SECOND REVISED RATE NO. 14 CANCELING FIRST REVISED RATE NO. 14

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

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1. AVAILABILITY:

This standard tariff ("Tariff") implements Rule 17.9.570 NMAC ("NMPRC Rule 570"), applicable to a Qualifying Facility ("QF"), as defined in NMPRC Rule 570, within Cooperative's service area. For QFs 10MW or smaller 17.9.568 NMAC shall apply; for QFs greater than 10MW 17.9.569 NMAC shall apply.

2. ALL-REQUIREMENTS SUPPLIER:

Cooperative is a member of and has a Federally-approved all requirements power purchase contract with Tri-State Generation and Transmission Cooperative Association, Inc. ("Supplier"), the address of which is 1100 West 116th Avenue, Westminster, Colorado 80234 (mailing: P.O. Box 33695, Denver, Co 80233-0695 ; telephone (303) 452-6111), and must comply also with Supplier's requirements. To comply with Supplier's requirements and as permitted in the event of transfer of the purchase obligation pursuant to NMPRC Rule 570.13 (F)(1), Supplier arranges for interconnections with QFs, any corollary wheeling service for QFs, and purchases of electricity from QFs in accordance with Supplier's policies and rules. When making application for interconnection of a QF, applicant must apply to Supplier, meet Supplier's interconnection standards for QFs and assume payment of the Supplier's interconnection costs; in such cases, Cooperative will retain the responsibility for electric services to the QF and may have additional interconnection costs for which QF shall be responsible. Subject to change by Supplier and NMSA 1978, 62-6-4D, Supplier has a standard rate based on its class A member blended rate periodically determined by Supplier, as approved by the Federal Energy Regulatory Commission ("FERC"), for purchases from QFs. Rates for purchases from QFs may be negotiated if warranted by Supplier.

3. INTERCONNECTION:

Administered under the provisions of THE NEW MEXICO INTERCONNECTION MANUAL issued by the New Mexico Public Regulation Commission ("NMPRC") Cooperative shall interconnect or cause interconnection with a QF that meets the conditions of NMPRC Rule 570. The New Mexico Interconnection Manual is available from the Cooperative, and is available on the Cooperative's website at http://www.jemezcoop.org/content/net-metering.

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4. ELECTRICITY SALES AND PURCHASES:

Subject to the role of Supplier described in section 2 of this Tariff, Cooperative shall purchase or cause the purchase of electricity from a QF according to the Tariff and the Contract. Cooperative shall provide electric service to QF in accordance with any Contract with QF, the rules and regulations of Cooperative and all tariffs applicable to the class of customers to which QF would be assigned absent its own generation, unless QFs load and cost characteristics are significantly different. If the owner/operator of QF is a member of Cooperative, then Cooperative's articles of incorporation and bylaws shall also govern the relation between Cooperative and such member.

5. RATES FOR PURCHASES BY THE COOPERATIVE:

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 same rate ("Standard Rate") for each kilowatt-hour delivered as the energy portion of the wholesale rate paid to the Supplier as adjusted for line losses experienced during the prior calendar year. Any negotiated agreements for a different rate than the Standard Rate must comply with the NMPRC Rule 570 and negotiations may be initiated by either QF or Cooperative. The current Standard Rate will be shown on a schedule filed annually with the New Mexico Public Regulation Commission ("NMPRC").

6. METERING OPTIONS:

Metering options are available to QF customers, as outlined in NMPRC Rule 570.10, namely:

A. Load displacement metering options: The interconnection will be with a single meter installed to measure flow from Cooperative to QF. QF will not be paid for any electricity delivered by QF and the terms and condition of electric service by Cooperative will not be affected. Billing for any power delivered by Cooperative will be in accordance with Cooperative's approved tariff applicable to the service provided to the QF.

B. Net metering option: The interconnection will be with meter(s) installed necessary to measure separately the energy generated and delivered by the QF and the net energy delivered to either the QF or to the Cooperative will be calculated.



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The QF will be paid for energy supplied above the amount consumed at Cooperative's Avoided Cost rate as currently filed with the NMPRC. Cooperative 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 class that the QF would belong absent its generation.

The QF shall also be billed for all demand and other charges in accordance with tariffs applicable to the customer class to which QF would belong absent its generation. The terms and conditions of electric service by Cooperative will not be affected except that all other applicable charges for the billing period will be assessed on total kWh consumed 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 its own generation, the QF shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

QFs with a nameplate capacity of over 30 kW and are Rate No. 3 Large Power Service Customers and not eligible for this option.

C. Separate load (simultaneous buy/sell) metering option: 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 Cooperative shall not be affected and energy delivered to the QF by Cooperative shall be billed at Cooperative's approved tariff rates applicable to the service provided to the QF. The energy delivered by QF to Cooperative shall be purchased at the Avoided Cost rate as filed with the NMPRC.

In the event that QF shall select a metering option other than load displacement (A), a customer charge of \$5.00 per monthly billing period, to cover the added costs of billing and administration, shall be applicable. Any payment to QF may be reduced by the amount of such customer charge. To the extent that payment to QF under the Standard Tariff does not cover the customer charge for any billing period, the deficiency may be added to and be payable with Cooperative's billing for service to QF or, at Cooperative's (Supplier's) option, be carried forward as a reduction for energy delivered by QF during future billing periods.

7. REQUIRED COOPERATIVE SALES TO QFs:

If timely requested, and subject to NMPRC Rule 570.12, Cooperative will provide supplementary power, back-up power, maintenance power and interruptible power, as defined by NMPRC Rule 570.12.

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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 same retail rate schedule which would be applicable absent the generation of QF, but QF shall not be charged for demand charges for back-up power which might be otherwise applicable under such retail rate schedules, or for any demand ratchets or power factor penalties which might otherwise be applicable under such retail rate schedules, unless Cooperative petitions and the NMPRC permits the allocable charges due to QF's operation. In the months or equivalent billing periods that back-up power is not utilized, the back-up power rate shall include a reservation fee equal to 10% of the monthly or equivalent billing period demand charge contained in the retail rate schedule applicable to QF absent its generation, except this reservation fee shall not be charged while QF is taking back-up power or charges resulting from a power factor and/or demand ratchet is being imposed pursuant to NMPRC Rule 570.12(C)(1).

C. Maintenance Power: QF shall be charged for maintenance power under the same retail rate schedules which would be applicable absent the generation of QF. However, the maintenance power demand charge shall be determined by multiplying the applicable retail rated demand charge by the ratio of the number of weekdays in which the maintenance power was taken to the number of weekdays in the month. No demand charge shall apply for maintenance power taken during off peak hours, which unless identified in an applicable time-of-use tariff, are defined for the purposes of this rate schedule as 11:00 p.m. to 7:00 a.m. weekdays, and 24 hours per day on weekends and holidays. Maintenance power must be rescheduled in advance with Cooperative's concurrence, in accordance with the following schedule.

Length of Outage 1 Calendar Day 2 to 5 Calendar Days 6 to 30 Calendar Days Advance Notice 5 Calendar Days 30 Calendar Days 90 Calendar Days

Maintenance power shall be available to QF for a minimum of thirty days per year, scheduled outside the three-month period covering the peak month together with the preceding and succeeding months.

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D. Interruptible Power: Until 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 \$10 to cover the additional administrative costs incurred in the provision of such service.

QF shall also pay additional charges, in the form of a facility fee, for meters, monitoring and other facilities property added and dedicated to provide a QF with one or more of these services including any fees charged by the Supplier. Provisions of these services is subject to all rates, terms, conditions, rules and form 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 Cooperative.

8. WHEELING—TRANSFER:

As described in Section 2 of this Tariff, Cooperative 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 REQUIED:

As provided by NMPRC Rule 570.13, Cooperative, at its option, may disconnect QF from its system if, in its sole option, continued operation of the QF in connection with the Cooperative's (or Supplier's) system may create or contribute to a system emergency, unsafe condition or interference with the service of other customers. Cooperative (or Supplier) my discontinue purchases during any period which, due to operational circumstances, purchases from QFs with result in costs greater than those which Cooperative (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 shall be subject to NMPRC Rules. The amounts of electricity purchased by the Supplier are subject to the capability of Supplier to accept delivery, as determined solely by Supplier.

10. INTERCONNECTION AND SAFETY STANDARDS:

The following minimum standards govern the installation, operation, and maintenance of the protective equipment required to integrate the QF into Cooperative's system:



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A. QF shall install, operate and maintain adequate safety and protective devices, as approved by the Cooperative, on QF's side of the delivery point to protect the respective systems from adverse condition on the other's system, to protect the equipment, contractors, and personnel of QF, Cooperative and Supplier, and to protect family members, employees, agents, contractors, licensees, and invitees of QF. QF shall comply with the National Electric Code, the National Electric 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 QF facilities prior to any interconnection, and the plans, specifications and operating characteristics for QF and interconnection must be approved by Cooperative (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 Cooperative (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 Cooperative's (or Supplier's) approval.

C. Interconnections shall be made in such a manner that if voltage from Cooperative or Supplier is interrupted or absent, the electric interconnection is immediately broken. QF must not be capable of energizing Cooperative'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 Cooperative's standard service practices or such higher voltage as may be required.

E. QF shall at all times operate any equipment and keep each of the phases balances 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 Cooperative'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 penetration 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 Cooperative's (and Supplier's) system conditions.

G. Cooperative (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:

The reasonable costs of connection, system import studies, switching, meeting, transmission, distribution, safety, provisions, and administrative costs incurred by Cooperative (and its Supplier) directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operation with QF (to the extent such costs are in excess of the corresponding costs which Cooperative (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 Standard Rate, shall be borne by and be the responsibility of the QF. To the extent practicable, Cooperative (or Supplier) shall furnish QF, prior to installation, an estimate of the interconnection costs. Where additions or alterations Cooperative's (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 Cooperative'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 Cooperative, subject to NMPRC Rule 570.

The Contract shall provide for the times and manner of payment of interconnection costs, which shall be reimbursed to Cooperative (Supplier) as soon as practicable but in no instance over a period of time greater than two years. 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.



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12. BILLING:

The billing period for transactions hereunder shall be approximately a calendar month, unless a different period is specified in the Contract. The exact period shall be based from time to time upon Cooperative's (Supplier's) meter reading schedule. Billings may be increased or decreased by various clauses included in the tariffs applicable to the QF consumers to which this Rate No. 14 applies, namely:

Fuel and Power Cost Adjustment – The increase or decrease in cost of purchased power above or below the base power cost per kWh sold as utilized in establishing the present rates, as provided in 17.9.550 NMAC.

Debt Cost Adjustment – The increase or decrease in current debt cost above or below the debt cost utilized in establishing the present rates, as provided by 17.9.540 NMAC;

Rate No. 19 - Relating to Native American Access Cost Recovery;

Rate Riders No. 2 and all subsequent rate riders – Relative to Native American Access Cost Recovery, specific service areas.

Plus, the sum of taxes payable under the Gross Receipts and Compensating Act, and all other taxes, fees, or charges (exclusive of ad valorem and federal income taxes) payable by the Cooperative and levied or assessed by any tribal governmental authority on the service rendered or on the right or privilege of rendering the service to that QF consumer, or on any object or event incidental to the rendering of the service.

Rate No. 19 charges shall be applied to electric energy bills of the Cooperative's QF consumers on an amount per kWh based on total consumption at the applicable QF location.

On an annual basis the Cooperative shall net all charges owed to the utility by the QF and all payments owed by the Cooperative to the QF. If a net amount is owed to the QF for the prior twelve (12) month period and is less than \$50.00, the payment amount may be carried over to the following annual period. If a net annual amount is owed to the QF and is \$50.00 or more, the Cooperative shall make payment to the QF in the next billing period after the annual net amount is calculated.

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13. OTHER PROVISIONS:

The following provisions shall additionally govern interconnection and purchases:

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

B. Cooperative (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 Cooperative's (Supplier's) rights or QF's duties and liabilities hereunder, or (b) constitute any assumption of liability by or otherwise subject Cooperative (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 Cooperative (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 precious test, whichever interval is less, but all adjustments hereunder shall be limited to the preceding six (6) months. Payment to QF, based upon the standard Rate, may be adjusted, at Cooperative's option, if Cooperative's receives a refund or other credit reducing the cost of the energy portion of its average cost upon which the Standard Rate is based.



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