

CENTRAL VALLEY ELECTRIC COOPERATIVE, INC.
SECOND REVISED RATE NO. 13
CANCELING FIRST REVISED RATE NO. 13

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 NMAC 17.9.570 ("NMPRC Rule 570"), is applicable to a Qualifying Facility ("QF") as defined in New Mexico Public Regulation Commission ("NMPRC") Rule 570.7.Q within the service area of Central Valley Electric Cooperative, Inc. ("CVEC").

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.

As a distribution borrower of the Rural Utilities Service Electric Program, CVEC is also required to comply with CFR 1730, Subpart C, "Interconnection of Distributed Resources" and in conformance therewith has adopted CVEC Policy No. 506, "Interconnection of Distributed Resources". Policy No. 506 and forms thereto are available, upon request, to any members of CVEC that expresses an interest in interconnection of generating facilities up to 10 megavolt-amperes at the point of common coupling.

2. ALL-REQUIREMENTS SUPPLIER:

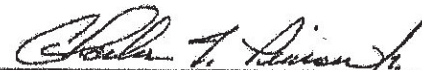
CVEC has a wholesale power supply contract with Western Farmers Electric Cooperative ("Supplier"), the mailing address of which is P.O. Box 429, Anadarko, Oklahoma 73005; telephone (405) 247-3351, and must comply with Supplier's requirements. To comply with Supplier's requirements and as permitted in event of a transfer of purchase obligation pursuant to NMPRC Rule 570.13.F.1, CVEC may transfer the purchase obligation to Supplier. In such cases, CVEC 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:

CVEC shall perform system impact studies as required by 17.9.568 NMAC, the New Mexico Interconnection Manual, and CVEC Policy No. 506. CVEC shall interconnect or cause interconnection with a QF, which meets the conditions of NMPRC Rule 570, for wholesale sales and for net metering/load displacement interconnection to CVEC's system, within the time period specified in the New Mexico Interconnection Manual, a copy of which is available from the Commission or CVEC. QF must submit an application substantially in the form appearing as Form 11 or 12 of this Tariff, execute a Standard Metering and Billing Agreement ("Agreement" or "Contract") substantially in the form appearing as Form 15 of this Tariff and

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meet all of the requirements of NMPRC Rule 570, this Tariff, Form 13 or 14, and CVEC Policy No. 506 CVEC will require certification that the applicant's facility is or will be a qualifying facility under 18 CFR, Section 292 at the time of interconnection. CVEC 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 CVEC for registration of RECs generated by the QF (Form 16).

4. ELECTRICITY SALES AND PURCHASES:

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

5. RATES FOR PURCHASES BY CVEC:

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 hereof, energy delivered by QF at delivery point designated by the Contract shall be paid at the Supplier's Avoided Energy Cost as filed at the NMPRC and described below. Any negotiated agreements for a different rate than the Avoided Energy Cost must comply with the NMPRC Rule 570 and negotiations may be initiated by either QF or CVEC.

Avoided Energy Cost Methodology:

"ER" shall be the Energy Rate paid per kilowatt hour (kWh), expressed in cents per kilowatt hour, which Supplier shall pay to the QF for applicable energy delivered by the QF to the designated delivery point.

The ER shall be calculated on a coincident basis with the month in which applicable energy was delivered by the QF, as follows:

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Monthly average of the hourly Day-Ahead market clearing Locational Marginal Price (LMP) at the Suppliers system aggregate pricing node "WFEC_ENMC", as determined by the Southwest Power Pool (SPP).

The avoided cost of energy will 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 CVEC to QF. QF will not be paid for any electricity delivered by QF and the terms and conditions of electric service by CVEC will not be affected. Billing for any power delivered by CVEC will be in accordance with CVEC's approved tariff applicable to the service provided to the QF.

B. Net metering: The interconnection will be with meter(s) installed by CVEC 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 the Avoided Energy Cost rate as described in Section 5. CVEC 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.


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 CVEC 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 CVEC shall not be affected and energy delivered to the QF

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by CVEC shall be billed at CVEC's approved tariff applicable to the service provided to the QF. The energy delivered by QF to CVEC shall be purchased at the Avoided Energy Cost as described in Section 5.

7. REQUIRED CVEC 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 CVEC's applicable tariffs, CVEC 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 through appropriate metering devices, which are adequate to determine whether supplementary power is being utilized. The demand interval shall be the same as that contained in the applicable retail rate schedule.

B. Backup Power: QF shall be charged for backup power for forced outages under the applicable retail rate tariff(s). QF shall not be charged for demand charges for backup power in time periods when demand charges are not applicable to such retail rate schedules, or for any demand ratchets or power factor penalties which might otherwise be applicable under such retail rate schedules, unless CVEC 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 applicable retail rate tariff(s)

D. Interruptible Power: QF shall be charged for interruptible power under the applicable retail rate tariff(s).

E. Additional Charges: QF shall also pay additional charges, in the form of a facilities fee, for meters, monitoring and other facilities which CVEC determines should be added and dedicated to provide a QF with one or more of these services authorized by this Section 7. Provisions of these services are 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 by applicable law, NMPRC rules and regulations, and applicable tariff, rules and regulations of CVEC.

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8. WHEELING--TRANSFER:

As described in Section 2 of this Tariff, CVEC may transfer its purchase obligation with respect to QFs to Supplier and with QF's consent, to another entity in accordance with NMPRC Rules 570.13 (E) and (F) or any successor rules thereto.

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

A. CVEC, at its option, may disconnect QF from its system if, in its sole opinion, continued operation of the QF in connection with CVEC's system (or Supplier, Balancing Authority, Southwest Power Pool or the Bulk Transmission System) may create or contribute to a system emergency, unsafe condition, or interference with the service of other customers. CVEC (or Supplier) may discontinue purchases during any period which, due to operational circumstances, purchases from QFs will result in costs greater than those which CVEC (or Supplier) would incur if it did not make such purchases, but instead generated an equivalent amount of energy itself. Disconnection and discontinuance of purchases pursuant to this Section 9 shall be subject to NMPRC Rules 570.13 (A) and (B) or any successor rules thereto. The amounts of electricity purchased by Supplier are subject to the capability of Supplier to accept delivery, as determined solely by Supplier.

B. If CVEC disconnects and discontinues purchases from or sales to a QF pursuant to this Section 9 of the Tariff, CVEC shall notify the QF prior to the system emergency or operational circumstance if reasonably possible. If such prior notice is not reasonably possible, CVEC 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, 17.9.569 NMAC for QFs larger than 10 MW, and CVEC Policy No. 506, 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 CVEC's system:

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A. QF shall install, operate and maintain adequate safety and protective devices, as approved by CVEC, on QF's side of the delivery point to protect the respective systems from adverse conditions on the other's system, as well as to protect the equipment, contractors, and personnel of QF, CVEC 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 CVEC's and Supplier's interconnection standards. The Contract may specify particular additional standards.

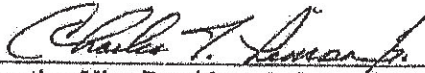
B. QF shall furnish complete descriptive and technical data on its qualified facilities prior to any interconnection, and the plans, specifications, and operating characteristics for QF and interconnection must be approved by CVEC (or Supplier). Included should be a complete set of electrical diagrams, 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 CVEC (or Supplier) prior to, and shall maintain a log of, any startup, testing or operation of the facility, and shall not make any modification without CVEC's (or Supplier's) prior approval.

C. Interconnections shall be made in such a manner that if voltage from CVEC or Supplier is interrupted or absent, the electric interconnection is immediately broken. QF must not be capable of energizing CVEC'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 CVEC'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 CVEC'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.

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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 CVEC's (and Supplier's) system conditions.

G. CVEC (or Supplier) may disconnect and lockout QF whenever, in its sole judgment, it 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, the New Mexico Interconnection Manual and CVEC's Policy No. 506. The reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by CVEC (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 CVEC or Supplier would have incurred if it had not 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, CVEC or Supplier shall furnish QF, prior to installation, an estimate of the interconnection costs. Where additions or alterations of CVEC'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 CVEC'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 CVEC, 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 CVEC 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 grounds for discontinuance of purchases.

12. BILLING:

CVEC and QF shall enter into a Standard Metering and Billing Agreement (Form 15) for QFs 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 CVEC's (Supplier's) meter reading schedule. Billings shall be increased by an amount equal to the sum of taxes payable under the Gross Receipts and Compensating Tax

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Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes), payable by CVEC 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 CVEC (or Supplier) for resale by CVEC in the ordinary course of business.

13. OTHER PROVISIONS:

The following provisions shall additionally govern interconnection and purchases:

A. QF shall provide, without cost, all privileges, easements, licenses, or other rights required to enable CVEC (Supplier) to purchase energy from the QF.

B. CVEC (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 CVEC's (Supplier's) rights or QF's duties and liabilities hereunder, or (b) constitute any assumption of liability by or otherwise subject CVEC (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 CVEC (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 CVEC's option, if CVEC 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.

14. FORM OF APPLICATION:

Form 11: Simplified Interconnection Application -- For QFs up to 10 kW

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Form 12: Standard Interconnection Application -- For QFs greater than 10 kW and less than 10 MW

15. FORM OF STANDARD CONTRACT:

Form 13: Simplified Interconnection Agreement -- For QFs up to 10 kW

Form 14: Standard Interconnection Agreement -- For QFs greater than 10 kW and less than 10 MW

Form 15: Standard Metering and Billing Agreement

Form 16: Renewable Energy Environmental Attributes Supplemental Purchase Agreement

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