

Nodak Electric Cooperative, Inc.

PURPA EISA FAQs

(FREQUENTLY ASKED QUESTIONS)

Why did Nodak Electric Cooperative, Inc. publish a Notice to Consider PURPA Standards?

Nodak Electric Cooperative, Inc. is required by federal law to consider three new standards that deal with energy efficiency and smart grid resources and investments.

Am I required to respond to the Notice to Consider PURPA Standards or to participate in the proceeding?

No, Nodak Electric Cooperative, Inc. members are not required to respond to the notice or participate in the proceedings. Participating in the proceedings is optional. You may choose to participate if you have information or comments that you would like Nodak Electric Cooperative, Inc. to consider before a final decision is made on the standards.

If I have a complaint about my electric bill, should I participate in this proceeding?

No, this proceeding will not address individual complaints about a Nodak Electric Cooperative, Inc. member's electric bill. You should contact our headquarters office with any billing complaints or concerns.

What does "PURPA" mean?

"PURPA" is an acronym that refers to the Public Utility Regulatory Policies Act. Originally enacted in 1978, this Act is a federal law intended to address national energy issues through programs that encourage conservation and efficiency while maintaining equitable rates. Congress has amended PURPA several times since 1978, and most recently, through the Energy Independence and Security Act (EISA) of 2007.

What is the purpose of this federal law?

Congress enacted PURPA to encourage: 1) conservation of the electric energy supplied by utilities; 2) the efficient use of electric utility facilities and resources; and 3) equitable rates for electric consumers.

What does "EISA" mean?

"EISA" is an acronym that refers to the Energy Independence and Security Act of 2007. This Act added four new ratemaking standards to PURPA, and large regulated and non-regulated electric utilities (including electric cooperatives like Nodak Electric Cooperative, Inc.) are required to make a decision about those new standards.

What ratemaking standards must Nodak Electric Cooperative, Inc. consider?

Federal law requires Nodak Electric Cooperative, Inc. to consider standards for:

- 1) Integrated Resource Planning to Promote Energy Efficiency
- 2) Rate Design Modification to Promote Energy Efficiency Investments
- 3) Smart Grid Information

What does “Integrated Resource Planning to Promote Energy Efficiency” mean?

The term “Integrated Resource Planning” (IRP), broadly defined, refers to a comprehensive planning process intended to systematically consider appropriate supply and demand resources under a utility’s control to meet current and future load requirements. The term “energy efficiency” generally refers to efforts that allow consumers to use less energy without altering their behavior through, for example, increasing the use of new technologies or replacing old energy-consuming devices with newer, more efficient versions.

What does “Rate Design Modification to Promote Energy Efficiency Investments” refer to?

Standard ratemaking practices may not encourage, or could even discourage, utilities from adopting energy conservation measures. This standard directs utilities to look at specific utility incentives that influence the adoption of or investment in energy efficiency.

What does “Smart Grid Information” refer to?

“Smart Grid information” refers to data made available by implementing smart grid investments. This standard is intended to require that electricity purchasers be provided with direct access to information concerning pricing, usage, intervals, and sources (including generation type and greenhouse gas emissions), either in writing or in electronic form.

Could my electric rates change as a result of this project?

In this proceeding, the board must determine, in part, whether implementing the standards will encourage equitable rates for Nodak Electric Cooperative, Inc. members. If the board decides to implement one or more of the ratemaking standards, it is possible that such a decision might change the rates Nodak Electric Cooperative, Inc. members pay for electricity.

Who decides whether the Nodak Electric Cooperative, Inc. will implement the new ratemaking standards?

The Nodak Electric Cooperative, Inc.’s board of directors will make the final decision.

What process will the board use to make its decision?

The Board Resolution regarding Consideration of the PURPA Standards describes the process that will be followed to reach a final decision. The resolution can be found on Nodak Electric Cooperative, Inc.’s website. The board has set up an uncontested process called a “rulemaking

proceeding” in which those interested in the proceeding submit written comments to discuss the standards.

Who may participate in the proceeding?

All members of Nodak Electric Cooperative, Inc. have a right to participate in the proceeding. Members of the public who are not members of the Nodak Electric Cooperative, Inc. may also submit comments.

If I want to participate and submit comments, what should I do?

Persons interested in participating in the proceeding are invited to notify Nodak Electric Cooperative, Inc. of their intent to participate by submitting written comments, data, views, arguments, and other evidence on the standards being considered. Responses and any comments, data, views, arguments, and other evidence must include the person’s name, contact information, and relationship to the Nodak Electric Cooperative, Inc. and be submitted in writing to Nodak Electric Cooperative, Inc. , Attn: Kim Soper, board recording secretary, P.O. Box 13000, Grand Forks, North Dakota 58208-3000, or by e-mail at ksoper@nodakelectric.com. The comments do not need to be in any particular format.

Is there a deadline to submit written comments on the standards?

Yes, the deadline to submit written comments on the standards is April 1, 2009.

If I want to participate in the PURA standard review process, do I need to hire a lawyer?

It is not necessary to hire a lawyer to participate in this hearing. Although this is a regulatory proceeding, the Nodak Electric Cooperative, Inc. board of directors designed this process so that Nodak Electric Cooperative, Inc. members could participate in it easily by submitting comments and questions in writing. An open house for the Nodak Electric Cooperative, Inc. board’s review and consideration of these previously submitted written comments and questions from interested participants will also be held.

When will the open house be held?

The open house will be held May 7, 2009 at 9:00 a.m. at the Nodak Electric Cooperative, Inc. corporate offices in Grand Forks, North Dakota. Nodak Electric Cooperative, Inc. will provide written notice of this open house to the interested participants whom have previously submitted comments and questions, as well as posting the open house notice on the Nodak Electric Cooperative, Inc. website.

Is Nodak Electric Cooperative, Inc. required to implement the new ratemaking standards?

No. Federal law only requires the Nodak Electric Cooperative, Inc. to consider and determine whether to implement the standards.

