STANDARD TARIFF FOR ELECTRICITY PURCHASES FROM AND SALES TO QUALIFYING FACILITIES (X Numerous Changes)

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1. APPLICABILITY:

This standard tariff ("Tariff") implements 17 NMAC 9.570 ("NMPRC Rule 570"), is applicable to a Qualifying Facility ("QF") as defined in NMPRC Rule 570.7(Q) within the service area of Roosevelt County Electric Cooperative, Inc. ("RCEC").

The standards and procedures for the interconnection of generating facilities with rated capacities up to and including 10 MW are set forth in 17.9.568 NMAC. The standards and procedures for the interconnection of generating facilities with rated capacities greater than 10 MW are set forth in 17.9.569 NMAC.

2. ALL-REQUIREMENTS SUPPLIER:

RCEC has a wholesale power supply contract with Western Farmers Electric Cooperative ("Supplier"), the mailing address of which is P.O. Box 429, Anadarko, Oklahoma 73005; telephone (405) 247-3351, and must comply with Supplier's requirements. To comply with Supplier's requirements and as permitted in event of transfer of purchase obligation pursuant to NMPRC Rule 570.13.F.1, RCEC may transfer the purchase obligation to Supplier. In such cases, RCEC will retain the responsibility for providing electric service to the QF and may have additional interconnection costs for which QF shall be responsible.

3. INTERCONNECTION:

RCEC shall interconnect or cause interconnection with a QF, which meets the conditions of NMPRC Rule 570 and will have installed capacity of 100 kW or smaller, for wholesale sales and for net metering/load displacement interconnection to RCEC's system, within the time period specified in the New Mexico Interconnection Manual, a copy of which is available from the Commission or RCEC. QF must submit an application substantially in the form appearing as Exhibit 1 B of this Tariff, execute a Standard Metering and Billing Agreement ("Agreement" or "Contract") substantially in the form appearing as Exhibit 1 C of this Tariff and meet all of the requirements of NMPRC Rule 570 and this Tariff. RCEC may require certification that applicant's facility is or will be a qualifying facility under 18 CFR, Part 292 at the time of interconnection. RCEC shall have the right, in its discretion, to register the QF with the Western Renewable Geographic Information System (WREGIS) or such other Renewable Energy Certificate (REC) tracking system deemed appropriate by the RCEC for registration of REC's generated by the QF.

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4. ELECTRICITY SALES AND PURCHASES:

Subject to the role of Supplier described in Section 2 of this Tariff, RCEC shall purchase or cause the purchase of electricity from a QF according to the provisions of this Tariff. RCEC shall provide electric service to QF in accordance with any contract executed with QF, the rules and regulations of RCEC and the tariffs applicable. As a member of RCEC, RCEC's articles of incorporation and bylaws shall also govern the relationship between the QF and RCEC.

5. RATES FOR PURCHASES BY RCEC:

Unless a capacity credit or different rate is negotiated with QF and set forth in the Contract or QF selects the load displacement metering option under Section 6 of this Tariff, energy delivered by QF at delivery point designated by the Contract shall be paid at the Supplier's Avoided Cost. In addition to finding the Avoided Cost filed at the NMPRC, it will also be posted on the Western Farmers Electric Cooperative website each month at: https://www.wfec.com/about-avoided-energy-cost.

6. METERING OPTIONS:

In the Contract, QF shall designate one of the following metering options:

- A. Load displacement metering. The interconnection will be with a single meter installed to measure flow from RCEC to QF. QF will not be paid for any electricity delivered by QF and the terms and conditions of electric service by RCEC will not be affected. Billing for any power delivered by RCEC will in accordance with RCEC's approved tariff applicable to the service provided to the QF.
- B. Net Metering: The interconnection will be with meter(s) installed by RCEC to measure separately the energy generated and delivered by the QF and the net energy (energy consumed energy supplied) will be calculated.

The QF will be paid for energy supplied above the amount consumed at RCEC's Avoided Energy Cost rate as described in Section 5. RCEC will be paid for energy consumed by the QF in excess of the amount supplied by the QF at the approved tariff rate applicable to the customer.

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The QF shall also be billed for all demand and other charges in accordance with tariffs applicable to the customer. The terms and conditions of electric service by RCEC will not be affected except that charges for the billing period will be reduced or offset by energy supplied by the QF.

If the provision of the net metering option requires metering equipment or related facilities more costly than would otherwise be necessary, absent net metering the QF shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

C. Separate load (simultaneous buy/sell) metering: The interconnection will be with meter(s) installed to measure separately all power and energy delivered by and to QF respectively. The terms and conditions for the provision of electric service by RCEC shall not be affected and energy delivered to the QF by RCEC shall be billed at RCEC's approved tariff applicable to the service provided to the QF. The energy delivered by QF to RCEC shall be purchased at the Avoided Energy Cost as described in Section 5.

7. REQUIRED RCEC SALES TO QFs:

If requested by the QF and subject to the provisions of NMPRC Rule 570 any other applicable rules and regulations of the NMPRC and RCEC's applicable tariffs, RCEC shall provide supplementary power, backup power, maintenance power and interruptible power, as defined by NMPRC Rule 570.

A. Supplementary Power: QF shall be charged for supplementary power under the same retail rate schedules that would be applicable to a retail customer having power requirements equal to the supplementary power requirements of QF. Any ratchet enforced through "billing demand" provisions of such retail rate schedules shall also apply to QF. Supplementary power shall be measured employing metering devices, which are adequate to determine that the power being charged for is supplementary power. The demand interval, where applicable, shall be the same as that contained in the retail rate schedule being applied.

B. Backup Power: QF shall be charged for back-up power for forced outages under the applicable retail rate tariff. QF shall not be charged for demand charges for back-up power in time periods when demand charges are not applicable to such retail rate schedules, or for any demand ratchets or

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power factor penalties which might otherwise be applicable under such retail rate schedules, unless RCEC petitions and the NMPRC permits the allocable charges due to QF's operation.

- C. Maintenance Power: QF shall be charged for maintenance power under the retail rate tariff(s).
- D. Interruptible Power: Unless there is a lower cost associated with the provision of interruptible service hereunder, the rate charged for such services will be under the same rate schedule which would be applicable absent the generation of QF plus an additional monthly customer charge of \$15 to cover the additional administrative costs incurred in the provision of such service.
- E. Additional Charges: QF shall also pay additional charges, in the form of a facilities fee, for meters, monitoring and other facilities properly added and dedicated to provide a QF with one or more of these services authorized by this Section 7. Provisions of these services is subject to all rates, terms, conditions, rules and forms that apply to such rate schedules including, but not limited to, fuel and purchased power adjustments, debt cost adjustments, tax adjustments, line extension charges, deposits, meter charges, disconnection charges, reconnection charges and all other such charges that are allowable under the Public Utility Act, NMPRC Rules and applicable tariff, rules and regulations of RCEC.

8. WHEELING--TRANSFER:

RCEC has transferred, with Supplier's acceptance, its purchase obligation with respect to QFs of greater than 100 kW as described in Section 2 of this Tariff, except for net metering situations, (see Section 2 of this Tariff) and may transfer more of its purchase obligation to Supplier if supplier accepts the transfer and, with QF's consent, to another entity in accordance with NMPRC Rules 570.13 (E) and (F).

9. PERIODS DURING WHICH PURCHASES AND SALES ARE NOT REQUIRED:

A. RCEC, at its option, may disconnect QF from its system if, in its sole opinion, continued operation of the QF in connection with RCEC's system (or Supplier's) may create or contribute to a system emergency, unsafe condition or interference with the service of other customers. RCEC (or Supplier) may discontinue purchases during any period which, due to operational circumstances, purchases from QFs will result in costs greater than those which RCEC (or Supplier) would incur if it did not make such purchases, but instead generated an equivalent amount of energy itself.

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Disconnection and discontinuance of purchases pursuant to this section 9 shall be subject to NMPRC Rule 570.13 (A) and (B). The amounts of electricity purchased by Supplier are subject to the capability of Supplier to accept delivery, as determined solely by Supplier.

B. If RCEC disconnects and discontinues purchases from or sales to a QF pursuant to this Section 9 of the Tariff, RCEC shall notify the QF prior to the system emergency or operational circumstance if reasonably possible, or if such prior notice is not reasonably possible, RCEC shall notify the QF by telephone or personal contact within forty-eight (48) hours following the system emergency or operational circumstance followed by a written communication if requested by the QF. Notification shall include the specific reason for the system emergency or operational circumstance.

10. INTERCONNECTION AND SAFETY STANDARDS:

In addition to 17.9.568 NMAC for QFs up to 10 MW and 17.9.569 NMAC for QFs larger than 10 MW, as such rules and policies may be amended, modified, or replaced from time to time, the following minimum standards govern the installation, operation, and maintenance of the protective equipment required to integrate the QF into RCEC's system:

A. QF shall install, operate and maintain adequate safety and protective devices, as approved by RCEC, on QF's side of the delivery point to protect the respective systems from adverse conditions on the other's system, to protect the equipment, contractors, and personnel of QF, RCEC and Supplier, and any agents, contractors, licensees, and invitees of QF. QF shall comply with the National Electric Code, the National Electrical Safety Code, Occupational Safety and Health Act requirements and any applicable utility service standards, including those of RUS. In addition, QF's design construction and operation must meet Supplier's interconnection standards. The Contract may specify particular additional standards.

B. QF shall furnish complete descriptive and technical data on its qualified facilities prior to any interconnection, and the plans, specifications, and operating characteristics for QF and interconnection must be approved by RCEC (or Supplier). Included should be a complete set of electrical diagrams, a site plan, complete listing of electrical parameters, a description of protective equipment, a range of settings and fuse characteristics, maximum power rating, expected kWh production and available information on the expected use of the generator as it pertains to end use, seasonal availability patterns, wind regime average monthly data or solar insolation patterns that may be helpful in preparing load curves. QF shall notify RCEC (or Supplier) prior to, and shall

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maintain a log of, any startup, testing or operation of the facility, and shall not make any modification without RCEC's (or Supplier's) prior approval.

- C. Interconnections shall be made in such a manner that if voltage from RCEC or Supplier is interrupted or absent, the electric interconnection is immediately broken. QF must not be capable of energizing RCEC's (Supplier's) line when that line is dead.
- D. The interconnection will be at the service voltage and phases available at QF or at such voltage and phases as may be required due to the electric capability of QF. The interconnection voltage and phases shall be limited to those provided in RCEC's standard service practices or such higher voltages as may be required.
- E. QF shall at all times operate any equipment and keep each of the phases balanced as far as practicable so as not to adversely affect service and voltage to other consumers. The harmonics, power factor, and frequency of QF will be such as to not adversely affect RCEC's (Supplier's) system. Any corrective devices required (including future modification and additions as may be required, such as harmonic filtering, complex relaying schemes, power factor correction and SCADA due to large penetrations of small power producers) shall be installed and maintained by QF.
- F. A manually-operated generator disconnect switch provided by QF must be accessible and may be used, whether or not QF is present or given notice, to remove QF from the line in an emergency situation as determined by RCEC's (and Supplier's) system conditions.
- G. RCEC (or Supplier) may disconnect and lockout QF whenever it, in its sole judgment, has determined that disconnection is warranted under section 9 of this Tariff.

11. INTERCONNECTION COSTS:

Interconnection requirements and costs shall be determined in accordance with 17.9.568 NMAC or any successor rule and the New Mexico Interconnection Manual. The reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by RCEC (and its Supplier) directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with QF (to the extent such costs are in excess of the corresponding costs which RCEC or Supplier would have incurred if it had not

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engaged interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources), exclusive of any costs included in the calculation of the Avoided Energy Cost, shall be borne by and be the responsibility of the QF. To the extent practicable, RCEC or Supplier shall furnish QF, prior to installation, an estimate of the interconnection costs. Where additions or alterations of RCEC's or Supplier's system are required during the term of the Contract due to the collective presence of the consumer's qualifying facilities and one or more other consumer-owned qualifying facilities operating in parallel with RCEC's and Supplier's system, the cost of such additions or alterations shall be shared by QF and consumer-owners of such other qualifying facilities upon an equitable basis determined by RCEC, subject to the provisions of NMPRC Rule 570. The Contract shall provide for the times and manner of payment of interconnection costs, which shall be reimbursed to RCEC or Supplier as soon as practicable. The unpaid balance of interconnection costs shall bear interest at the same rate per annum as is required by law for consumer deposits. Delinquency is ground for discontinuance of purchases.

12. BILLING:

RCEC and QF shall enter into a Standard Metering and Billing Agreement (Attachment C) for QF's with a design capacity of greater than 10 kW and less than or equal to 10 MW. The billing period for transactions hereunder shall be approximately one calendar month, unless a different period is specified in the Contract. The exact period shall be based from time to time upon RCEC's (Supplier's) meter reading schedule. Billings may be increased by an amount equal to the sum of taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes), payable by RCEC and levied or assessed by any tribal or governmental authority on the service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service. QF shall not charge gross receipts tax on its sale of electricity to RCEC (or Supplier) for resale by RCEC in the ordinary course of business.

13. OTHER PROVISIONS:

The following provisions shall additionally govern interconnection and purchases:

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- A. QF shall provide, without cost, all privileges, easements, licenses, or other rights to enable RCEC (Supplier) to purchase energy from the QF.
- B. RCEC (Supplier) may, but assumes no duty to, inspect QF's lines, wiring, generator, apparatus, or other facilities, and QF assumes all responsibility for electric power and energy on QF's side of the Delivery Point. Neither inspection nor the failure to inspect, nor approval of QF's plans and specifications shall either (a) waive any of RCEC's (Supplier's) rights or QF's duties and liabilities hereunder, or (b) constitute any assumption of liability by or otherwise subject RCEC (or Supplier) to any liability to QF or any third party.
- C. Metering equipment installed shall be tested and maintained at intervals as may be required by the proper regulatory authority, or at such other times as RCEC (Supplier) may elect, and any inaccuracy disclosed by such tests shall be corrected. QF's representatives shall be afforded an opportunity to be present at all official inspection and tests. Meters shall be calibrated to maintain 100% accuracy as far as practicable. If a meter is found to be inaccurate by more than 2%, fast or slow, an adjustment shall be made in settlement to compensate for the effect of such inaccuracy over a preceding period, starting from the date the meter registration became in error, if it can be determined or if not, for a period equal to 50% of the time elapsed since the meter was installed or since the previous test, whichever interval is less, but all adjustments hereunder shall be limited to the preceding six months. Payment to QF, based upon the Avoided Energy Cost, may be adjusted, at RCEC's option, if RCEC receives a refund or other credit reducing the cost of the energy portion of its average cost upon which the Avoided Energy Cost is based.

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