
 <b>MEAN</b> MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

## Table of Contents

- Introduction ..... 2
- I. Member Generation Not Leased to MEAN..... 2
- II. Reliability Standards for Bulk Power Supply of MEAN ..... 4
- III. Integrated Resource Plan Development..... 5
- IV. Abnormal System Conditions and Restoring Service..... 6
- V. Procedures for the Use of Service Schedules ..... 8
- VI. Unit Capability Testing Procedures..... 8
- VII. Operation of Generation ..... 13
- VIII. Exercising of Unit(s) and Scheduling Obligations ..... 18
- IX. Recordkeeping and Reporting ..... 20
- X. Plant Staffing Obligations..... 21
- XI. Metering ..... 23
- XII. New or Additional Generation..... 26
- XIII. Substitution of Leased Generation Facilities ..... 31
- XIV. Discontinuance of Commitment of Capacity to MEAN ..... 31
- XV. Additional Criteria for Capacity Compensation Eligibility.....34
- XVI. Renewable Distributed Generation Policy.....35

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

The Municipal Energy Agency of Nebraska (MEAN) Management Committee has set forth written documentation of the policies and procedures pursuant to the Electrical Resources Pooling Agreement (ERPA). This document incorporates the established policies and procedures that MEAN has been following over the years as well as new policies and procedures approved by the Management Committee from time to time. In the performance of services under these policies and procedures, staff which provides services to and on behalf of MEAN (Staff) are officially employed by the Nebraska Municipal Power Pool (NMPP) and are utilized by MEAN through a joint operating committee agreement.

I. MEMBER GENERATION NOT LEASED TO MEAN (*Approved by Management Committee on 5/26/05; modified on 8/15/13, 5/21/15, 5/18/17 and 8/16/18*)

Article V, Section 5.01 of the ERPA states that Bulk Power Participants will contractually commit to MEAN the energy output of all existing generation facilities that are owned by the Participants for the purpose of economic dispatching by MEAN electric power and energy from such generating facilities for the common benefit of all Participants.


Pursuant to Section 5 of the Service Schedule M Schedule of Rates and Charges, generating plants will be reimbursed for the commitment of accredited generation facilities; Such plants committed to MEAN will be paid for capacity at the rate established in the Service Schedule M Schedule of Rates and Charges as modified from time to time by the MEAN Board of Directors and will be paid for energy generation as described in these ERPA policies and procedures.

A. On January 20, 2005, the Management Committee and Board of Directors placed a moratorium on leasing any new or additional generation until such time peaking capacity generation is needed.


B. Service Schedule M, K, K-1 and J Participants that have local generation **not** leased to MEAN are permitted to generate in accordance to the following policies and procedures:

1. Operation of unit(s)

a. The non-leasing Participant will notify the MEAN Coordination Center by 9:00 a.m. Central Prevailing Time (CPT) the day prior that it plans to operate its unit(s) for any reason.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

- 1) The only exception is for distribution system-wide outage or blackout caused by the transmission interconnection or distribution system or weather, in which case the non-leasing Participant shall notify MEAN immediately.
  
- b. The MEAN Coordination Center will approve or deny the non-leasing Participant’s request to operate its unit(s).
  - 1) If approved, the MEAN Coordination Center will confirm the date, time, unit(s), and desired output per hour to be operated.
  
- c. In addition to the notice required by 9:00 a.m. CPT the day prior as described above, at least 90 minutes prior to operating the unit, the non-leasing Participant will verify the anticipated kW output per hour and start/end times with the MEAN Coordination Center.
  
- d. If for any reason the amount of output is modified before or during operation, the non-leasing Participant must notify the MEAN Coordination Center immediately.
  
- e. Prior to discontinuing generation, Participant will contact the MEAN Coordination Center to confirm that system conditions do not warrant adjusting the timeframe for bringing the unit(s) offline.
  
2. Compensation
  - a. The non-leasing Participant will be compensated for energy production as set forth in Article VII, Section M below. The rate varies depending on whether energy production is at the request of MEAN or a third party, or is for any other reason. The compensation provided for herein is subject to the generation meeting all other applicable requirements set forth in these ERPA policies and procedures or established from time to time by the MEAN Board of Directors or Management Committee.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

b. MEAN will add back to the non-leasing Participant’s total load calculation the hourly energy production provided during generation to ensure proper billing of monthly peak demand and energy. To the extent required by applicable Tariff(s), MEAN also will add back to the Participant’s total load calculation the hourly energy production provided during generation to ensure proper billing of network transmission.


c. In the event the non-leasing Participant does not timely and properly notify the MEAN Coordination Center of its intent to operate, as outlined in #1 above, even during emergencies, the non-leasing Participant will **not** be compensated for energy production or fuel. In such event, Participant will be responsible for all resulting charges and penalties assessed by a third party, including without limitation a transmission provider, Regional Transmission Organization (RTO) or Independent Transmission System Operator (ISO), arising out of the failure to timely and properly notify MEAN.

3. All provisions of these ERPA Policies & Procedures shall apply to non-leasing Participant except for the following Articles which are applicable only to leased generation: VI, VII (except that the summary table provisions regarding non-leased generation shall apply), VIII, X, XIII, XIV, XV.

II. RELIABILITY STANDARDS FOR MEAN BULK POWER SUPPLY (*Approved by Management Committee on 5/26/05; modified on 8/15/13, 5/21/15, 11/17/16 and 8/16/18*)

Article VI, Section 6.07 (e) of the ERPA requires the Management Committee to establish reliability standards for bulk power supply of MEAN.

A. The following are established as the reliability standards for bulk power supply of MEAN: MEAN is currently registered with North American Electric Reliability Corporation (NERC) in the Midwest Reliability Organization (MRO) and the Western Electricity Coordinating Council (WECC) regions as a Resource Planner (RP). MEAN must comply with or demonstrate non-applicability with all Federal Energy Regulatory Commission (FERC) approved reliability standards that are applicable to this function. MEAN’s NERC responsibilities do not extend beyond the requirements of the RP function.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

B. To demonstrate compliance with, or non-applicability with, all FERC-approved reliability standards in MEAN’s RP function, Staff will prepare planning and operating studies or other reports, as appropriate.

III. INTEGRATED RESOURCE PLAN DEVELOPMENT *(Approved by Management Committee on 5/26/05; modified on 5/21/15 and 8/16/18)*

Article VI, Section 6.07 (g) of the ERPA requires the development of long range power supply plans to be updated annually for the ensuing 10 year period or longer.


A. Staff will develop an Integrated Resource Plan (IRP) on behalf of MEAN and its Service Schedule M, K, K-1 and J Participants every five years as well as annual updates to the IRP as required by the Western Area Power Administration (WAPA) and others.

B. The IRP will comply with the provisions of the WAPA Energy Planning and Management Program, which requires the following elements:

1. Identify and compare all practicable energy efficiency and energy supply resource options.
2. Include action plan with timing set by customer.
3. Describe efforts to minimize adverse environmental effects of new resource acquisitions.
4. Provide ample opportunity for full public participation.
5. Conduct load forecasting.
6. Include brief description of measurement strategies for options identified in the IRP to determine whether objectives are being met.

C. MEAN will submit progress reports to WAPA on an annual basis.

D. In the event WAPA changes its Energy Planning and Management Program in a manner which affects the IRP obligation, content, or filing requirements for

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	


MEAN or its participants, this procedure will be amended to include such changes and submitted to the Management Committee for approval.

- E. If the situation warrants, MEAN will update elements of the IRP more often than every five years, including load forecasts, resource plans, and demand side management alternatives. The results will be reviewed with the Management Committee and Board of Directors as necessary.
- F. Participant will respond to Staff data requests in a timely manner.
- G. Participant will implement measures selected in the development of a least cost plan as specified by the plan.


IV. **ABNORMAL SYSTEM CONDITIONS AND RESTORING SERVICE** (*Approved by Management Committee on 8/19/04; modified on 5/20/10 and 5/18/17*)

Pursuant to Article VI, Section 6.07 (j) and 6.07 (q), of the ERPA, the duties of the Management Committee include establishing and revising rules relating to the effect of abnormal conditions on system operations and reviewing the procedures for restoring service following emergency conditions.

- A. In periods where a Participant has abnormal conditions on its system, the Participant will notify the MEAN Coordination Center immediately in order to coordinate any assistance needed by the Participant. The Participant will attempt to isolate the abnormal condition to its own system so the effects on surrounding utilities are minimized.
- B. In the event of loss of power from the grid due to any reason (blackout, brownout, storm damage, weather problems, transmission system overload, etc.), the Participant will separate from the grid and begin to self-generate to stabilize their distribution system.
  - 1. Participant will contact the MEAN Coordination Center immediately to report the conditions and provide all appropriate generation output data.
- C. In periods where MEAN has an abnormal condition in its operation of power supply, the MEAN Coordination Center may ask Participants to generate to levels requested or take other steps necessary to relieve the condition, such as implement load management programs and/or load curtailments.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

- D. Every effort will be made by all Participants and the MEAN Coordination Center to maximize effective communication during abnormal periods.
  
- E. The MEAN Coordination Center and Participant will coordinate taking generation off line.
  
- F. In cases of a widespread grid event (i.e., blackout), the MEAN Coordination Center may direct Participants to isolate from the grid and generate to their distribution load or ‘self-generate’.
  - 1. If called upon by the MEAN Coordination Center, Participants will self-generate in conjunction with regional power system restoration efforts.
  - 2. Participants will continue to self-generate (even if the surrounding distribution systems have power restored) for as long as directed by the MEAN Coordination Center.
  - 3. The MEAN Coordination Center will work with Participants on when to reconnect to the grid.
  
- G. In periods where planned transmission and distribution work is scheduled either by a Participant, or a third party where the Participant has knowledge of the work where there will be an impact on load and/or the equipment used by MEAN to collect data, the Participant will notify MEAN as soon as possible, and will indicate the planned duration of the outage, the equipment impacted and the basic scope of work. Examples include but are not limited to the following:
  - 1. Planned changes, additions, or removals of a delivery point.
  - 2. Substation work. Including repair or replacement of transformer, current transducer (CT), potential/voltage transducer (PT/VT).
  - 3. Any meter testing, repair or replacement. This includes when meter agents let the Participant know they will be performing meter testing on their equipment.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

V. PROCEDURES FOR THE USE OF SERVICE SCHEDULES *(Approved by the Management Committee on 5/26/05; modified on 8/16/18)*

Article VI, Section 6.07 (m) of the ERPA requires procedures be established for the use of Service Schedules.


- A. Participant must provide a verbal or written request to the MEAN Coordination Center to receive service under any Service Schedule.
  - 1. The request must include the Service Schedule under which the Participant wishes to receive service, the length of time covered by the request, any special terms and conditions of the service request, transmission arrangements, and any other appropriate information.
  - 2. The MEAN Coordination Center will confirm requested service both orally and in writing.
- B. Requests for services under any Service Schedule which requires specific Management Committee approval (Service Schedules A, J, K and M) will be considered by the Management Committee.

VI. UNIT CAPABILITY TESTING PROCEDURES *(Approved by Management Committee on 5/13/04; modified on 5/21/09, 5/20/10, 8/16/12, 5/16/13, 8/15/13, 5/21/15, 5/18/17 and 8/16/18)*


Pursuant to the provisions of Article VIII, Section 8.03 of the ERPA, the Management Committee will establish the rules and regulations for Participants in determining accredited capability (referred to herein as “Accredited Capacity”). All tests will be in accordance with the requirements of the respective Regional Transmission Organization, including without limitation the requirements specified in the Southwest Power Pool (SPP) Criteria 12.0 Electrical Facility Ratings, and the then-current version of the Midcontinent Independent System Operator (MISO) Resource Adequacy Business Practice Manual BPM-011.

- A. Scheduling of Unit Capability tests
  - 1. All scheduling of Unit Capability tests will be coordinated with the MEAN Coordination Center.



 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

2. The MEAN Coordination Center will give Participant no less than 24-hour verbal notice that a Unit Capability test will be conducted the next day, but the specific time of day for the test is not required.
    - a. If the Participant refuses or is not ready to conduct the test as scheduled, the Participant will be assessed a penalty equal to one month's capacity compensation payment to the Participant. The penalty will automatically be deducted from the next monthly invoice.
  3. The MEAN Coordination Center reserves the right to postpone or reschedule a test at any time as system conditions warrant with no recourse from the Participant.
  4. Unit Capability tests will be conducted during the months of June, July, August or September. Exceptions, which must be approved by MEAN, may be made for reasons including but not limited to, unit re-testing or Staff availability.
  5. During any Unit Capability test, the net output of the generating unit(s) being tested will be recorded hourly and reported to the MEAN Coordination Center by the on-site and authorized Staff member in order to allow proper blending of the energy output of the unit(s) with other MEAN resources.
- B. Persons required to be present during Unit Capability test:
1. In order to be accredited by the Management Committee, Unit Capability tests must be attended by at least one authorized Staff member who will keep a record of plant output and operation during the test.
  2. Any member of the Management Committee may attend any such tests in an advisory capacity.
- C. Testing procedures to demonstrate capability
1. Plant net capacity will be defined as gross plant capacity output less station power (auxiliaries). Ratings will be confirmed annually or more

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	


frequently as necessary to demonstrate the net capability. All units will be tested at least once per year.

2. Units which are dependent upon common systems which can restrict total output shall be tested simultaneously to demonstrate the net capability of the entire plant.
3. All equipment, when tested, will be in good operating condition with all auxiliaries needed for normal operation in service and with provision for enhanced output facilities operating (i.e. added cooling) if this capability is to be included in net capability. Energy consumption by auxiliary facilities common to the entire plant (e.g. fuel handling or lighting) will be distributed over the appropriate units in the plants and will represent the consumption normally experienced during the high load part of the day.
4. A standard auxiliary power deduction will be assessed for Participants that do not have auxiliary metering available. The current standard deduction is 2.5% of gross plant output. Such standard deduction percentage may be modified from time to time by the MEAN Management Committee.
5. The fuel used during the test shall be individually metered for each generator.

Natural gas fuel integrator readings for the test shall be taken at the start of the test, at the start of the first hour, at the end of the first hour, at the end of the second hour, and at the conclusion of the test.

For liquid fuel units with no day tank, or with fuel meters (inlet and return) located downstream of the day tank, the fuel integrator readings (both inlet and return) will be read in the same manner as the natural gas fuel meters.

For liquid fuel units with day tanks and the fuel meter located upstream of the day tank, the liquid fuel integrator readings shall be taken at the start of the test, and at the conclusion of the test, after the day tank has been refilled to the precise level as prior to testing. Liquid fuel usage will be calculated based on total fuel burned and times recorded by Staff that represent unit load levels.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

For dual fuel units, the methods of recording fuel usage listed above shall be used in the appropriate combination to reflect fuel used.

NMPP personnel will assist plant personnel to ensure correct readings are taken.

Minimum fuel storage volume shall be the fuel that will be available in sufficient quantities to run the unit at its accredited level for the four peak hours for five days in succession at the time of MEAN's annual peak. (Minimum fuel storage volume = Capability Test fuel/hr x 4 hrs. x 5 days.)


6. The test loading shall be maintained at as constant a level as practical. The reported test results shall be the sum of the MWh/hr integrated net output for the 2-hour test period. The test for all units is deemed successful only if such net output reported is equal to or greater than the net capacity in kW in MEAN's current Load and Capability Report. If the test results in a kW output that is less than the current kW amount found in the Load and Capability Report, the latest test result will be recorded in the next Load and Capability Report, unless the Participant retests the units in compliance with the then current policies and procedures.

**D. Steam turbine-generator unit tests**

1. The test period for steam turbine-generator units will be not less than four continuous hours.
2. Generating unit net output capability will be corrected using the average of the past five summers' maximum inlet circulating water temperatures. Steam conditions will correspond to the operating standard established by the owner of the unit or plant. The steam generator will be operated with type and quality of fuel allowed by law.

**E. Combustion turbine and diesel unit tests**

1. The test period for combustion turbine and diesel units shall be two continuous hours following sufficient warm-up and stabilized operating conditions not to exceed 30 minutes.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

2. Ambient temperature conditions may be corrected at the discretion of Management Committee to the average for the past five years of the maximum temperature occurring in that community at the time of a system’s monthly maximum demand. Where evaporative coolers are used, the temperature at the discharge of the evaporative coolers may be the basis for ambient temperature corrections.

F. Requests for retesting of units

1. Should all or a portion of the Accredited Capacity identified in MEAN’s current Load and Capability Report not be available to MEAN during any month because of an Outage, such as equipment failure or breakdown, the provisions for retesting of such unit(s) when they become available again shall be as provided in Article VII and the tests shall comply with this Article VI.


G. Costs

If any Capability Test is authorized by the Management Committee for the purpose of establishing the capability for accreditation for a Bulk Power Participant or a Service Schedule J participant that has entered into a total requirements purchase agreement with MEAN, that Participant will be fully reimbursed for FOM, as defined in Article VII, Section M below, during the period of the test (full load run) as approved by the Management Committee so long as the test is deemed successful by MEAN in accordance with Article VI, Section C.6.

1. Actual cost of diesel fuel consumed will be the total gallons consumed as indicated in Article VI, Section C multiplied by the average fuel tank price per gallon, which is calculated in the following manner:

$$\frac{(\text{Current fuel quantity} * \text{Current fuel price}) + (\text{New fuel quantity} * \text{New fuel price})}{\text{Total fuel quantity}}$$

2. Actual cost of natural gas consumed will be the cubic feet consumed as indicated in Article VI, Section C, multiplied by the cost per cubic feet as indicated by the natural gas bill from the supplier. If the supplier charges per MMBtu, the appropriate calculation will be used per the supplier’s bill.


 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

H. A summary of the compensation arrangements for Capability Testing is shown below in Article VII, Section M.

VII. OPERATION OF GENERATION (*Approved by Management Committee on 8/19/04; modified on 5/26/05, 5/20/10, 5/16/13, 8/15/13, 5/21/15, 5/18/17 and 8/16/18*)

Pursuant to Article XIII, Section 13.02 of the ERPA, any Bulk Power Participant, upon request by MEAN, will supply MEAN energy up to the full amount of its Available Accredited Capacity.

- A. The MEAN Coordination Center will contact the Participant by telephone of the need to generate. The MEAN Coordination Center will specify which unit(s) to run, start time, and amount to generate. The Participant must be available to generate within one (1) hour of the request.
- B. When the MEAN Coordination Center determines generation is no longer required, it will contact the Participant by telephone, fax and/or email of the appropriate time to stop generating.
- C. The MEAN Coordination Center may request Participant to generate reactive volt-amperes (VARs) as system conditions warrant.
- D. If Participant cannot bring designated unit(s) up to specified net output, the Participant will immediately inform the MEAN Coordination Center so other generation can be scheduled.
- E. Participants that lease generation to MEAN will not plan for maintenance outages from June 1 through September 30. Notification of planned maintenance outages that occur in the remaining months will be made by the participant to MEAN as soon as possible, but at minimum by 9:00 a.m.CPT the day preceding the outage start time. Participant will indicate the planned duration of the outage, which units will be unavailable and the basic scope of work.
- F. Should all or a portion of the Accredited Capacity identified in MEAN’s current Load and Capability Report not be available to MEAN during any month because of a forced outage, which includes a condition in which the equipment is unavailable due to an unanticipated failure (referred to herein as a “Forced Outage”), or because of a planned outage scheduled in advance to occur

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

between June 1 and September 30 with a pre-determined duration (referred to herein as an “Unapproved Planned Outage”), the capacity compensation payment will be adjusted and made in an amount that is reflective of the Equivalent Availability Rate for any such month or any subsequent month until capacity is restored. Forced Outage and Unapproved Planned Outage are collectively referred to herein as “Outage”.

$$\text{Equivalent Availability Rate (\%)} = \frac{\text{Accredited Capacity kW} - \text{Outage kW}}{\text{Accredited Capacity kW}}$$


$$\text{Adjusted Capacity Payment} = \text{Equivalent Availability Rate \%} * \text{Capacity Payment}$$

Participant must notify MEAN immediately in the event all or a portion of the Accredited Capacity identified in MEAN’s current Load and Capability Report is not available to MEAN, without regard to whether MEAN is in need of generation from Participant at that time. Failure to notify MEAN within eight (8) hours of the commencement of any outage will result in Participant being responsible for any penalties applicable to MEAN from a third party, including without limitation the market, RTO, ISO, or transmission provider(s), which penalties shall be passed through to Participant, and Participant will have the obligation to repay MEAN for capacity compensation payments made by MEAN during any period of unavailability. If the commencement date of the outage cannot be determined to MEAN’s satisfaction then the commencement date shall be deemed to be the later of the following dates: (i) the date of the last MEAN-documented generation by the affected unit(s), or (ii) the date of the last successful Capability Test of the affected unit(s).


For purposes of clarity:

If an outage that was planned to occur between October 1 and May 31 extends past May 31 it will transition to an Unapproved Planned Outage under this Article VII unless the outage was originally approved by MEAN to include such extended time period.

An Unapproved Planned Outage that extends past September 30 will continue to be subject to this Article VII as an Unapproved Planned Outage until such time MEAN determines in its sole discretion that the unit has been brought back to service.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

- G. If the total Accredited Capacity is made available to MEAN within 90 days after commencement of any such Outage and the generating unit(s) pass any required Capability Test as described in Section I below, retroactive payment will be made by MEAN to the Participant for the amount of capacity of MEAN’s current Load and Capability Report, which was unavailable because of the Outage. The commencement of the 90-day period referred to in this Article VII shall not be delayed by failure of Participant to timely notify MEAN of the Outage.
  
- H. If all or a portion of the Accredited Capacity is unavailable to MEAN for a period of 90 days or longer, MEAN will make no retroactive payment for the unavailable capacity commitment.
  
- I. Upon notice to MEAN by the Participant that all or a portion of the previously unavailable capacity is again available, a plant Capability Test will be conducted in accordance with the plant testing procedures set forth in Article VI unless MEAN otherwise determines in its sole discretion that the unit has been brought back to service.
  
- J. To the extent a Participant cannot bring back to service a portion or all Accredited Capacity after an Outage, the Participant can request, in writing, to extend the 90-day period described in Section K below. The request shall be made to the Executive Director of MEAN. The Executive Director shall have the authority to grant extensions as outlined below, and may approve retroactive payment of capacity compensation or may elect to defer such action for consideration and approval by the Management Committee.
  - 1. The petition for extension must be received prior to the expiration of the initial 90-day period.
  
  - 2. The petition must include a description of the repairs made to date, repairs remaining, and the expected date the unit will return to service, as well as the remaining net generation output still available from the plant.
  
  - 3. Any extension approved by the Executive Director cannot exceed 15 months beyond the initial 90-day period.
  
  - 4. If an extension is granted, the Participant must provide monthly progress reports to the MEAN Coordination Center until such time MEAN

 <b>MEAN</b> MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

determines in its sole discretion that the unit has been brought back to service.

- K. Except as described below in this Section K, regardless whether Participant requests or receives an extension, any existing Accredited Capacity returned to service after being unavailable for 90 days or longer (or after the expiration of the term of any approved extension of such 90-day period) must reapply to the Management Committee for MEAN available Accredited Capacity for compensation and if approved such amount shall be incorporated in the Load and Capability Report. The Executive Director may from time to time grant exceptions to this requirement that Participant reapply for compensation.
  
- L. Compensation
  - 1. MEAN will compensate Participant for production as set forth in Article VII, Section M below. The rate varies depending on whether the production is at the request of MEAN or a third party and approved by MEAN in advance.
  
  - 2. MEAN will add back to the Participant's total load calculation the hourly energy production provided during generation to ensure proper billing of monthly peak demand and energy. To the extent required by applicable Tariff(s), MEAN also will add back to the Participant's total load calculation the hourly energy production provided during generation to ensure proper billing of network transmission.
  
- M. A summary of the compensation arrangements is shown below. Payments are contingent on generation meeting all other applicable requirements set forth in these ERPA policies and procedures or established from time to time by the MEAN Board of Directors or Management Committee.




<h1>MEAN</h1> <p>MUNICIPAL ENERGY AGENCY OF NEBRASKA</p>	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

Reason for Generation:	Leased Generation:	Non-Leased Generation:
Capability test – successfully completed	FOM	N/A
MEAN Request	FOM	FOM
Quarterly exercise per MEAN schedule – RICE units – successfully completed	FOM	N/A
Every other month exercise per MEAN schedule – CT units – successfully completed	FOM	N/A
Emergency outage	FOM	Energy Charge
Request from third party – (example: rural)	Rate from 3rd party OR Energy Charge if not reimbursed by 3 <sup>rd</sup> party	Rate from 3 <sup>rd</sup> party OR Energy Charge if not reimbursed by 3 <sup>rd</sup> party
All other generation	Energy Charge	Energy Charge


For purposes of the chart above:

“FOM” shall mean the actual cost of fuel consumed, plus variable operation and maintenance (O&M) cost as approved by the Management Committee. The variable O&M cost shall be \$0.005 per kWh, which amount may be modified from time to time by the Management Committee.

“Energy Charge” shall mean the then-current Energy Charge pursuant to the Service Schedule M Schedule of Rates and Charges or any new rate as may be approved by the Management Committee and Board of Directors. Generation compensation to Participants under the “Energy Charge” method will be via a credit on the Statement of Power and Energy Delivery from MEAN to the Participant.


 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

VIII. EXERCISING OF UNIT(S) AND SCHEDULING OBLIGATIONS (*Approved by Management Committee on 8/19/04; modified on 5/20/10, 5/16/13, 8/15/13, 5/21/15, 5/18/17 and 8/16/18*)


Article XIII, Sections 13.04 and 13.05 of the ERPA state Participants will maintain all leased to MEAN generating units, switches, buildings and auxiliaries (power plant facilities) in good operating condition. Participants will operate power plant facilities so not to cause any type of impairment to the electric service of other Participant(s) or the electric system that is interconnected to their power plant, and will be required to periodically operate to prove the capability of such unit(s).

A. Exercising of unit(s)

1. Participants who lease generation to MEAN will exercise their generating units on a quarterly basis for reciprocating internal combustion engines (RICE) and every other month for combustion turbines (CT) per a pre-determined schedule as set by the MEAN Coordination Center. Testing will include:
  - Starting the unit, tying on line and operating for the pre-determined duration.
  - The fuel used during the test will be the fuel that will be available in sufficient quantities to run the unit at its accredited level for the four peak hours for five days in succession at the time of MEAN’s annual peak.  
(Minimum fuel storage volume = Capability Test fuel/hr x 4 hrs. x 5 days.)
  
2. Schedule to be set by Staff. An annual schedule for exercising will be created by Staff by October 1 of the previous year. The MEAN Coordination Center may need to revise the exercise schedule due to system conditions.
  - a. The Participant will notify the MEAN Coordination Center by 9:00 a.m. CPT the day prior to any pre-determined exercise
  
  - b. Exercising durations are pre-determined by the MEAN Coordination Center and coordinated with the Participant.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

- c. If a longer exercising duration is desired by Participant, the Participant will coordinate with the MEAN Coordination Center by 9:00 a.m. CPT the day prior to the scheduled exercise and provide the reason for the request. The MEAN Coordination Center will approve or deny the Participant’s request for a longer exercising duration.
3. Participant may request to exercise from time to time other than the pre-determined scheduled exercises.
  - a. The Participant will notify the MEAN Coordination Center by 9:00 a.m. CPT the day prior to any such exercise. The only exception is for distribution system-wide outage or blackout caused by the transmission interconnection or distribution system or weather, in which case the Participant shall notify MEAN immediately. If the exercise is approved, the MEAN Coordination Center will confirm the date, time, unit(s), and desired net kW output per hour to be generated.
4. In addition to the notice required by 9:00 a.m. CPT the day prior as described above, at least 90 minutes prior to exercising under subsection 2 or 3 above, the Participant will verify the anticipated net kW output per hour and start/end times with the MEAN Coordination Center.
5. If for any reason the amount of output is modified before or during the exercise, the Participant must notify the MEAN Coordination Center immediately.
6. Prior to discontinuing generation, Participant will contact the MEAN Coordination Center to confirm that system conditions do not warrant adjusting the timeframe for bringing the unit(s) offline.
7. Compensation
  - a. Compensation for unit exercises will be as set forth in Article VII, Section M above. The rate varies depending on whether the exercise follows the pre-determined schedule (quarterly for RICE units, and every other month for CT units) or is considered to be

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

other generation because it is in excess of the pre-determined schedule.

b. MEAN will add back to the Participant’s total load calculation the hourly energy production provided during generation to ensure proper billing of monthly peak demand and energy. To the extent required by applicable Tariff(s), MEAN also will add back to the Participant’s total load calculation the hourly energy production provided during generation to ensure proper billing of network transmission.

8. Payments are contingent on generation meeting all other applicable requirements set forth in these ERPA policies and procedures or established from time to time by the MEAN Board of Directors or Management Committee.

**B. Process for compensation for charges and penalties incurred**

Participant will be responsible for any charges and penalties incurred by MEAN as a result of, or arising from, Participant’s failure to comply with subsection 1, 2, 3, 4, 5, or 6 of Section A. of this Article VIII. Such charges and penalties will be passed through to Participant.


**IX. RECORDKEEPING AND REPORTING** *(Approved by Management Committee on 8/19/04; modified on 5/20/10, 5/21/15, 5/18/17 and 8/16/18)*

Pursuant to Article XIII, Section 13.06 of the ERPA, Participants are required to prepare and submit reports concerning schedules, loads and generating facilities capabilities, as may be reasonably requested by MEAN.

A. The Participant must maintain hourly log sheets for all emission unit operation and generation activity.

1. The MEAN Coordination Center will supply each Participant specific log sheets for their generating unit(s).

2. The Participant will record hourly kWh generated, per unit, hourly station service (auxiliary), and the total quantity of fuel used for the operation of

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

the unit. A log sheet must be submitted any time fuel is consumed, even if no energy was generated.

3. The Participant will fax or email the completed log sheet to the MEAN Coordination Center each day when applicable.
  - a. If necessary, the Participant may call the MEAN Coordination Center and orally relay the information.
  - b. Oral communication will be followed up with a completed log sheet mailed, emailed or faxed to the MEAN Coordination Center within 48 hours of generating.

B. All generation reports should be kept neatly and open for inspection by either party. Records of all transactions will be kept in the MEAN Coordination Center including information being supplied by Participant. In some cases, this information is also required for air emissions permits for regulatory compliance.


C. In order to receive compensation, Participant will submit a report to MEAN within thirty (30) days of the end of the month in which generation occurred. The monthly data report will serve as the invoice to MEAN and must be accompanied by copies of diesel and/or natural gas invoices from Participant's supplier. Failure to submit such monthly data within thirty (30) days of the end of the month will result in suspension of capacity compensation payments from MEAN.

X. PLANT STAFFING OBLIGATIONS (*Approved by Management Committee on 5/13/04; modified on 5/20/10 and 8/16/18*)

Pursuant to Article XIII, Section 13.07, of the ERPA, Participant is required to maintain continuously available and manned one primary telephone number and one or more back-up telephone number(s) for contact by MEAN and response by Participant to a request for any of the services provided by the Agreement.

A. Contact list


The MEAN Coordination Center will maintain a contact list of the primary and secondary contacts, including pertinent telephone numbers, for each Participant that leases generation output to MEAN and all back-up numbers made available

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

by the Participant. The contact list will be updated on a regular basis, as directed by the MEAN Coordination Center.

**B. Penalties for inability to generate due to lack of staff**

1. The following will apply to any Participant unable or unwilling to begin operation of requested generation within the one (1) hour requirement due to limited staff and/or other municipal commitments:
  - a. First offense – Letter to the Participant’s governing body outlining the contractual obligations the community has with MEAN and clarification of the ramifications of future failures.
  - b. Second offense (within the same 12-month period of the first offense) – Letter to the Participant’s governing body plus a \$500 assessment that will be automatically deducted from the Participant’s monthly capacity compensation payment.
  - c. Third offense (within the same 12-month period of the first offense) – Letter to the Participant’s governing body plus an assessment of 25% of one month’s capacity compensation or \$500, whichever amount is higher, that will be automatically deducted from the Participant’s monthly capacity compensation payment.
  - d. Any further offenses (within the same 12-month period of the first offense) – MEAN will cease payment of the Participant’s monthly capacity compensation until such time the Management Committee meets to review and determine the appropriate action. MEAN will make no retroactive payment for the unavailable capacity commitment.
2. No assessment will be incurred if a Participant provides documentation acceptable to MEAN that the generating unit failed due to mechanical failure beyond the control of the Participant and that such failure that was not a result of negligence, poor maintenance or poor operating practice.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

C. Appeal process


1. In the event a Participant desires to appeal the imposed assessment as outlined in Section B. 1. above, the Participant will give notice, in writing, to the MEAN Coordination Center within 60 days from the date of the imposed assessment. The notice must state the specific grounds on why the Participant is disputing the assessment.
2. Any such appeal received by the MEAN Coordination Center will be presented to the Management Committee at their next regularly scheduled meeting.
  - a. Prior to the meeting, a copy of the written notice will be distributed to the Management Committee along with a written response from MEAN Coordination Center as to why the assessment was incurred.
3. Any action taken by the Management Committee will be final and binding.

XI. METERING (*Approved by Management Committee on 5/26/05; modified on 5/20/10, 1/22/15, 5/18/17 and 8/16/18*)

Article XIV, Section 14.01 of the ERPA states that all Participants provide and maintain metering equipment on their fuel and electric systems.

A. Tie-line metering

1. All tie-line points must have revenue quality metering equipment, accurate to +/- 1.0% in accordance with ERPA requirements.
2. MEAN is responsible for ensuring that all Service Schedule M, K, K-1 and J Participants have revenue quality metering installed at the tie-line. All other Participants are responsible for ensuring revenue quality metering to ensure accurate energy delivery and billing.
3. MEAN is responsible for installing a data recorder to collect and record metering data at the tie-line for Service Schedule M, K, K-1 and J Participants. All other Participants are responsible for the cost of MEAN

 <b>MEAN</b> MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

installing a compatible data recorder to ensure accurate delivery and billing.

- a. If the metering equipment is owned by a third party, usually the transmission provider, MEAN is responsible for installing a data recorder.

**B. Generation metering**


- 1. All generation must have revenue quality electric equipment, accurate to +/- 1.0% in accordance with ERPA requirements. For clarity, revenue quality electric metering can include electro-mechanical meters, SCADA information, generator data pack meters, “smart” relay output, and any other means provided the readings are accurate to +/- 1.0%. This accuracy shall be the overall accuracy including any error introduced by the potential and current transformers.

All generation must have fuel metering equipment, accurate to at minimum +/- 4.0% in accordance with ERPA requirements. Fuel meters must be rated for the type of fuel being measured (i.e., diesel fuel, natural gas).


- 2. It is the Participant’s responsibility to install revenue quality metering equipment that can measure the gross and net output of the unit(s) on an hourly interval. If auxiliary electric metering is not available, the then-current standard auxiliary power of gross plant output will be assessed. (See Section VI.C.4, Unit Capability Testing Procedures for additional information.)
- 3. The Participant is responsible for all metering relaying equipment, current and potential transformers, as well as any and all other equipment necessary to obtain revenue quality electric metering readings, and precise fuel usage readings at the accuracy level indicated in Section XI.B.1, Generation Metering. This includes verifying calibration of all meters at a frequency appropriate to ensure the specified accuracy.

**C. Penalties for not having appropriate metering equipment installed**



 <b>MEAN</b> MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

1. The following penalties may apply to Service Schedule M, K, K-1 and J Participants that do not have revenue quality metering equipment installed on all generation or fail to maintain such metering equipment:
  - a. First violation – Letter to the Participant’s governing body outlining the contractual obligations the community has with MEAN and clarification of the ramifications of future violations.
  - b. Second violation (if not corrected within 30 days of the first written request) – Letter to the Participant’s governing body plus a \$500 assessment that will be automatically deducted from the Participant’s monthly capacity compensation payment.
  - c. Third violation (if not corrected within 60 days of the first written request) – Letter to the Participant’s governing body plus an assessment of 25% of one month’s capacity compensation or \$500, whichever amount is higher, that will be automatically deducted from the Participant’s monthly capacity compensation payment.
  - d. Any further violations (if not corrected within 90 days) – MEAN will cease payment of the Participant’s monthly capacity compensation until such time the Management Committee meets to review and determine the appropriate action. MEAN will make no retroactive payment for the unavailable metering capabilities.
  
2. Appeal process
  - a. In the event a Participant desires to appeal the imposed assessment as outlined in Section C. 1. above, the Participant will give notice, in writing, to the MEAN Coordination Center within 60 days from the date of the imposed assessment. The notice must state the specific grounds on why the Participant is disputing the assessment.
  - b. Any such appeal received by the MEAN Coordination Center will be presented to the Management Committee at their next regularly scheduled meeting.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

1. Prior to the meeting, a copy of the written notice will be distributed to the Management Committee along with a written response from MEAN Coordination Center as to why the assessment was incurred.


c. Any action taken by the Management Committee will be final and binding.

**XII. NEW OR ADDITIONAL GENERATION** *(Approved by Management Committee on 11/18/04; modified on 5/20/10, 5/21/15, 5/18/17 and 8/16/18)*


According to Article XV of the ERPA, any generating units installed by Participants or by MEAN should be the most economical size and type practicable based on size of the system, loads of other Participants, anticipated growth, transmission facilities, and ability to interconnect with other systems. All generating units installed by Participants are subject to the established reliability standards of the Management Committee.

A. Any Participant requesting capacity compensation for new or additional generation is required to submit a formal written request to the MEAN Director of Wholesale Electric Operations. The following technical information must be included in the written request:

1. Size of the proposed new or additional generation
2. Requested megawatt capacity compensation
3. Type of generating unit (combustion turbine, reciprocating engine-generator, wind and water powered turbine generators, photovoltaic generators/invertors, etc.)
4. Fuel type (single fuel only – natural gas or oil; combined fuel – oil and natural gas by % of total; secondary fuel option – natural gas or oil only or combined oil and natural gas by % of total, or wind, hydro, biofuel)
5. Fuel storage on-site (type of fuel and available storage, in gallons, as applicable)
6. Fuel transportation arrangements

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	


7. One-line electrical diagram including existing plant, proposed addition, and interconnection
  8. Capability Test-determined or manufacturer's/installers' estimated heat rate (BTUs of fuel / kWh of generation)
  9. Staffing schedule of plant operating employees for the proposed generation addition
  10. Consulting engineer selected to perform engineering functions necessary to complete installation and Capability Test of unit
  11. Implementation plan for formal approval by any government or regulatory bodies, if applicable
  12. Estimated operating hourly capability for a typical year (annual load duration curve or equivalent), limits imposed by environmental regulations and any other unit output limits applicable
  13. Other characteristics (warranty of equipment, expected maintenance schedules and special equipment needs for repair; i.e. lifting cranes, lab equipment, black start capability, distribution benefits, retirement of existing unit, etc.)
- B. Upon receipt of a formal written request, Staff will evaluate the proposed generation facility using the following criteria to determine if it is an economic and operational fit with MEAN's existing and resource mix:
1. Category:
    - a. Traditional powered and dispatchable resources, (fossil, existing hydro and nuclear) or
    - b. Renewable powered restricted dispatchable resources (new hydro, wind, solar and biofuel):
  2. Type of prime mover, such as combustion turbine, combined cycle, aero-derivative, combustion engine, wind or water turbine, etc.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

3. Amount of generation (MW) and the annual energy production compared to the Participant’s total and supplemental peak demand and energy needs
4. Fuel type, availability, and fuel cost projections
5. Available capacity factor, maximum hours of operation and capacity limits listed by time of year
6. MEAN’s projected loads, resource needs, and resource mix specifically for restricted dispatchable renewable generators:
  - a. The proposed and existing restricted dispatchable generation cannot exceed 2.0% of MEAN’s peak load responsibility in the respective control area. For example in Fiscal Year Ending 2016:

Summer MEAN Peak Load Responsibility by Balancing Area in KW Non-coincident Peak				
MISO	SPP	WACM	PSCO	Total
90,602	160,107	160,894	34,089	445,692
2%	2%	2%	2%	2%
1,812	3,202	3,218	682	8,914

- b. The sum of all restricted dispatchable generation shall not exceed 10,000 kW of the total of MEAN’s generation resources.
7. Staffing levels of existing and proposed generation at power plant site.
8. Transmission (local and regional) impacts determined by transmission load flow studies.
9. Summary of the member’s past leased generation performance and compliance with ERPA requirements.
10. Compliance with interconnection requirements, rules and tariffs of the RTO or ISO.
11. Potential rate impact on MEAN Bulk Power Participants

 <b>MEAN</b> MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

12. Other factors, as necessary

The Participant and/or the Participant’s consulting engineer will supply Staff with the required information outlined above and/or any additional information that may be necessary in order to complete the evaluation.


C. Upon receipt of the required information from the Participant, Staff has 60 days to evaluate the proposed new or additional generation request and submit a written report back to the Participant. If any deficiencies are noted during the evaluation process, Staff may ask the Participant to make modifications to its request. MEAN’s written report may include, but not be limited to, the following:

1. General background information
2. Evaluation of request based on the criteria listed in Section B above
3. Conclusions and recommendation to Power Supply Committee and Management Committee


D. The Participant has 30 days to review and respond to MEAN’s written report. After this 30-day period, Staff will finalize the report and submit it to the Power Supply Committee for their review and consideration at the next regularly scheduled meeting.

1. The Power Supply Committee will make a recommendation to the Management Committee and Board of Directors to approve/deny the request for new or additional generation.
2. Final approval/denial of the request for new or additional generation is made by the Management Committee. If the request is approved, the Board of Directors determines the level of capacity compensation paid to the Participant. (Capacity compensation is not addressed in this section of the ERPA Policies & Procedures document.)

E. Upon Management Committee and Board of Directors approval for new or additional generation

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

1. MEAN will complete, at the expense of the generation project and to be paid as outlined in the Board’s approval document, the necessary load flow studies for regional reliability accreditation (i.e., MISO, SPP, WECC), request interconnection from the control area provider, request network resource designation from the transmission provider, and request any accreditation necessary from regional, state and/or local regulatory body, if applicable.
  
2. MEAN is responsible for the costs of all studies required for regional reliability accreditation. The Participant is responsible for all labor, consulting, and material costs necessary to address and meet or exceed the transmission provider’s requirements for interconnection, protective relaying, metering equipment, and any transmission improvement required to designate the proposed generation as a network resource for MEAN.
  
- F. If the proposed new or additional generation is not a traditional reciprocating or combustion turbine engine peaking facility, Staff will, in conjunction with the evaluation process, work with the Participant to develop an appropriate capacity and energy compensation methodology. The recommended compensation will be based on:
  1. The avoided cost of resources off-set by new generation
  2. The market price of excess capacity and energy from the proposed generation net of transmission cost for delivery that MEAN is able to remarket
  3. Other criteria that may be deemed appropriate by the Power Supply Committee
  
- G. Capacity compensation for the new or additional generation begins only when the arrangements listed under Section E above are completed, the unit is placed into commercial service, and the unit has successfully passed the Capability Test. (NOTE: MEAN representative(s) must conduct the Capability Test.)

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

XIII. SUBSTITUTION OF LEASED GENERATION FACILITIES *(Approved by Management Committee on 11/18/10; modified on 8/16/12, 5/21/15, 5/18/17 and 8/16/18)*


A Participant that desires to commit to MEAN the output of one or more of Participant’s generating facilities not then leased to MEAN or replace an existing leased generation unit with a unit of similar type and characteristics of the existing leased generating facilities (“Alternate Facilities”), in lieu of output from one or more generating facilities then-currently leased to MEAN, shall be permitted to make such substitution in accordance with the following policies and procedures:

- A. Written notice of such substitution of generating facilities must be provided by Participant to the MEAN Executive Director at least ninety (90) days prior to the desired effective date.
- B. The amount of capacity committed to MEAN by Participant and compensated by MEAN to the Participant after such substitution may not exceed the amount of capacity committed to MEAN by Participant prior to such substitution.
- C. Staff shall verify the amount of Participant’s Accredited Capacity via a Capability Test that follows the then-current ERPA Policies and Procedures to reflect the substitution of generating facilities leased to MEAN.
- D. Alternate Facilities must be of a similar type and characteristics of the existing generating facility including, but not limited to startup time and hours of availability. Alternate Facilities must also remain in compliance with all Governmental Standards (as that term is defined in Article XV) and are subject to the provisions of the then-current ERPA Policies and Procedures and the ERPA as applicable to generation leased to MEAN.

XIV. DISCONTINUANCE OF COMMITMENT OF CAPACITY TO MEAN *(Approved by Management Committee on 11/18/10; modified on 8/16/12 and 8/16/18)*

A Participant that desires to discontinue commitment to MEAN of any generating facility may be permitted to discontinue such commitment in accordance with the following policies and procedures:


- 1. The Participant must provide MEAN’s Executive Director with advance written notice to discontinue commitment of capacity to MEAN, including the reason and the proposed scheduled final date of capacity commitment. Such notice

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

shall be given immediately after the Participant’s governing body reviews the issue and makes its decision, whether the decision results from the Participant’s inability to comply with Governmental Standards (examples include a state operating permit renewal or a newly implemented EPA rule) or because the Participant chooses not to modify its equipment and/or operations to comply, or for any other reason.

2. Once the written termination notice is received, MEAN’s Executive Director will refer the matter to the Management Committee unless the Executive Director determines the discontinuance of commitment of capacity will have minimal or no negative impact on the MEAN Load and Capability Report (“De Minimis”). In the event that the discontinuance of commitment of capacity is determined to be De Minimis, Staff is authorized to relieve the Participant of its obligation to commit the capacity to MEAN. Staff shall report to the Management Committee any such action to relieve the Participant of its obligation.
  
3. In the event the impact is not determined to be De Minimis under subsection 2. above, the Management Committee will consider formally “accepting” notification from the Participant that the Participant’s affected generator(s) will no longer serve as generating units committed to pooling as described in the ERPA. Acceptance will be subject to a necessary transition period, the length of which will be determined by MEAN in its sole discretion, to assure that MEAN and the Participant maintain compliance with then-current Governmental Standards. This compliance includes, but is not limited to, MEAN’s regional reliability and capacity reserve requirements, Participant’s operating permits, contractual obligations with suppliers and service providers, and all other obligations of both MEAN and the Participant.
  
4. As a general guideline, the necessary transition period will end as of the effective date of the next MEAN Load and Capability Report (effective dates are currently May 1 and November 1, each referred to as a “Report Date”); provided, however, that if Participant’s notice of discontinuance is received by MEAN less than sixty (60) days prior to such Report Date, the necessary transition period will continue through the next successive MEAN Load and Capability Report period.
  
5. If for any reason insufficient notice is provided to MEAN to allow for the necessary transition period as described above, Participant will reimburse MEAN



 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	


for all penalties, charges and costs incurred arising out of the discontinuance of commitment of capacity.

6. The Participant will be subject to the then-current ERPA Policies and Procedures for approval of new and additional generation (currently Article XII) in the event that the Participant desires to reestablish the lease of such capacity or any new capacity to MEAN after the date upon which the capacity payments and capacity commitment obligations of Participant end. This provision includes instances where the Participant fails to meet deadlines for compliance with Governmental Standards, but corrects the deficiency after the deadline that is given by the duly authorized regulatory body.
  
7. If a Participant desires to lease generation to an entity outside of MEAN, that Participant shall coordinate such transaction with Staff and pay for all operational, capital, and incremental costs of transfer and scheduling of such transaction. Each transaction will be evaluated on a case-by-case basis.
  
8. A sample resolution which may be considered by the Management Committee is shown below:

NOW, THEREFORE, BE IT RESOLVED BY the MEAN Management Committee that:

The letter from the City of \_\_\_\_\_ (“Participant”) dated \_\_\_\_\_ is hereby accepted as formal notice that the Participant’s generators will no longer serve as generating units committed to pooling as described in the Electrical Resources Pooling Agreement (“ERPA”) of MEAN effective as of \_\_\_\_\_, 20\_\_\_, which shall be the end of a necessary transition period (“Lease End Date”) to assure that MEAN and the Participant maintain compliance with then-current local, state, regional, and federal policy, rules, laws, standards, and regulations. This compliance includes, but is not limited to, MEAN’s regional reliability and capacity reserve requirements, Participant’s operating permits, contractual obligations with suppliers and service providers, and all other obligations of both MEAN and the Participant.

The requirement in ERPA Article XIII, Section 13.05 that the Participant maintain all generating units owned by the Participant in good operating

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

condition is hereby waived for the Participant effective upon the Lease End Date.


The Participant’s Accredited Capability, as that term is defined in the ERPA, shall be deemed to be zero for any generating units not leased to MEAN as of the Lease End Date, and the Participant shall then no longer qualify for capacity commitment compensation from MEAN. The Participant generators will then be converted to “Member Generation Not Leased to MEAN” and will adhere to the then-current ERPA Policies and Procedures covered in Article I, “Member Generation Not Leased to MEAN”. If the Participant generator(s) do not meet or exceed the then-current operating permits and state, regional and federal rules governing the generator, the Participant may not use the Participant generator(s) to comply with the “Member Generation Not Leased to MEAN” Policy.

After all necessary transitions have been completed and capacity payments from MEAN have stopped, the Participant will be subject to the then-current ERPA Policies and Procedures for approval of new and additional generation (currently Article XII) in the event that Participant desires to reestablish commitment of said capacity or any new capacity after the Lease End Date.

**XV. ADDITIONAL CRITERIA FOR CAPACITY COMPENSATION ELIGIBILITY** *(Approved by Management Committee on 8/16/12; modified on 1/10/13 and 8/16/18)*

In addition to other eligibility requirements, all Participant capacity committed to MEAN shall comply with the following requirements to remain eligible for capacity compensation:


- A. Participant must maintain compliance with all applicable regulatory and governmental laws, orders rules, tariffs, policies, protocols, business practices, criteria, standards and regulations (“Governmental Standards”) regarding Participant’s generating units committed to MEAN, including but not limited to those Governmental Standards adopted at the local, state, regional, or federal level. Participant must promptly inform MEAN in writing in the event of Participant’s noncompliance with any Governmental Standards. Participant shall reimburse MEAN for any penalties, fines or other expenses incurred by MEAN arising from or relating to Participant’s noncompliance.

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

- B. The Management Committee may from time to time establish deadlines by which Participants with capacity committed to MEAN must provide official notification of intent regarding continued commitment of capacity to MEAN or by which capacity committed to MEAN must comply with Governmental Standards or standards established by MEAN. Such deadlines may be established to assist MEAN in planning for any necessary capacity purchases, or for other purposes. Failure to respond or comply by the deadline may result in loss of eligibility for capacity compensation and the determination by MEAN that the Participant’s unit(s) will no longer serve as generating units committed to pooling as described in the ERPA.
  
- C. The Participant will be subject to the then-current ERPA Policies and Procedures for approval of new and additional generation (currently Article XII) for the affected unit(s) in the event that the Participant: (i) desires to reestablish the lease of such capacity or any new capacity to MEAN after the date upon which the capacity payments and capacity commitment obligations of Participant end for the affected unit(s), or (ii) provides MEAN with official notice of intent to remove one or more generating units from commitment to MEAN due to noncompliance or anticipated noncompliance with Governmental Standards or MEAN standards, or (iii) fails to respond or comply by the deadline established by MEAN for notification or compliance pursuant to Section B above.


XVI. RENEWABLE DISTRIBUTED GENERATION POLICY

*[Copy of Renewable Distributed Generation Policy as approved by the MEAN Board of Directors is attached as Attachment 1.]*

 <b>MEAN</b> MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

### Revision History

Version	Effective Date	Description of Revision
1.0	May 13, 1981	Adoption of procedures
1.1	January 14, 1983	Periodic review and update
1.2	August 4, 1983	Periodic review and update
1.3	December 6, 1984	Periodic review and update
1.4	January 10, 1985	Periodic review and update
1.5	March 7, 1985	Periodic review and update
1.6	April 10, 1985	Periodic review and update
1.7	August 8, 1985	Periodic review and update
1.8	September 27, 1985	Periodic review and update
1.9	October 24, 1985	Periodic review and update
1.10	December 5, 1985	Periodic review and update
1.11	January 23, 1986	Periodic review and update
1.12	September 19, 1996	Periodic review and update
2.0	May 13, 2004	Periodic review and update
2.1	August 19, 2004	Periodic review and update
2.2	November 18, 2004	Periodic review and update
2.3	May 26, 2005	Periodic review and update
2.4	May 20, 2010	Periodic review and update
2.5	November 18, 2010	Periodic review and update
2.6	August 16, 2012	Periodic review and update
2.7	January 10, 2013	Periodic review and update
2.8	May 16, 2013	Periodic review and update
2.9	August 15, 2013	Periodic review and update
2.10	January 22, 2015	Periodic review and update
2.11	May 21, 2015	Periodic review and update
2.12	May 19, 2016	Addition of Distributed and Renewable Generation Policy
2.12.1	November 17, 2016	Period review and update; Addition of Grandfathered Facilities List to Distributed and Renewable Generation Policy
2.12.2	January 19, 2017	Modifications to Distributed and Renewable Generation Policy including renaming as Renewable Distributed Generation Policy
2.13	May 18, 2017	Periodic review and update
2.14	August 17, 2017	Update to Renewable Distributed Generation Policy
2.15	November 16, 2017	Update to Renewable Distributed Generation Policy

 MUNICIPAL ENERGY AGENCY OF NEBRASKA	Revision No.	3.0
	Effective Date	August 16, 2018
<b>Electrical Resources Pooling Agreement</b> <b>Policies &amp; Procedures</b>	<b>Distribution Restriction: Public Document</b>	

3.0	August 16, 2018	Periodic review and update
-----	-----------------	----------------------------