

Notice as it appeared on website

POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.

NOTICE OF PURPA IMPLEMENTATION

NOTICE TO MEMBERS OF POUUDRE VALLEY REA: The Energy Independence and Security Act of 2007 (EISA 2007) requires qualifying utilities to consider adopting four new standards promulgated by Title I of the Public Utilities Regulatory Policies Act (PURPA). The Poudre Valley Rural Electric Association Inc. (PVREA) is a qualifying utility under the provisions of EISA 2007 and PURPA. Therefore, you are hereby advised that the board of directors of the association will consider all written submissions made by any member of PVREA or others on December 23, 2008 during the board meeting at headquarters located at 7649 REA Parkway, Fort Collins, CO for the purpose of compliance with EISA 2007 by having a hearing and making a decision on whether to adopt the four proposed standards.

DELIBERATION AND CONCLUSIONS: Any member or other person must submit written testimony or offer relevant materials for consideration by the board of directors ON OR BEFORE 5:00 p.m. TUESDAY DECEMBER 9, 2008 at the office of the Association. Emails and other materials may be sent to pvrea@pvrea.com. Members may also make written submissions to be delivered via US Postal Service or hand delivered at the PVREA office by the deadline. Materials submitted by anyone may be made available for review upon request to the Association. The board of directors will discuss the materials at the meeting on December 23, 2008 and may request additional testimony or material be submitted and will then render a decision as required by EISA 2007 as soon as practicable. The decision will be available on the Association's website after it is adopted.

New PURPA Standards to be Considered

(1) *Integrated Resource Planning.* Each electric utility shall (A) integrate energy efficiency resources into utility plans; and (B) adopt policies establishing cost-effective energy efficiency as a priority resource.

(2) *Rate Design modifications to Promote Energy Efficiency Investments.* (A) IN GENERAL - the rates allowed to be charged by any electric utility shall (I) align utility incentives with the delivery of cost-effective energy efficiency; and (II) promote energy efficiency investments. (B) POLICY OPTIONS - In complying with subparagraph (A), each utility shall consider (I) removing the throughput incentive and other regulatory and management disincentives to energy efficiency; (II) providing utility incentives for the successful management of energy efficiency programs; (III) including the impact on adoption of energy efficiency as one of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives; (IV) adopting rate designs that encourage energy efficiency for each customer class; (V) allowing timely recovery of energy efficiency related costs; and

EXHIBIT "3"

(VI) offering home energy audits, offering demand response programs, publicizing the financial and environmental benefits associated with making home energy efficiency improvements, and educating homeowners about all existing Federal and State incentives, including the availability of low-cost loans, that make energy efficiency improvements more affordable.

(3) *Consideration of Smart Grid Investments.* (A) **IN GENERAL.** - Each state shall consider requiring that, prior to undertaking investments in nonadvanced grid technologies, an electric utility of the State demonstrate to the State that the electric utility considered an investment in a qualified smart grid system based on appropriate factors, including - (I) total costs, (II) cost-effectiveness, (III) improved reliability, (IV) security, (V) system performance, and (VI) societal benefit. (B) **RATE RECOVERY.** - Each State shall consider authorizing each electric utility of the State to recover from ratepayers any capital, operating expenditures, or other costs of the electric utility relating to the deployment of a qualified smart grid system, including a reasonable rate of return on the capital expenditures of the electric utility for the deployment of the qualified smart grid system. (C) **OBSOLETE EQUIPMENT.** - Each State shall consider [when] authorizing any electric utility or other party of the State to deploy a qualified smart grid system to recover in a timely manner the remaining book-value costs of any equipment rendered obsolete by the deployment of the qualified smart grid system, based on the remaining depreciable life of the obsolete equipment

(4) *Smart Grid Information.* (A) **INFORMATION.** - All electricity purchasers shall be provided direct access, in written or electronic machine-readable form as appropriate, and to the extent practicable, to the following information from their electricity provider: (I) **PRICES.** - time-based electricity prices in the wholesale electricity market, and time-based electricity prices or rates that are available to the purchasers; (II) **USAGE.** - Purchasers shall be provided with the number of electricity units, expressed in kWh, purchased by them; (III) **INTERVALS AND PROJECTIONS.** - Updates of information on prices and usage shall be offered on not less than a daily basis, shall include hourly price and use information, where available, and shall include a day-ahead projection of such price information to the extent available; and (IV) **SOURCES.** - Purchasers and other interested persons shall be provided annually with written information on the sources of the power provided by the utility, to the extent it can be determined, by type of generation, including greenhouse gas emissions associated with each type of generation, for intervals during which such information is available on a cost-effective basis. (B) **ACCESS.** - Purchasers shall be able to access their own information at any time through the Internet and on other means of communication elected by that utility for Smart Grid applications. Other interested persons shall be able to access information not specific to any purchaser through the Internet. Information specific to any purchaser shall be provided solely to that purchaser.

Please note that PVREA purchases its full power requirements from Tri-State Generation and Transmission Association, Inc. (hereinafter "Tri-State") under a long-term full-requirements contract. For this reason, PVREA would not be able on its own to affect certain of the PURPA standards, and its ability to effect aspects of other standards may be limited as well. In addition, the third standard is directed to action by regulatory commissions when reviewing filings by investor owned utilities, and it may not be applicable to cooperative electric associations. Commenters are urged to take such limitations into account when presenting their views.

[Link to: Tri-State Integrated Resource Plan 2008 Progress Report](#)

Poudre Valley Rural Electric Association, Inc. is a distribution cooperative owned by the members that it serves. Poudre Valley REA was founded in 1939 by its member-owners to provide reliable electricity.

Today Poudre Valley REA covers 5,760 square miles of service territory in Larimer, Weld, and Boulder counties and over 3600 miles of overhead, underground and transmission line combine, serving approximately 35,000 consumers.

Regardless of growth Poudre Valley REA still provides the same high standards and sound energy that all consumers have come to rely upon.

Electric Co-Op Facts

Over 930 cooperatives provide electricity to 37 million people in 47 states.

Electric cooperatives serve 12 percent of the nation's population.

Electric cooperatives own 43 percent of the electric distribution lines in the U.S



Our Energy, Our Future
A Dialogue With America

WE HAVE AN ENERGY CHALLENGE, AMERICA

When it comes to finding energy solutions, we must meet climate change goals while keeping costs down and electricity available. America needs a plan. Immediately.

RED HOT NEWS

ATTENTION **NOTICE TO POUDBRE VALLEY** **REA MEMBERS OF SPECIAL** **MEETING**

On December 23, 2008 the board of directors of your association will consider written submissions for compliance with the Energy Independence and Security Act of 2007. Click on the links below for more information.

[PURPA](#)
[NOTICE](#)

[Integrated Resource Plan](#)

HEY! HIGH SCHOOL JUNIORS
Poudre Valley REA will sponsor three delegates to the 2009 Cooperative Youth Leadership Camp. The campsite is Glen Eden Resort, 24 miles north of Steamboat Springs. If you are interested in attending this exciting, cost-free event, contact Poudre Valley REA at 970-226-1234 for information. [Applications](#) can be found by clicking on the "Community" tab, and then the "Energy Camp" tab.

SCHOLARSHIPS
Scholarship information, requirements, and application forms are available at local high schools, in the Colorado Country Life or you may print the [application](#) from here and submit it by February 13, 2009.