

Magic Valley Electric Cooperative

PURPA EISA FAQs [FREQUENTLY ASKED QUESTIONS]

Why did my co-op publish a Notice of Proceeding to Consider PURPA EISA 2007 Standards?

Magic Valley Electric Coop is required by federal law to consider four new ratemaking standards that deal with energy efficiency and smart grid resources and investments.

Am I required to respond to the Notice of Proceeding to Consider PURPA EISA 2007 Standards or to participate in the project?

No, co-op members are not required to respond to the notice or participate in the project. Participating in the project is optional. You may choose to participate if you have information or comments that you would like the co-op 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 co-op member's electric bill. You should contact the co-op's customer service department with any bill complaints.

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 Originally enacted in 1978, this Act is a federal law intended to address national energy issues through programs that encourage conservation and efficiency while maintaining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 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 co-ops) are required to make a decision about those new standards.

What ratemaking standards must my co-op consider?

Federal law requires the co-op to consider standards for:

- 1) Integrated Resource Planning to Promote Energy Efficiency
- 2) Rate Design Modification to Promote Energy Efficiency Investments
- 3) Smart Grid Investments
- 4) 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 Investments” refer to?

“Smart Grid Investments” are advanced technologies deployed in the electric system, including Advanced Meter Infrastructure (AMI) and distribution automation. Even though the provision in EISA requires States to consider this standard, the co-op has decided to examine and consider the standard as well.

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 project, the board must determine, in part, whether implementing the standards will encourage equitable rates for co-op 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 co-op members pay for electricity.

Who decides whether the co-op will implement the new ratemaking standards?

The co-op's board of directors will make the final decision.

What process will the board use to make its decision?

The *Board Resolution to Commence Consideration of the PURPA EISA 2007 Standards* describes the process that will be followed to reach a final decision. The resolution can be found on the co-op's website under [CLICK HERE FOR PURPA EISA](#). The board has set up an uncontested process called a "rulemaking proceeding" in which those interested in the proceeding submit written comments and attend a public hearing to discuss the standards.

Who may participate in the proceeding?

All members of the co-op have a right to participate in the proceeding. Members of the public who are not members of the co-op may also submit comments.

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

Persons interested in the participating in the project are invited to notify the co-op of their intent to participate and to submit 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 co-op, reference the project number, and be submitted in writing to Magic Valley Electric Cooperative, Attn: Brad Bierstedt, Business Development Manager, P.O. Box 267, Mercedes, TX 78570 or by e-mail at PURPAEISA@magicvalley.coop. 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 December 5, 2008. If you decide to participate in the project, you will have another opportunity to submit comments after the first deadline.

If I want to participate in this project, do I need to hire a lawyer?

It is not necessary to hire a lawyer to participate in this project. Although this is a regulatory proceeding, the co-op's board of directors designed this project so that co-op members could participate in it easily by submitting comments and questions in writing and orally at the public hearing.

When will the public hearing be held?

The public hearing will be scheduled at a later date and the co-op will send all interested participants notice of the hearing as well as posting the hearing notice on the co-op's web site.

Is my co-op required to implement the new ratemaking standards?

No. Federal law only requires the co-op to consider and determine whether to implement the standards.