

BEFORE THE CASS COUNTY ELECTRIC COOPERATIVE'S
BOARD OF DIRECTORS

In Re: PURPA Proceedings Under)	
The Energy Policy Act of 2005,)	
)	
Cass County Electric Cooperative's Staff,)	CASS COUNTY ELECTRIC
)	COOPERATIVE'S BOARD
)	OF DIRECTORS' FINDINGS,
Applicant.)	DETERMINATIONS AND
)	CONCLUSIONS
)	
)	
)	

On June 14, 2007, Cass County Electric Cooperative, held a hearing at the Dr. Jerry C. Olson Auditorium in the Skills and Technology Training Center, 1305 19th Avenue North, Fargo, North Dakota, to receive evidence regarding five federal standards for consideration under Title I of the Public Utility Regulatory Policies Act of 1978, as amended by the Energy Policy Act of 2005, Subtitle E ("PURPA"). The Honorable Bruce Bohlman served as hearing officer. The directors of Cass County Electric Cooperative's Board of Directors ("Board of Directors") were in attendance. Scott Handy, President and CEO, and Jodi Bullinger, P.E., were duly sworn and gave testimony under oath. The Affidavits with attachments of Scott Handy and Jodi Bullinger were received into evidence for consideration.

The Board of Directors has considered and evaluated its obligations to consider the five federal standards under Title I of the Public Utility Regulatory Policies Act of 1978, as amended by the Energy Policy Act of 2005, Subtitle E ("PURPA"), taking into account the purposes of conservation of energy, optimization of the efficiency of use of facilities and resources by electric utilities, and equitable rates to electric consumers.

Based on the evidence presented, the Board of Directors makes the following findings:

1. The Net Metering Standard [(16 U.S.C. § 2621(d)(11)] requires consideration of making available upon request net metering service to any electric consumer that the electric utility serves. “Net metering service” means service to an electric consumer in which electricity generated by the consumer from an eligible, on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided to the consumer during the applicable billing period. See 16 U.S.C. § 2621(d)(11).

2. The Board of Directors has considered the Applicant’s analysis of the purposes of conservation of energy, optimization of the efficiency of use of facilities and resources, and equitable rates to electric consumers for adoption and implementation of the Net Metering Standard and hereby incorporates by reference paragraphs 3 through 5 of the Application, attached and marked as **Exhibit A**.

3. As testified by Scott Handy, Cass County Electric Cooperative has received assurances from Minnkota Power Cooperative that adoption of the Net Metering Standard will not be considered a violation of Cass County Electric Cooperative’s all-requirements contract.

4. The Board of Directors finds that limitations in scope of a Net Metering Program are appropriate, including limitations in the following: qualifying sources of renewable electricity and recycled energy; permitted maximum nameplate capacity at a single member account; a cumulative maximum installed capacity on the system; eligibility determination on a first-come, first-served basis; compliance with interconnection standards and policies for all on-site member generation; and requirement that participating members pay costs associated with the metering, interconnection, and other fees associated with the program.

5. Based on the testimony of Scott Handy, Cass County Electric Cooperative finds that Minnkota Power Cooperative is interested in purchasing qualifying excess energy, subject to terms and conditions agreed to by Minnkota Power Cooperative (“MPC”) and Cass County Electric Cooperative.

6. The Fuel Source Diversity Standard [16 U.S.C. § 2621(d)(12)] requires consideration of development of a plan to minimize dependence on one fuel source and to ensure that the electric energy the utility sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies. The Fossil Fuel Generation Efficiency Standard [16 U.S.C. § 2621(d)(13)] requires consideration of development and implementation of a ten-year plan to increase the efficiency of the utility’s fossil fuel generation.

7. Cass County Electric Cooperative has an all-requirements contract with MPC, under which it is required to purchase its wholesale energy. Cass County Electric Cooperative owns no generation sources itself, with the exception of small diesel generators used only for emergency purposes. As a distribution-only cooperative, Cass County Electric Cooperative has no opportunities for increasing fuel source diversity for electricity generation or for increasing the efficiency of its fossil fuel generation, as it has none. Accordingly, PURPA’s purposes would not be promoted by adoption of the Fuel Source Diversity Standard or the Fossil Fuel Generation Efficiency Standard because, as a distribution-only cooperative, there is no opportunity to implement them.

8. Notwithstanding its status as a distribution-only cooperative, Cass County Electric Cooperative encourages continued support of fuel source diversity. For example, the Board has endorsed by resolution dated May 30, 2006, MPC's 2006 Integrated Resource Plan, which addresses alternatives for fuel source diversity and a fifteen-year resource plan, including the efficient use of fossil fuel generation.

9. The Time-based Metering and Communications Standard [16 U.S.C. § 2621(d)(14)(a)], otherwise known as "smart metering," requires consideration of offering and providing a time-based rate schedule to each of the utilities' customer classes and to individual customers upon customer request. Under a time-based rate schedule, the rate charged varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level. It enables the electric consumer to manage energy use and cost through advanced metering and communications technology. Under this standard, the electric utility provides each customer requesting a time-based rate with a time-based meter capable of enabling the utility and customer to offer and receive such rate, respectively.

10. The Board has considered the Applicant's analysis of the purposes of conservation of energy, optimization of the efficiency of use of facilities and resources, and equitable rates to electric consumers for adoption and implementation of the Time-based Metering and Communications Standard and hereby incorporates by reference paragraphs 15 through 17 of the Application, attached and marked as **Exhibit A**. The Board finds that continuing to offer the Incremental Pricing Program ("IPP") to members satisfies this standard. In addition, three other

programs, while not technically time-based metering, accomplish the same purpose, those being the dual heating program, the controlled water heating program, and the controlled air conditioning program.

11. The Interconnection Standard [16 U.S.C. § 2621(d)(15)] requires consideration of making interconnection services available, upon request, to any electric consumer that the electric utility serves. Interconnection service is service in which an on-site generating facility on the consumer's premises is connected to the local distribution facilities.

12. Cass County Electric Cooperative has considerable experience with distributed generation interconnection and has developed comprehensive and effective standards and procedures. The Board of Directors has considered the Applicant's analysis of the purposes of conservation of energy, optimization of the efficiency of use of facilities and resources, and equitable rates to electric consumers for adoption and implementation of the Interconnection Standard and hereby incorporates by reference paragraphs 20 through 22 of the Application, attached and marked as **Exhibit A**.

WHEREFORE, IT IS HEREBY DETERMINED AND CONCLUDED:

1. The Board adopts the Net Metering Standard by permitting implementation of a Net Metering Program in appropriate scope and according to policy and procedures. At the outset, the program will have the following parameters, subject to continuing evaluation, consideration, and modification by the Board of Directors:

- a. Permit net metering from renewable electricity and recycled energy generated from the following sources: solar, using the sun as the source of energy for producing electricity; wind, using the wind as the source of energy for producing electricity; biomass, using agricultural crops and agricultural wastes and residues, wood and wood wastes and residues, animal wastes, and landfill gas as the fuel to produce electricity; geothermal, using energy contained in

heat that continuously flows outward from the earth as the source of energy to produce electricity; hydrogen, provided that the hydrogen is generated from a source listed in this section; recycled energy systems producing electricity from currently unused waste heat resulting from combustion or other processes into electricity and which do not use an additional combustion process. The term does not include any system whose primary purpose is the generation of electricity.

- b. Permit maximum generation capacity at a single member account up to 50 kW nameplate capacity.
- c. Allow the cumulative maximum installed capacity on the Cass County Electric Cooperative's system up to .1% of Cass County Electric Cooperative's system peak load based on the highest non-coincidental peak load from the previous three-year period.
- d. Determine eligibility on a first-come, first-served basis.
- e. Require compliance with Cass County Electric Cooperative's interconnection standards and policies for all on-site member generation.
- f. Require participating members to pay costs associated with the program.

2. The Board does not adopt the Fuel Source Diversity and Fossil Fuel Generation Efficiency Standards.

3. The Board adopts the Time-based Metering and Communications Standard by continuing to offer the Incremental Pricing Program ("IPP") to members, which is available to large commercial, irrigation, and grain conditioning rate classes.

4. The Board adopts the Interconnection Standard by continuing Cass County Electric Cooperative's policy governing interconnection for generation systems, as implemented by procedures.

ATTEST: The following individuals being the duly elected Board of Directors of Cass County Electric Cooperative Inc. do hereunto set their hand and affix the seal of the Cooperative this 26th day of June, 2007.

ADOPTED BY:

Wendy Loucks, Chair

Wendy Loucks

Russell Berg, Vice-chair

Russell Berg

Douglas Anderson, Treasurer

Douglas Anderson

Sidney Berg, Director

Sidney Berg

William Bertram, Director

William Bertram

Robert Huether, Director

Robert Huether

Dean Rust, Director

Dean Rust

Steve Swiontek, Director

Steve Swiontek

JOHN FROELICH, concurring in part, dissenting in part

I concur with the Findings of Fact and determinations and conclusions adopted by the Board with respect to the interconnection and time based metering standards (Findings ¶¶ 9-12; Conclusions ¶¶ 3 and 4). However, I believe that in order to further encourage distributed generation from renewable resources, the cooperative can afford, and should allow, the net metering program to be available to more than .1% of the Cooperative's system peak load. Furthermore, I believe that the Board should adopt the fuel source diversity standard and fossil fuel efficiency standard even though the Cooperative does not, and is precluded from generating electricity under its Wholesale Power Contract with Minnkota Power Cooperative, Inc. (Minnkota). I believe that, as an owner of Minnkota, the Cooperative can exert further influence to encourage Minnkota to enhance the efficient use of fossil fuels and to diversify the fuel sources used for its generation consistent with the applicable PURPA standards, and that the fossil fuel and diversity standards should be adopted to that extent.

John Froelich, Director

John Froelich