a Participant desires to lease generation to an entity outside of MEAN, that Participant shall coordinate such transaction with MEAN and pay for all operational, capital, and incremental costs of transfer and scheduling of such transaction. Each transaction will be evaluated on a case-by-case basis.

XV. ADDITIONAL CRITERIA FOR CAPACITY COMPENSATION ELIGIBILITY

In addition to other eligibility requirements, all Participant capacity committed to MEAN shall comply with the following requirements to remain eligible for capacity compensation:

- A. Participant must maintain compliance with all applicable Standards regarding Participant's generating units committed to MEAN. Participant

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must promptly inform MEAN in writing in the event of Participant's noncompliance with any Standards. Participant shall reimburse MEAN for any penalties, charges, fines or other expenses incurred by MEAN arising from or relating to Participant's noncompliance.

- B. The Board may from time to time establish deadlines by which Participants with capacity committed to MEAN must provide official notification of intent regarding continued commitment of capacity to MEAN or by which capacity committed to MEAN must comply with applicable Standards. Such deadlines may be established to assist MEAN in planning for any necessary capacity purchases, or for other purposes. Failure to respond or comply by the deadline may result in loss of eligibility for capacity compensation and the determination by MEAN that the Participant's unit(s) will no longer serve as generating units leased to MEAN.

- C. The Participant will be subject to the then-current Asset Management Policies and Procedures for approval of new and additional generation (currently Article XII) for the affected unit(s) in the event that the Participant: (i) desires to reestablish the lease of such capacity or any new capacity to MEAN after the date upon which the capacity payments and capacity commitment obligations of Participant end for the affected unit(s), or (ii) provides MEAN with official notice of intent to remove one or more generating units from commitment to MEAN due to noncompliance or anticipated noncompliance with Standards, or (iii) fails to respond or comply by the deadline established by MEAN for notification or compliance pursuant to Section B above.


XVI. RENEWABLE DISTRIBUTED GENERATION POLICY

[Copy of Renewable Distributed Generation Policy as approved by the MEAN Board of Directors is attached as Appendix B.]


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Revision History

| Version | Effective Date | Description of Revision |
|---------|--------------------|--|
| 1.0 | May 13, 1981 | Adoption of procedures |
| 1.1 | January 14, 1983 | Periodic review and update |
| 1.2 | August 4, 1983 | Periodic review and update |
| 1.3 | December 6, 1984 | Periodic review and update |
| 1.4 | January 10, 1985 | Periodic review and update |
| 1.5 | March 7, 1985 | Periodic review and update |
| 1.6 | April 10, 1985 | Periodic review and update |
| 1.7 | August 8, 1985 | Periodic review and update |
| 1.8 | September 27, 1985 | Periodic review and update |
| 1.9 | October 24, 1985 | Periodic review and update |
| 1.10 | December 5, 1985 | Periodic review and update |
| 1.11 | January 23, 1986 | Periodic review and update |
| 1.12 | September 19, 1996 | Periodic review and update |
| 2.0 | May 13, 2004 | Periodic review and update |
| 2.1 | August 19, 2004 | Periodic review and update |
| 2.2 | November 18, 2004 | Periodic review and update |
| 2.3 | May 26, 2005 | Periodic review and update |
| 2.4 | May 20, 2010 | Periodic review and update |
| 2.5 | November 18, 2010 | Periodic review and update |
| 2.6 | August 16, 2012 | Periodic review and update |
| 2.7 | January 10, 2013 | Periodic review and update |
| 2.8 | May 16, 2013 | Periodic review and update |
| 2.9 | August 15, 2013 | Periodic review and update |
| 2.10 | January 22, 2015 | Periodic review and update |
| 2.11 | May 21, 2015 | Periodic review and update |
| 2.12 | May 19, 2016 | Addition of Distributed and Renewable Generation Policy |
| 2.12.1 | November 17, 2016 | Periodic review and update; Addition of Grandfathered Facilities List to Distributed and Renewable Generation Policy |
| 2.12.2 | January 19, 2017 | Modifications to Distributed and Renewable Generation Policy including renaming as Renewable Distributed Generation Policy |
| 2.13 | May 18, 2017 | Periodic review and update |
| 2.14 | August 17, 2017 | Update to Renewable Distributed Generation Policy |

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| Version | Effective Date | Description of Revision |
|---------|-------------------|---|
| 2.15 | November 16, 2017 | Update to Renewable Distributed Generation Policy |
| 3.0 | August 16, 2018 | Periodic review and update |
| 4.0 | May 23, 2019 | Modifications to provisions regarding unit operations and unit capability testing; Addition of Point of Delivery provisions; Clarification of applicable Energy Charge rate for compensation; Housekeeping changes |
| 5.0 | August 15, 2019 | Modifications to reflect delegation of duties of the Management Committee to the MEAN Board of Directors effective August 15, 2019; Housekeeping changes |
| 6.0 | November 21, 2019 | Renamed document from Electrical Resources Pooling Agreement Policies & Procedures to Asset Management Policies and Procedures; Removed specific language related to generator operating procedures for unit scheduled and unscheduled unit exercising, and inserted references to new procedure documents; Modified exercise frequency for combustion turbines to reflect quarterly exercise rather than every other month; Housekeeping changes |
| 7.0 | January 23, 2020 | Modifications to remove references to ERPA, to add new terms “Net Dependable Capacity”, “Contract Capacity” and “Participant Generator Master Data” and remove terms “Accredited Capacity”, “Available Accredited Capacity” and “Load and Capability Report”; Modifications to provisions regarding Metering and Reporting; Housekeeping changes |
| 8.0 | January 21, 2021 | Modifications to Contract Capacity provisions to address adjustments of 2 MW or less; Housekeeping changes |
| 9.0 | August 18, 2022 | Modifications to provisions regarding non-leased generation, including addition of new provisions for MEAN contracted or owned resources interconnected with a Participant’s distribution system; modifications to provisions regarding Metering (Note: Subsequent to Board approval, non-substantive corrections were made to typographical errors in certain section numbering.) |
| 10.0 | November 14, 2024 | Modifications to provisions regarding regulatory bodies and standards, generator testing and operation due to unit registration in SPP, and other general updates. |
| 10.1 | April 1, 2025 | Approved at January 23, 2025 Board meeting. Modifications to provisions regarding compensation and bases for changes in Contract Capacity; housekeeping changes. |
| 10.2 | May 22, 2025 | Clarification that AMPP applies to total requirements participants only; Modification to meter testing standards; Addition of provision regarding telemetry data access; Addition of provision regarding the communication of telemetry data to third parties; Addition of deemed constructive notice of capacity lease termination. |

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APPENDIX A

Unit Generating Procedure

[Copy of Unit Generating Procedure attached]

| | | |
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APPENDIX B

Renewable Distributed Generation Policy

[Copy attached]

UNIT GENERATING PROCEDURE

| | |
|----------------------|---|
| PURPOSE | This procedure provides direction to MEAN Participant generator operators to operate generating units in accordance with the MEAN Asset Management Policies and Procedures (AMPP) and requirements of The Energy Authority (TEA). |
| SCOPE | This procedure applies to all generating units that coordinate operations with MEAN and by extension TEA. |
| INFORMATION | The information provided by the generator operator will be used by MEAN Personnel and TEA for the purpose of scheduling in the day ahead and real time markets, securing transmission and also for notification in order to track unit operation for environmental and settlements tracking. |
| NOTIFICATIONS | Participant must provide the notification(s) required as shown in the applicable Notices table and Procedure below. Unless otherwise indicated, all notices from Participant to MEAN under this Procedure will be made via the NMPP Operations Application (mobile or desktop version) or by phone to the TEA Real Time Operator at 904-360-1407. |
| LOG | The generator operator will provide MEAN personnel a completed generation log within 24 hours of unit operation. It will be emailed to generation@nmppenergy.org . |
| DEFINITIONS | <ol style="list-style-type: none">1. 48 Hr means notice at least 48 hours in advance of unit operation.2. 90 Min/Pre Start means notice at least 90 minutes in advance of unit operation.3. Dispatch means a run per instruction by MEAN or the Balancing Authority.4. Failed Start/Run means any instance where the unit fails to start or if the unit fails to operate for the expected duration of the run.5. Maintenance Run means a start of a generating unit, on either a planned or unplanned basis, in order to perform maintenance on a unit. |

6. MEAN Leased Generation means a generating unit of a MEAN Participant, the capacity of which unit is contractually committed to MEAN.
7. Non-Leased TRP Generation means a generating unit of a MEAN Total Requirements Service Participant, the capacity of which unit is not contractually committed to MEAN.
8. Participant Emergency means any instance where the unit starts for local emergency needs. Emergency excludes a Dispatch and a Third Party Request.
9. Scheduled Quarterly/Capability Test means a run for purposes of the Unit Capability Test as defined in the AMPP or a quarterly exercise as permitted by the AMPP.
10. Scheduled Run means a run for which the generator operator provided at least 48 hours advance notice.
11. Third Party Request means a run for purposes of satisfying the request of a third party, excluding a Dispatch.
12. Unit Offline means the generating unit is no longer synched to the distribution system.
13. Unit Online and Generating means any instance where the unit is synched with the distribution system.
14. Unscheduled Run means any run other than a Scheduled Quarterly/Capability Test, Scheduled Run, Dispatch, Emergency, or Third Party Request. Unscheduled Run includes without limitation a run for maintenance or training purposes.

PROCEDURE

1. For scheduled exercises of **MEAN leased capacity** generation.
 - a. MEAN personnel will provide to generator operators an annual schedule by October 1st of the calendar year prior to the test year indicating which units are scheduled to operate on a quarterly basis. MEAN or the TEA Real Time Operator may need to revise the exercise schedule due to system conditions.
 - b. The Monday prior to the week of the scheduled unit exercise, MEAN personnel will provide the generator operators of the units scheduled to exercise, an email indicating which units, generation levels, and duration of operation is anticipated. The generator operator will confirm that information and make any changes as well as provide the preferred unit start time no later than

noon Central time the following Friday by responding via email to generation@nmpenergy.org.

- c. MEAN personnel will send a follow up email with the confirmed information to the generator operator and TEA the Friday afternoon prior to the week that the unit(s) are scheduled to exercise.
2. For any generator operation to respond to Participant Emergency or Third Party Request.

In addition to the required notice, generator operator will provide notification of why the unit was required to operate, the projected duration of the operation and if requested by a third party, who made the request.

NOTICES TABLES (see next page)

UNIT GENERATING PROCEDURE

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NOTICES TABLES

MEAN Leased Generation

| Type of Participant Notice to MEAN | Reason for Generation | | | | |
|------------------------------------|--------------------------------------|----------|-----------------|-----------------------|---------------------|
| | Scheduled Quarterly/ Capability Test | Dispatch | Unscheduled Run | Participant Emergency | Third Party Request |
| 48 Hr | x | N/A | N/A* | N/A | N/A* |
| 90 Min/Pre Start | x | x | x | N/A | x |
| Unit Online and Generating | x | x | x | x | x |
| Failed Start/Run | x | x | x | x | x |
| Unit Offline | x | x | x | x | x |

Non-Leased TRP Generation (excluding Emergency Only)

| Type of Participant Notice to MEAN | Reason for Generation | | | | |
|------------------------------------|-----------------------|----------|-----------------|-----------------------|---------------------|
| | Scheduled Run | Dispatch | Unscheduled Run | Participant Emergency | Third Party Request |
| 48 Hr | x | N/A | N/A* | N/A | N/A* |
| 90 Min/Pre Start | x | x | x | N/A | x |
| Unit Online and Generating | x | x | x | x | x |
| Failed Start/Run | x | x | x | x | x |
| Unit Offline | x | x | x | x | x |

Non-Leased TRP Generation (Emergency Only)

| Type of Participant Notice to MEAN | Reason for Generation | | |
|------------------------------------|-----------------------|-------------|-----------|
| | Testing | Maintenance | Emergency |
| 48 Hr | N/A | N/A | N/A |
| 90 Min/Pre Start | x | x | x |
| Unit Online and Generating | x | x | x |
| Failed Start/Run | x | x | x |
| Unit Offline | x | x | x |

For purposes of the tables above, an asterisk (*) means notice is preferred, but not required.

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Policy Statement: The Total Requirements Power Supply Contracts between MEAN and the Total Requirements Participants (each, a “TRP” as defined below) provide for the TRP to purchase all of its electric requirements from MEAN in excess of its firm power allocation from the Western Area Power Administration. Recent trends in State and Federal regulation and legislation promote the expanded deployment of a wide variety of renewable and distributed generation technologies, including legislation implementing net metering policies.

This Policy has been adopted in recognition of these trends. This Policy also establishes a de minimis exception/clarification to the full requirements purchase obligation under the Total Requirements Power Supply Contracts for TRPs to install under certain limited circumstances Renewable Generation Resources, or to enter into power purchase agreements under certain limited circumstances to purchase the output of Renewable Generation Resources, to offset portions of the TRP’s electric supply requirements.

The following table is provided for illustrative purposes only, as a summary of the provisions of this Policy. In the event of a conflict between the table and the other provisions of the Policy, the other provisions of the Policy shall control.

| | | Grandfathered Generation | Non-Grandfathered Generation | | | | Section |
|-----------------------|--|--------------------------|------------------------------|----------------|--------------------|----------------|------------|
| | | | 25 kW or less | | Greater than 25 kW | | |
| | | | TRP (1) Resource | End-User Owned | TRP (1) Resource | End-User Owned | |
| FCRC and Transmission | DG production output is used in the allocation of FCRC | No | Yes | Yes | Yes | Yes | 2.05, 2.08 |
| | DG production output is used in transmission billing | Per Tariff Requirements | | | | | 2.05, 2.08 |
| Metering | DG production output may be metered | Yes | Yes | Yes | Yes | Yes | 2.06, 2.07 |
| | DG production output which is not metered may use nameplate ratings for output | Yes | Yes | Yes | Yes | Yes | 2.05 |
| | Production output which is not metered may estimate output by sampling metered DG | Yes | No | No | No | No | 2.08 |
| Excess Energy | MEAN purchases End-User excess energy at avoided cost rate | No | No | No | No | Yes | Appendix A |
| | MEAN adds End-User excess energy to TRP bill | No | No | No | No | Yes | Appendix A |
| Cap | DG installed production is limited to the higher of 5% of 3-year average annual energy or 100 kW | No | Yes | No | Yes | No | 2.04 |

(1) TRP Resources are subject to approval by the MEAN Board of Directors.

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Section 1. Definitions

In addition to terms defined elsewhere in this Policy, the following terms have the following meanings when used herein:

- 1.01 “Avoided Cost Rate” means MEAN’s avoided cost rate as determined from time to time consistent with applicable legal and regulatory standards.
- 1.02 “Cap” shall have the meaning ascribed thereto in Section 2.04.
- 1.03 “Community Solar Project” means a local solar facility shared by multiple community subscribers who receive credit on their electric bills for their share of the energy produced, which facility is located (i) on the TRP’s system, (ii) outside the TRP’s system on property owned by the TRP, or (iii) if the facility is jointly administered by multiple TRPs, it must be located on the system of one of those TRPs or on property owned by one of those TRPs.
- 1.04 “Fixed Cost Recovery Charge” shall have the meaning ascribed thereto in the then-current Schedule of Rates and Charges to the TRP’s Total Requirements Power Supply Contract.
- 1.05 “kW” shall be kilowatts AC (alternating current) whenever possible. kW ratings may be DC (direct current) if an AC rating is not available. kWh means kilowatt-hours AC.
- 1.06 “MEAN” means the Municipal Energy Agency of Nebraska.
- 1.07 “Offsets” shall have the meaning ascribed thereto in Section 2.03.
- 1.08 “Policy” means this Renewable Distributed Generation Policy.
- 1.09 “PPA” means an agreement among a TRP, a developer and MEAN under which the TRP purchases all or a portion of the electrical output of a Renewable Generation Resource, subject to the Offset provisions in Section 2.03 of this Policy.
- 1.10 “PURPA” means the Public Utility Regulatory Policies Act of 1978, as may be amended from time to time.
- 1.11 “Renewable Source” means a primary energy source for generation of hydro, wind, solar, biomass, solid waste, or geothermal resources, or other forms of renewable generation as determined on a case-by-case basis by the Director of Wholesale Electric Operations of MEAN.
- 1.12 “Renewable Generation Resource” means electric generation with a Renewable Source that is interconnected at one of the following locations: (i) behind the wholesale meter of a TRP, (ii) outside a TRP’s distribution system but on property owned by the TRP, (iii) for a Community Solar Project, at a location set forth in Section 1.03, or (iv) behind the retail meter of (or otherwise owned by) an end-user. In no event shall a generating facility qualify as a Renewable Generation Resource under this Policy unless it is of a type and character that would be within the definition of a “qualifying facility” or “renewable resource” under state or federal legislation or regulations. This definition shall not include any resource that is owned, purchased, or leased by a TRP that is either (i) approved by the MEAN Board of Directors to reduce the TRP’s supplemental load to be served by MEAN, which approval must be granted in conjunction with execution of the Total Requirements Power Supply Contract, or (ii) leased or purchased by MEAN (in whole or in part) under a separate written agreement.

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1.13 “Total Requirements Participant” or “TRP” means the purchaser under a Total Requirements Power Supply Contract.

1.14 “Total Requirements Power Supply Contract” means a power supply contract under which the TRP agrees to purchase all of its electricity requirements from MEAN including load growth, less its Western Area Power Administration allocation(s), including without limitation agreements under Service Schedule M, Service Schedule K and Service Schedule J (Agreement for Firm Power Interchange Service). For avoidance of doubt, a Service Schedule M Total Power Requirements Power Purchase Agreement under which the participant transitions to Contract Purchaser, as defined in the Service Schedule M Total Power Requirements Power Purchase Agreement, shall no longer qualify as a Total Requirements Power Supply Contract because the purchaser is obligated to purchase from MEAN firm power and energy equal to Contract Demand only.

1.15 “TRP Resource” means a Renewable Generation Resource owned and operated by the TRP, a Community Solar Project, or the TRP’s purchases under a PPA permitted under Section 2.03 of this Policy, approved by MEAN, which output is used by the TRP to offset the Energy Charge for purchases from MEAN pursuant to and in accordance with Section 2.03 of this Policy.

Section 2. Establishment of Renewable Distributed Generation Policy

2.01 Application of Policy. This Policy shall apply to TRPs who have executed a Total Requirements Power Supply Contract with MEAN.

2.02 Renewable Purchases. With regard to Renewable Generation Resources located on TRP’s system and owned by an end-user (except to the extent the output of such Renewable Generation Resource is sold to a TRP under a PPA pursuant to Section 2.03), a TRP may (a) permit an end-use customer to utilize the AC electrical output of such Renewable Generation Resource to instantaneously supply all or a portion of such customer’s own load and/or (b) purchase all or a portion of electrical output from such Renewable Generation Resource, in each case consistent with applicable laws and interconnection standards. A TRP’s purchase of output from an end-use customer as described above shall be defined as “Renewable Purchases”.

2.03 Renewable Generation Offsets. Under certain conditions as set forth in this Policy, a TRP may (i) install, own and operate Renewable Generation Resources meeting the criteria set forth in Section 1.12, (ii) may participate in or administer a Community Solar Project meeting the criteria set forth in Section 1.03, and (iii) may enter into a PPA meeting the criteria set forth in Section 1.09. PPAs will be permitted under this Section 2.03 only to allow the TRP to benefit from the effects of tax incentives. A TRP must receive approval from MEAN for each TRP Resource as described in Section 2.14, which approval is subject to Section 2.04. MEAN shall make adjustment(s) to the TRP’s monthly bill as necessary to ensure the Energy Charge reflects reduced kilowatt hour (“kWh”) purchases from MEAN due to TRP Resource output for the current billing month only (“Offsets”); provided, however, that no Offsets will be permitted for output associated with any nameplate capacity that exceeds the amount of nameplate capacity approved by MEAN.

2.04 Cap. Approval of a TRP Resource under Section 2.14 shall be granted to TRP only if all the requirements of this Policy are met and MEAN determines in its sole discretion at the time of approval that the aggregate expected annual energy output of the subject Renewable Generation Resource and any previously approved TRP Resource (excluding facilities grandfathered as described in Section 2.08), will not exceed the Cap. The Cap shall be the greater of (i) five percent (5%) of the TRP’s most recent three-year historical average annual kWh load (based on

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MEAN's fiscal year) served by MEAN (excluding any non-MEAN resources including without limitation firm electric service from Western Area Power Administration or electrical output from facilities owned or purchased by the TRP with approval of the MEAN Board of Directors) or (ii) the energy generated by 100 kW ("Cap").

2.05 Facility-Specific Provisions.

- a. The following provisions apply to (i) any and all TRP Resources approved under Section 2.03, and to (ii) any and all Renewable Generation Resources with an estimated rated generating capacity of 25 kW or less per meter which are owned by an end-use customer of the TRP:
 1. All monthly AC output (net of any generator auxiliary usage) from such Renewable Generation Resources, and any TRP purchases under a PPA pursuant to Section 2.03, will be added back to the TRP's monthly peak demand for purposes of determining the TRP's Fixed Cost Recovery Charge allocation, and may be added back for purposes of Network Integration Transmission Service (NITS) charges or any other non-energy charges, as applicable, assessed to the TRP on whose distribution system the facility is interconnected.
 2. TRP shall provide advance notice to MEAN prior to interconnecting any end-use customer Renewable Generation Resource. TRP shall make every effort to inform MEAN of a potential Renewable Generation Resource as soon as the TRP becomes aware of the potential resource. Notice shall comply with the provisions of Section 2.15.
 3. TRP must receive pre-approval from MEAN as described in Section 2.14 for any TRP Resources.
 4. TRP shall timely provide MEAN with the necessary meter data to facilitate proper billing and reporting. Metering and data shall comply with the provisions of Sections 2.06 and 2.07. For any month in which the TRP fails to provide the necessary meter data to MEAN in a timely manner as described in Sections 2.06 and 2.07, the nameplate capacity applies as follows:
 - a. MEAN will assume the Renewable Generation Resource produced at its nameplate capacity, or at the PPA-specified capacity, and will include such assumed output for purposes of calculating the Fixed Cost Recovery Charge allocation; and
 - b. MEAN may at its discretion assume the Renewable Generation Resource produced at its nameplate capacity, or at the PPA-specified capacity, and may include such assumed output for purposes of reporting network load to calculate transmission charges or any other non-energy charges from MEAN to TRP.
 5. No Energy Charge shall apply to output from such Renewable Generation Resources or any TRP purchases under a PPA pursuant to Section 2.03.
 6. The TRP shall at all times remain responsible for compensating the end-use customer for electrical output.
- b. The following provisions apply to Renewable Generation Resources with an estimated rated generating capacity of greater than 25 kW per meter which are owned by an end-use customer of the TRP, except to the extent the output of such Renewable Generation Resource is sold to a TRP under a PPA pursuant to Section 2.03:
 1. The TRP may, at its discretion, work with MEAN to negotiate a power purchase agreement directly between MEAN and the end-use customer or project developer under which MEAN will purchase the output of the facility. If (i) the TRP elects not to work with MEAN to

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negotiate such a power purchase agreement, or (ii) the parties for any reason cannot reach mutually acceptable terms for such purchase, the other provisions of this Policy will apply.

2. All monthly AC output (net of any generator auxiliary usage) from such Renewable Generation Resources will be added back to the TRP's monthly peak demand for purposes of determining the Fixed Cost Recovery Charge allocation, and may be added back for purposes of Network Integration Transmission Service (NITS) charges or any other non-energy charges, as applicable, assessed to the TRP on whose distribution system the facility is interconnected.
3. TRP shall provide advance notice to MEAN prior to interconnecting any Renewable Generation Resource owned by an end-use customer. TRP shall make every effort to inform MEAN of a potential Renewable Generation Resource as soon as the TRP becomes aware of the potential resource. Notice shall comply with the provisions of Section 2.15.
4. TRP shall timely provide MEAN with the necessary meter data to facilitate proper billing and reporting. Metering and data shall comply with the provisions of Section 2.06. For any month in which the TRP fails to provide the necessary meter data to MEAN in a timely manner as described in Section 2.06, the nameplate capacity applies as follows:
 - a. MEAN will assume the Renewable Generation Resource produced at its nameplate capacity and will include such assumed output for purposes of calculating the Fixed Cost Recovery Charge allocation;
 - b. MEAN may at its discretion assume the Renewable Generation Resource produced at its nameplate capacity and may include such assumed output for purposes of reporting network load to calculate transmission charges or any other non-energy charges from MEAN to TRP; and
 - c. MEAN may at its discretion assume the Renewable Generation Resource produced at its nameplate capacity when calculating the credit on the Total Requirements Power Supply Contract bill for the energy delivered to the distribution system and the increase to the TRP's kWh billing amount for energy purchased from MEAN as further described on Appendix A to this Policy.
5. Each Renewable Generation Resource will be treated as if it were a MEAN generation resource through a sale or assignment to MEAN, as further described on Appendix A to this Policy.
6. The TRP shall at all times remain responsible for compensating the end-use customer for electrical output.

A TRP shall cooperate with MEAN in a commercially reasonable manner to give effect to the foregoing provisions, including the execution of such instruments of sale or assignment as may be deemed necessary or desirable by MEAN.

Grandfathered facilities meeting the requirements of Section 2.08 are not subject to Section 2.05.

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2.06 Metering of Directly Connected End-Use Customer Facilities.

- a. Subject to Section 2.08, TRP shall cause to be installed and own revenue-quality AC interval recording metering equipment in the locations described in subsections 1, 2 and 3 below. Such equipment shall be capable of recording the following readings from each end-use customer with Renewable Generation Resource(s):
 1. For Grandfathered Renewable Generation Resources the output of the generator (metering equipment shall be installed on the generator circuit).
 2. For Renewable Generation Resources with an estimated rated generating capacity of 25 kW or less per meter which are owned by an end-use customer of the TRP: the output of the generator (metering equipment shall be installed on the generator circuit).
 3. For Renewable Generation Resources with an estimated rated generating capacity of more than 25 kW per meter which are owned by an end-use customer of the TRP: (1) the output of the generator, and (2) the energy flowing to and from the customer and TRP's system, as shown by a bidirectional meter reading (metering equipment shall be installed on the generator circuit and at the interconnection point between the TRP's system and the end-use customer).
- b. TRP shall take meter readings on the same cycle as the otherwise applicable rate schedule.
- c. Hourly meter readings shall be provided to MEAN once daily by electronic means in a format and on a time schedule acceptable to MEAN.

2.07 Metering of TRP Resources. TRP acknowledges that it must comply with the provisions of the then-current Asset Management Policies and Procedures, including but not limited to provisions therein regarding metering. For PPAs permitted under Section 2.03, TRP shall cause to be installed and own revenue-quality AC interval recording metering equipment at the interconnection point between the TRP's system and the Renewable Generation Resource. For Renewable Generation Resources not on the TRP's system, the hosting utility shall cause to be installed and own revenue-quality AC interval recording metering equipment at the interconnection point between the hosting utility's system and the AC output of the Renewable Generation Resource. Additional metering may be required and will be determined by MEAN.

2.08 Grandfathered Facilities.

- a. A Renewable Generation Resource that was installed and operational prior to May 19, 2016, or other Renewable Generation Resource for which the TRP has an executed interconnection agreement prior to October 2, 2016, may, at the discretion of the Board of Directors of MEAN, be grandfathered if the TRP reports to MEAN all necessary data regarding the resource within sixty (60) days of MEAN's request for such data. Grandfathered facilities are shown on Appendix B. Output from grandfathered facilities will not be subject to the Cap or an Energy Charge, and will not be factored in the TRP's Fixed Cost Recovery Charge. In no event will output from grandfathered facilities be applied in a manner to reduce any other demand or non-energy charges or Network Integration Transmission Service (NITS)

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charges that would otherwise be due if such output had not been generated. The TRP shall at all times remain responsible for compensating the end-use customer for electrical output.

- b. The TRP shall timely provide MEAN with the necessary meter data to facilitate proper reporting of output from grandfathered facilities for purposes of reporting network load to calculate transmission charges or any other non-energy charges from MEAN to TRP. Metering and data shall comply with the provisions of Sections 2.06 and 2.07.
- c. For any month in which the TRP fails to provide the necessary meter data to MEAN in a timely manner as described in Sections 2.06 and 2.07, one or more of the following assumptions will apply:
 1. In the event that:
 - a. TRP attests that it has Representative Sample Facilities, as that term is defined below, and
 - b. TRP attests that the Representative Sample Facilities are at least twenty percent (20%) by count of facilities of the grandfathered facilities and are metered and reported to MEAN, and
 - c. such Representative Sample Facilities are identified to MEAN and are in fact metered and reported as required by Sections 2.06 and 2.07, and
 - d. such attestation is made in a form acceptable to MEAN in its sole discretion, executed by an authorized officer of the TRP and is submitted to MEAN at least thirty (30) days prior to the first day of the calendar month in which TRP requests MEAN to utilize such Representative Sample Facilities data, and
 - e. such attestation includes a written agreement on behalf of the TRP that (i) MEAN is entitled to rely on the attestation each month until terminated or superseded by a new sufficient attestation, (ii) TRP acknowledges that revisions to TRP's attestation are permitted only for material changes to update the Representative Sample Facilities list for the TRP due to installation or removal of qualifying metering equipment on grandfathered facilities, and (iii) TRP shall reimburse MEAN for any fines, penalties or charges imposed by a third party for failure to report the actual output in any month to which the attestation applies,

then output from any similar unmetered grandfathered facilities on the TRP's distribution system shall be assumed at a percentage equal to the Assumed Capacity Value, as that term is defined below, calculated at the time of the transmission provider's system peak for the applicable billing period times the unmetered grandfathered facility's nameplate capacity.

For purposes of this Policy:

Representative Sample Facilities shall mean Renewable Generation Resources installed and operational on the TRP's distribution system that have been grandfathered under this Policy and are of similar type, technology and energy source as the unmetered grandfathered facilities; and

Assumed Capacity Value shall mean the arithmetic mean of the capacity value of the metered and reported Representative Sample Facilities calculated at the time of the transmission provider's system peak for the applicable billing period. Capacity value refers to

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the percent contribution of a Renewable Generation Resource to reliably meet demand. The output capacity is measured as a fraction (capacity value) of the nameplate capacity of the Renewable Generation Resource.

Sample calculation (for illustrative information purposes only):

| | |
|--|-----|
| Number of Grandfathered Facilities: | 20 |
| Sample Size for metering: | 20% |
| Number of Facilities Requiring Meters: | 4 |

Calculation to Establish Average Output of Metered Facilities at Transmission Provider's Coincident Peak

| Facility # | Nameplate (kW) | Metered Output in AC at Transmission Provider's Coincident Peak (kW) | Capacity Value at Coincident Peak as a Percentage of Nameplate | Calculated Output for Reconstitution of Load for Transmission (kW) |
|-----------------|----------------|--|--|--|
| 1 | 6.0 | 3.7 | 61.0% | 3.7 |
| 2 | 36.0 | 23.5 | 65.2% | 23.5 |
| 3 | 14.0 | 8.2 | 58.6% | 8.2 |
| 4 | 5.2 | 3.5 | 67.8% | 3.5 |
| Nameplate: 61.2 | | Assumed Capacity Value at Coincident Peak of Metered Facilities: 63.2% | | Metered: 38.9 |

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**Calculation of Non-metered Grandfathered Facilities Using Average Output at
Coincident Peak of Metered Facilities**

| Facility # | Nameplate (kW) | Assumed Capacity Value at Coincident Peak | Calculated Output for Reconstitution of Load for Transmission (kW) |
|-------------------|-----------------------|--|---|
| 5 | 4.0 | 63.2% | 2.5 |
| 6 | 7.5 | 63.2% | 4.7 |
| 7 | 5.0 | 63.2% | 3.2 |
| 8 | 6.0 | 63.2% | 3.8 |
| 9 | 10.0 | 63.2% | 6.3 |
| 10 | 9.9 | 63.2% | 6.3 |
| 11 | 20.5 | 63.2% | 12.9 |
| 12 | 10.0 | 63.2% | 6.3 |
| 13 | 10.0 | 63.2% | 6.3 |
| 14 | 5.7 | 63.2% | 3.6 |
| 15 | 11.6 | 63.2% | 7.3 |
| 16 | 96.0 | 63.2% | 60.6 |
| 17 | 22.9 | 63.2% | 14.5 |
| 18 | 6.5 | 63.2% | 4.1 |
| 19 | 3.9 | 63.2% | 2.5 |
| 20 | 3.3 | 63.2% | 2.1 |

Nameplate without Meters: 232.8

Estimated Output: 147.0

Resulting Total Output of Grandfathered Facilities

| | |
|---|-----------------|
| Total Nameplate with Meters: | 61.2 kW |
| Total Nameplate without Meters: | <u>232.8 kW</u> |
| Total Nameplate: | 294.0 kW |
| <hr/> | |
| Total Metered Output: | 38.9 kW |
| Total Estimated Output: | <u>147.0 kW</u> |
| Output at Transmission Provider's Coincident Peak: | 185.9 kW |

- To calculate the output from any grandfathered facility not meeting the requirements of subsection 1. above, MEAN may at its discretion assume the Renewable Generation Resource produced at its nameplate capacity and may include such assumed output for purposes of reporting network load to calculate transmission charges or any other non-energy charges from MEAN to TRP.

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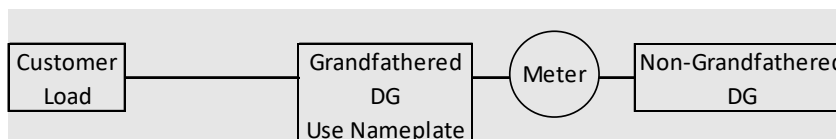
d. The nameplate capacity of Renewable Generation Resources must be reported as the AC rating for generators. The DC rating for generators using inverters shall be used only if an AC rating is not available.

e. Increase in nameplate capacity.

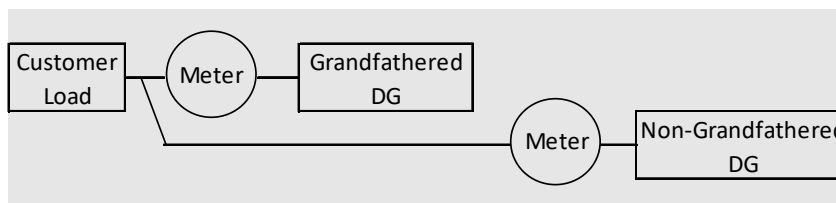
1. Except as provided in subsection 2.08.e.2. below, a grandfathered facility will lose its grandfathered status under this Policy if its nameplate capacity is increased.
2. A grandfathered facility may retain grandfathered status despite an increase in nameplate capacity only if:
 - a. (i) the entire facility is not metered, (ii) only the original capacity is treated as grandfathered using the approved grandfathered nameplate rating, and (iii) all nameplate capacity exceeding the approved grandfathered nameplate rating is treated as non-grandfathered under this Policy, or



- b. (i) the grandfathered generation capacity is not metered and (ii) the additional generation capacity is metered separately from the grandfathered capacity and this additional generation capacity is treated as non-grandfathered under this Policy, or



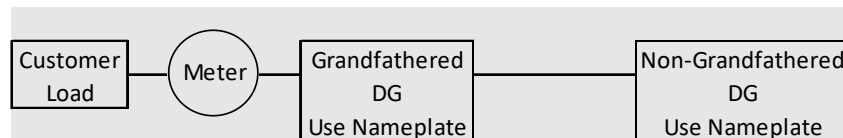
- c. (i) the grandfathered generation capacity is metered separately from the additional capacity and (ii) the additional generation capacity is metered separately from the grandfathered capacity or does not have a meter and this additional generation capacity is not treated as grandfathered under this Policy, or



- d. (i) the entire facility is metered, and (ii) the additional generation capacity is not separately metered and is treated as non-grandfathered under this Policy, and (iii) an authorized official of the TRP elects in writing to use the nameplate ratings

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for the grandfathered generation capacity and the additional non-grandfathered generation capacity, in lieu of the meter readings.



3. The increase in nameplate capacity shall be considered a separate Renewable Generation Resource and shall not be considered to be grandfathered for purposes of this Policy.
4. Nothing in this Section 2.08.e. affects the TRP's obligation under this Policy to provide notice to MEAN as provided in Section 2.15 for capacity additions to end-use customer facilities and to complete the application process and obtain MEAN's approval of TRP-owned generation for the additional capacity as provided in Section 2.14.

- f. The requirements in this Section 2.08 shall apply in lieu of Section 2.05 with regard to grandfathered facilities.

2.09 Billing and Credits for TRPs. Billing and credits shall be administered as set forth on Appendix A. All costs and liabilities associated with the installation, ownership and operation of Renewable Generation Resources shall be borne by the TRP or its end-use customers.

2.10 Environmental Attributes Associated with Offsets. The TRP shall retain any and all rights with respect to environmental attributes associated with Offsets permitted under Section 2.03, and at MEAN's sole discretion shall transfer and sell to MEAN, at MEAN's standard rate for compensating PURPA qualifying facilities for environmental attributes, any environmental attributes associated with electrical output from Renewable Generation Resources nameplate capacity that exceeds the nameplate capacity approved by MEAN. The TRP's rights described in this Section shall be subject to the following right of first refusal: If the TRP seeks to transfer, sell, or otherwise use the environmental attributes as renewable energy credits ("RECs") for a purpose other than (a) to meet a statutory obligation imposed directly on the TRP, (b) to benefit the TRP's own end-use customers, or (c) to meet the obligations associated with any state or federal government program from which the funding for the Renewable Generation Resource or a portion thereof was received, then MEAN shall have the right of first refusal to purchase the environmental attributes from the TRP.

2.11 Environmental Attributes Associated with End-Use Customer Facilities. The end-use customer shall retain any and all rights with respect to environmental attributes associated with output that was consumed by the customer. For any output sold to TRP under Section 2.02, including attributes associated with output that was banked under a net metering program, TRP shall, if directed by MEAN in its sole discretion, negotiate in good faith to purchase the environmental attributes from the end-use customer and transfer and sell to MEAN any environmental attributes associated with such output. Compensation for the sale of attributes to MEAN shall be at the rate paid to the end-use customer; however, the TRP shall not agree to pay an amount greater than MEAN's standard rate for compensating PURPA qualifying facilities for environmental attributes without consent of MEAN.

2.12 Net Metering Provisions. A TRP may, at its sole cost and expense, offer net metering or other financial incentives to end-use customers (whether required by law or voluntarily). Notwithstanding any net metering or other financial incentive offered by a TRP, the rate paid to a TRP by MEAN for output from Renewable Generation

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Resources will not exceed MEAN's Avoided Cost Rate unless otherwise approved by the MEAN Board of Directors. TRP shall be responsible for developing and administering an application process for interconnection and net metering, if applicable, of customer-owned renewable generation in accordance with this Policy. TRP shall be responsible for ensuring the necessary metering equipment as well as conducting the appropriate inspections of customer-owned generation systems. TRP and eligible customers shall be required to execute an Interconnection, Energy Purchase and Service Agreement setting forth the terms and conditions for interconnection and metering of customer-owned renewable generation that is consistent with this Policy.

2.13 Rate Setting. The TRP acknowledges that it has covenanted in the Total Requirements Power Supply Contract with MEAN to fix rates and charges for the services of its municipal electric utility system, and revise the same from time to time, and collect and account for the revenues therefrom so that such rates and charges will produce revenues and receipts which will at all times be sufficient to enable the TRP to pay the amounts payable by it to MEAN under the Total Requirements Power Supply Contract when and as the same become due. Further, the TRP agrees that nothing in this Policy affects, modifies or amends such covenants.

2.14 Application Process for TRP Resources. TRPs desiring to take advantage of the Offsets under this Policy shall submit a request to the Executive Director of MEAN which at a minimum shall detail the following information and a statement by the TRP that the request meets the program criteria as outlined in this Policy:

- a. nameplate generating capacity rating (in kW) of the facility (AC rating, or DC rating if an AC rating is not available, as applicable; see subsection 1.05),
- b. estimated total AC electrical output in kWh from the facility per month,
- c. type of generating unit (examples include wind and water powered turbine generators and photovoltaic generators/inverters),
- d. fuel type (examples include hydro, wind, solar),
- e. one-line electrical diagram including interconnection
- f. copy of any PPA proposed to be executed by the TRP pursuant to Section 2.03,
- g. attestation by the TRP that any PPA proposed to be executed by the TRP meets the criteria in Section 2.03, and
- h. attestation by the TRP that any Community Solar Project proposed to be constructed, administered or participated in by the TRP meets the criteria in Section 2.03, and
- i. any other information related to the facilities or TRP's system as MEAN may request from time to time.

The Board of Directors of MEAN shall approve the TRP's request following a review by MEAN staff if the Board determines that the criteria of this Policy have been satisfied. If the Board of Directors determines that a particular request does not meet the criteria or that the information submitted is lacking, MEAN shall advise the TRP of the deficiency and the TRP shall have an opportunity to supplement or revise its request. If the TRP desires to modify the design of any approved TRP Resource in a manner which is expected to result in annual electrical output exceeding the amount in the application as described in subsection 2.14.b. or if the TRP desires to increase the capacity of any approved TRP Resource, TRP shall repeat the application process described in this Section and must receive MEAN's approval prior to making such design modification or interconnecting such additional capacity.

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2.15 Notice Regarding End-Use Customer Facilities. TRPs shall provide advance notice to MEAN prior to interconnecting any end-use customer facility and prior to operations of any additional capacity at an existing end-use customer facility. Such notice shall include but not be limited to the following information:

- a. nameplate generating capacity rating (in kW) of the facility (AC rating, or DC rating if an AC rating is not available, as applicable; see subsection 1.05),
- b. estimated total electrical AC output in kWh from the facility per month,
- c. estimated amount of AC energy in kWh to be produced by the facility in excess of end-use customer's load per month,
- d. type of generating unit (examples include wind and water powered turbine generators and photovoltaic generators/inverters),
- e. fuel type (examples include hydro, wind, solar),
- f. one-line electrical diagram including interconnection, and
- g. any other information related to the facilities or TRP's system as MEAN may request from time to time.

2.16 Applicable Law. This Policy is subject to federal, state, regional and local laws, regulations, orders and applicable transmission provider or regional transmission organization tariff, business practices and market rules.

2.17 PURPA Purchase Obligations. TRPs shall provide such information and complete such filings and applications as MEAN may request from time to time to transfer TRP's PURPA purchase obligation to MEAN. For any PURPA Qualifying Facility interconnected with TRP's system, the TRP's avoided cost rate shall be based on MEAN's Avoided Cost Rate.

2.18 Fines and Penalties. Each TRP shall be responsible to reimburse MEAN for any fines, penalties or charges imposed by a third party arising out of or resulting from TRP's failure to (i) timely notify MEAN of the interconnection of any Renewable Generation Resource, or (ii) timely provide accurate and complete metering data as required by this Policy.

2.19 No Breach Under Total Requirements Power Supply Contract. A TRP that complies with the provisions of this Policy will not be considered to be in violation or breach of its total requirements purchase obligation under its Total Requirements Power Supply Contract.

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APPENDIX A
RENEWABLE GENERATION BILLING AND CREDIT PROCEDURE

I. Sale or Assignment to MEAN. For end-use customer-owned Renewable Generation Resources with an estimated rated generating capacity of greater than 25 kW per meter interconnected to the distribution system of a TRP of MEAN, except to the extent the output of such Renewable Generation Resource is sold to a TRP under a PPA pursuant to Section 2.03, the TRP shall, after consultation with MEAN, take one or more of the following actions, as applicable:

- a. If a TRP's purchase of output from such Renewable Generation Resource is made pursuant to a contract that is assignable by its terms and provides for the purchase of electrical output at the MEAN Avoided Cost Rate, the TRP shall assign the contract to MEAN. Credits and charges for energy delivered to the TRP's distribution system shall be applied as described below;
- b. If a TRP's purchase of output from such Renewable Generation Resource is made pursuant to a contract that is either not assignable by its terms or provides for the purchase of electrical output at other than the MEAN Avoided Cost Rate, the TRP shall sell the electrical output it purchases from the facility to MEAN at MEAN's Avoided Cost Rate. Credits and charges for energy delivered to the TRP's distribution system shall be applied as described below.

The TRP shall at all times (whether under subsection a. or b. above) remain responsible for compensating the end-use customer for electrical output.

Unless an alternate arrangement is agreed to by and between the TRP and MEAN in the TRP's Total Requirements Power Supply Contract with MEAN or in a separate written agreement, the following credit provisions shall apply: MEAN shall pay TRP at the MEAN Avoided Cost Rate in the form of a credit on the Total Requirements Power Supply Contract bill for the energy delivered hourly to the distribution system. The credit will be calculated as follows each month:

$$\text{Credit} = \text{MEAN's Avoided Cost Rate} * \text{Monthly total of hourly kWh delivered to MEAN}$$

As part of the monthly bill adjustment, MEAN will also increase TRP's kWh billing amount by the same kWh amount as the end-use customer-owned renewable generation purchased by MEAN.

A TRP shall cooperate with MEAN in a commercially reasonable manner to give effect to the foregoing provisions, including the execution of such instruments of sale or assignment as may be deemed necessary or desirable by MEAN.

II. Fixed Charges. In no event shall the credits provided by MEAN under this Policy be applied to reduce any portion of the Fixed Cost Recovery Charge or other demand or non-energy charges. All output from Renewable Generation Resources will be added back to the monthly billing for purposes of determining such charges.

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APPENDIX B
GRANDFATHERED FACILITIES LIST¹

Dated effective as of November 14, 2024

| Participant² | # of units | Nameplate Capacity (kW) |
|--------------------------------|-------------------|--------------------------------|
| ALLIANCE | 4 | 1.96 |
| ASPEN | 27 | 230.84 |
| CRETE | 1 | 4.32 |
| CURTIS | 1 | 9.36 |
| DELTA | 8 | 124.68 |
| DENVER | 1 | 8.00 |
| FAIRBURY | 1 | 25.00 |
| FORT MORGAN | 15 | 102.74 |
| GERING | 2 | 7.40 |
| GLENWOOD SPRINGS | 69 | 515.01 |
| GUNNISON | 9 | 46.34 |
| INDIANOLA | 2 | 7.30 |
| KIMBALL | 1 | 2.10 |
| LYONS | 28 | 164.83 |
| NEBRASKA CITY | 1 | 3.50 |
| OAK CREEK | 1 | 25.00 |
| RED CLOUD | 1 | 5.00 |
| SIDNEY ³ | 1 | 1.05 |
| TORRINGTON | 1 | 15.00 |
| WALL LAKE | 1 | 660.00 |
| WAVERLY | 6 | 64.02 |
| WEST POINT | 1 | 24.90 |
| WRAY | 1 | 900.00 |
| Total | 183 | 2,948.35 |

This Appendix B supersedes the Appendix B dated effective as of August 15, 2019.

¹ Facility-specific data is on file with MEAN.

² List does not include generating facilities that were approved by the MEAN Board of Directors prior to August 18, 2016.

³ Effective 4/1/26, the City of Sidney, Nebraska will transition to Contract Purchaser status and therefore the grandfathered facility will no longer qualify.

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Revision History

| Version | Effective Date | Description of Revision |
|----------------|-----------------------|--|
| 2.0 | November 14, 2024 | Revised: provisions regarding criteria for approval of TRP Resources to clarify application of Cap at time of approval; definition of TRP to exclude Contract Purchasers; Appendix B footnote added to Grandfathered Facilities list regarding Contract Purchaser |
| 1.9 | August 13, 2020 | Added: references to the Asset Management Policies and Procedures Revised: AC/DC rating provisions Removed: references to Electrical Resources Pooling Agreement and Management Committee |
| 1.8 | November 21, 2019 | Revised: Cap on TRP-owned generation |
| 1.7 | August 15, 2019 | Revised: Appendix B update adding two facilities to the Grandfathered Facilities list due to Delta annexation |
| 1.6 | November 15, 2018 | Revised: provisions regarding permissible locations for Renewable Generation Resources; housekeeping changes |
| 1.5 | August 16, 2018 | Added: provisions allowing certain PPAs Revised: representative sampling provisions for Grandfathered facilities |
| 1.4 | November 16, 2017 | Added: illustrative table summarizing Policy; provisions regarding increases in nameplate capacity of Grandfathered facilities; Policy revision history Revised: metering provisions; AC/DC rating provisions; notice provisions; Appendix A hourly credit provisions; housekeeping changes |
| 1.3 | August 17, 2017 | Revised: Cap on TRP-owned generation |
| 1.2 | January 19, 2017 | Added: representative sampling for Grandfathered facilities; fines and penalties provisions; housekeeping changes Revised: name of Policy; metering provisions |
| 1.1 | November 17, 2016 | Added: Grandfathered Facilities list |
| 1.0 | May 19, 2016 | Adoption of Policy |