OKLAHOMA ELECTRIC COOPERATIVE
NORMAN, OKLAHOMA

FINAL DETERMINATION FOR IMPLEMENTING PURPA RATEMAKING STANDARDS RELATING TO DEMAND-RESPONSE PRACTICES AND ELECTRIC VEHICLE CHARGING PROGRAMS

Federal law requires the Oklahoma Electric Cooperative ("OEC" or the "Cooperative") to consider the implementation of policies to address demand-response practices and to promote electric vehicle charging programs. This consideration is pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA), as amended by the Infrastructure Investment and Jobs Act (IIJA) of 2021, 16 U.S.C. § 2621(d)(20-21) ("PURPA IIJA"). Under § 2621(b), this consideration shall be made after public notice and hearing. However, pursuant to 16 U.S.C. § 2622(a), the Cooperative takes into account the policies that were in effect prior to the IIJA amending the PURPA standards. As the Cooperative's policies already meet the PURPA IIJA standards, no public notice or hearing was conducted. Any member of the public who wishes to comment on this resolution may do so and will be given due consideration.

The Board of Directors of Oklahoma Electric Cooperative adopts this Resolution to address the Cooperative's current policies which: 1) promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand; and 2) promote greater electrification of the transportation sector.

Demand Response Rates

16 U.S.C. § 2621(d)(20) states the following:

(A)In general

Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

(B)Rate recovery

(i)In general

Each State regulatory authority shall consider establishing rate mechanisms allowing an electric utility with respect to which the State regulatory authority has ratemaking

authority to timely recover the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

(ii)Nonregulated electric utilities

A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

As a distribution cooperative, OEC has limitations to its ability to reduce system load during extreme peak periods. However, OEC does use indirect methods through its ratemaking authority to motivate changes in electric use by its members, such as rates designed to lower electricity use during times of high demand.

These rates include a Residential Time of Use rate, which allows members to shift their electricity use to non-peak hours during the summer in return for a lower rate, thus decreasing demand during peak times. Additionally, OEC offers an Electric Vehicle Time of Use rate, which is detailed in the following section but is also effectively a time of use rate that incentivizes members to shift electricity use away from peak periods to nighttime hours. The Cooperative has corresponding Time of Peak rates for commercial and industrial members to allow them to shift their electricity use to reduce the Cooperative's energy demand during peak periods. Additionally, OEC had a cost service study done in 2021 to ensure that all rates were set correctly. The cost service study confirmed that OEC does timely recover the costs of promoting demand-response and demand flexibility practices, as contemplated by § 2621(d)(20)(B)(ii).

The Cooperative's current policies are in line with the applicable PURPA standards. Therefore, the Cooperative does not adopt any further policies for demand-response or demand flexibility at this time. The Cooperative will continue to monitor, evaluate and promote programs, rate structures and other enabling technologies or strategies to cost-effectively reduce peak demand.

Electric vehicle charging programs

16 U.S.C. § 2621(d)(21) states the following:

Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that—

(A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;

(B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;

(C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and

(D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

This standard is directed to States, not to electric utilities; however, OEC will voluntarily consider this standard. The Cooperative has a history of proactive involvement with electric vehicles, and already has several policies in place to incentivize electrical vehicle infrastructure and charging. To ensure the effectiveness of its policies, OEC conducted a focus group in 2018 around the topic of electric vehicles. The suggestions of the focus group members were taken into consideration and are reflected in the Cooperative's current policies. The Cooperative's main strategy is two-fold, involving first a rebate for the installation of a Level 2 electric vehicle charging station, and secondly establishing an Electric Vehicle rate that incentivizes night charging. The overall purpose of this strategy is to allow members to shift their electric vehicle charging to off-peak times, which promotes reduced charging times and more affordable charging.

The first part of this strategy is a rebate for the installation of a Level 2 electric vehicle charging station. OEC offers a $300 rebate for this installation. Without access to the faster charging times provided by a Level 2 charger, members are not able to fully charge their electric vehicle overnight. The rebate allows members to install the Level 2 charger at a lower cost. Additionally, OEC also has a partnership with a local automotive group that will match the rebate when an electric vehicle is purchased from them.

The second part of the Cooperative's strategy around electric vehicles is the Electric Vehicle Time of Use rate for residential accounts. This rate makes it more affordable to charge an electric vehicle overnight. The energy charge is $0.09 per kWh from 5:00 AM through 9:00 PM, and $0.05 per

kWh from 9:00 PM through 5:00 AM. OEC is able to recover the marginal cost of the charging infrastructure even when including the rebate with the electric vehicle rate. In addition to the rebate and the Time of Use rate, OEC also provides the introduction of interested members to an external company that has a network of Level Three charging stations, thus promoting the acceleration of third-party investment in electric vehicle charging.

The Cooperative's current policies meet the standards of 16 U.S.C. § 2621(d)(21). Therefore, the Cooperative does not adopt any further policies for promoting greater electrification of the transportation sector at this time. The Cooperative will continue to monitor, research and, when feasible, develop programs to support adoption of electric transportation.

CONCLUSION

The Cooperative has exclusive jurisdiction and authority to consider the PURPA standards. The Cooperative's current policies and/or rates meet the standards required, but will continue to monitor, research and, when feasible, develop programs as required.

ISSUED IN NORMAN, OKLAHOMA ON THE 21st DAY OF DECEMBER 2023

BY OKLAHOMA ELECTRIC COOPERATIVE

PRESIDENT-Shirley Idleman

SECRETARY-Ronnie Grover