

P.S.C. KY NO. 8

CANCELS P.S.C. KY NO. 7

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
OF
PAINTSVILLE, KENTUCKY

RATES, RULES, AND REGULATIONS FOR PURCHASING
ELECTRIC POWER AND ENERGY
AT
VARIOUS LOCATIONS THROUGHOUT KENTUCKY
FROM
QUALIFIED COGENERATION AND
SMALL POWER PRODUCTION FACILITIES

FILED WITH THE PUBLIC SERVICE COMMISSION
OF KENTUCKY

ISSUED April 17, 2018

EFFECTIVE June 1, 2018

ISSUED BY BIG SANDY RURAL ELECTRIC COOPERATIVE
CORPORATION

BY _____

Bruce Aaron Davis
President and General Manager

Cogeneration and Small Power Production
Power Purchase Rate Schedule Over
100 kW from Dispatchable Generation Sources

Availability

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with EKPC and one of EKPC's member distribution systems for the purchase of electric power by EKPC. Qualified cogeneration or small power production facilities must be able to be dispatched by EKPC. Non-dispatchable qualified cogeneration or small power production facilities are covered under a separate tariff. Pursuant to Federal Energy Regulatory Commission ("FERC") regulations 18 C.F.R. §§ 292.303(a), 292.309, and 292.310, EKPC is no longer obligated to purchase electric energy and/or capacity from qualifying cogeneration or small power production facilities with a net capacity of over 20MW.

Rates

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity - \$3.84 7.86 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC.
2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years. These rates include a market administration fee of ~~\$0.00020~~ \$0.00016 per kWh to cover EKPC's market participation costs.

a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2020	\$0.02946	\$0.02385	\$0.02770	\$0.01716
2021	\$0.02905 3183	\$0.02308 2477	\$0.02949 3340	\$0.01763 2021
2022	\$0.02893 3224	\$0.02293 2496	\$0.02864 3199	\$0.01727 1929
2023	\$0.02880 3072	\$0.02284 2388	\$0.02920 3066	\$0.01775 1846
2024	\$0.02844 3092	\$0.02298 2427	\$0.02917 3108	\$0.01795 1844
2025	\$0.03165	\$0.02490	\$0.03177	\$0.01898

b. Non-Time Differentiated Rates:

Year	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Rate	\$0.02461	\$0.02472 2733	\$0.02439 2701	\$0.02455 2582	\$0.02454 2609	\$0.02673

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President & General Manager

BIG SANDY RURAL ELECTRIC COOPERATIVE CORP.

Over 100 kW from Dispatchable Generation Sources (continued)

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

	On-Peak	Off-Peak
Winter (October - April)	7:00 a.m. - 12:00 noon 5:00 p.m. - 10:00 p.m.	12:00 noon - 5:00 p.m. 10:00 p.m. - 7:00 a.m.
Summer (May - September)	10:00 a.m. - 10:00 p.m.	10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. Pursuant to FERC regulations 18 C.F.R. §§ 292.303(a), 292.309, and 292.310, EKPC is no longer obligated to purchase electric energy and/or capacity from qualifying cogeneration or small power production facilities with a net capacity of over 20 MW.
2. All power from a Qualifying Facility ("QF") will be sold only to EKPC.
3. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
4. QF shall provide reasonable protection for Big Sandy RECC and EKPC.
5. QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
6. QF shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
7. QF shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
8. Initial contract term shall be for a minimum of five years.
9. QFs proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
10. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.

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Over 100 kW from Dispatchable Generation Sources (continued)

11. The QF is responsible for the cost of all facilities on QF's site to meet and maintain eligibility as a PJM Interconnection, LLC ("PJM") capacity resource and the QF is subject to all non-performance costs levied by PJM or successor, the Kentucky Public Service Commission, or other applicable entity related to non-performance of the QF's facility.
12. In negotiating a final purchase rate, consideration shall be given to the factors affecting purchase rates as set forth in 807 KAR 5:054, Section 7(5)(a).
13. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

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BIG SANDY RURAL ELECTRIC COOPERATIVE CORP.

Cogeneration and Small Power Production
Power Purchase Rate Schedule Equal To or Less Than
100 kW from Dispatchable Generation Sources

Availability

Available only to qualified cogeneration or small power production facilities with a design capacity of 100 kW or less which have executed a contract with EKPC and one of EKPC's member distribution systems for the purchase of electric power by EKPC. Qualified cogeneration or small power production facilities must be able to be dispatched by EKPC. Non-dispatchable qualified cogeneration or small power production facilities are covered under a separate tariff.

Rates

1. Capacity - ~~\$3.84~~ 7.86 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC.
2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years. These rates include a market administration fee of ~~\$0.00020~~ \$0.00016 per kWh to cover EKPC's market participation costs.

a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2020	\$0.02946	\$0.02385	\$0.02770	\$0.01716
2021	\$0.02905 3183	\$0.02308 2477	\$0.02949 3340	\$0.01763 2021
2022	\$0.02893 3224	\$0.02293 2496	\$0.02864 3199	\$0.01727 1929
2023	\$0.02880 3072	\$0.02284 2388	\$0.02920 3066	\$0.01775 1846
2024	\$0.02844 3092	\$0.02298 2427	\$0.02917 3108	\$0.01795 1844
2025	\$0.03165	\$0.02490	\$0.03177	\$0.01898

b. Non-Time Differentiated Rates:

Year	2020	2021	2022	2023	2024	2025
Rate	\$0.02461	\$0.02472 2733	\$0.02439 2701	\$0.02455 2582	\$0.02454 2609	\$0.02673

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

	On-Peak	Off-Peak
Winter (October - April)	7:00 a.m. - 12:00 noon 5:00 p.m. - 10:00 p.m.	12:00 noon - 5:00 p.m. 10:00 p.m. - 7:00 a.m.
Summer (May - September)	10:00 a.m. - 10:00 p.m.	10:00 p.m. - 10:00 a.m.

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BIG SANDY RURAL ELECTRIC COOPERATIVE CORP.

Equal To or Less Than 100 kW from Dispatchable Generation Sources (continued)

TERMS AND CONDITIONS

1. All power from a QF will be sold only to EKPC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. QF shall provide reasonable protection for EKPC and the member cooperative's system.
4. QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. QF shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
6. QF shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. QFs proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. The QF is responsible for the cost of all facilities on QF's site to meet and maintain eligibility as a PJM capacity resource and the QF is subject to all non-performance costs levied by PJM or successor, the Kentucky Public Service Commission, or other applicable entity related to non-performance of the QF's facility.
11. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each

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**Cogeneration and Small Power Production Power Purchase
Rate Schedule Over 100 kW from Non-Dispatchable Generation Sources**

Availability

Available only to qualified cogeneration or small power production facilities that are not able to be dispatched by ("EKPC") which have executed a contract with EKPC and one of EKPC's member distribution systems for the purchase of electric power by EKPC. Pursuant to FERC regulations 18 C.F.R. §§ 292.303(a), 292.309, and 292.310, EKPC is no longer obligated to purchase electric energy and/or capacity from qualifying cogeneration or small power production facilities with a net capacity of over 20 MW.

Rates

QF will be credited monthly for the electric power produced non-dispatchable generation facilities at the value of the real-time locational marginal price for energy set by PJM at the EKPC zonal node during each hour of the day. These payments will be offset by a market administration fee of ~~\$0.00020~~ \$0.00016 per kWh to cover EKPC's market participation costs.

Terms and Conditions

1. Pursuant to FERC regulations 18 C.F.R. §§ 292.303(a), 292.309, and 292.310, EKPC is no longer obligated to purchase electric energy and/or capacity from qualifying cogeneration or small power production facilities with a net capacity of over 20 MW.
2. All power from a QF will be sold only to EKPC
3. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
4. QF shall provide reasonable protection for EKPC and the member cooperative's system.
5. QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and general accepted utility practices.
6. QF shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
7. QF shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00.
 - b. Property Damage - \$500,000.00

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Over 100 kW from Non-Dispatchable Generation Sources (continued)

- 8. Initial contract term shall be for a minimum of five years.
- 9. QFs proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
- 10. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
- 11. In negotiating a final purchase rate, consideration shall be given to the factors affecting purchase rates as set forth in 807 KAR 5:054, Section 7(5)(a).
- 12. Updated market administration fees will be filed with the Public Service Commission of Kentucky by March 31 of each year.

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ISSUED BY _____
President & General Manager

**Cogeneration and Small Power Production Power Purchase
Rate Schedule 100 kW or Less from Non-Dispatchable Generation Sources**

Availability

Available only to qualified cogeneration or small power production facilities that are not able to be dispatched by EKPC which have executed a contract with EKPC and one of EKPC's member distribution systems for the purchase of electric power by EKPC.

Rates

QF will be credited monthly for the electric power produced non-dispatchable generation facilities at the value of the real-time locational marginal price for energy set by PJM at the EKPC zonal node during each hour of the day. These payments will be offset by a market administration fee of ~~\$0.00020~~ \$0.00016 per kWh to cover EKPC's market participation costs.

Terms and Conditions

1. All power from a QF will be sold only to EKPC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. QF shall provide reasonable protection for EKPC and the member cooperative's system.
4. QF shall design, construct, install, own, operate, and maintain the QF in accordance with all applicable codes, laws, regulations, and general accepted utility practices.
5. QF shall reimburse EKPC and its member cooperative for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.
6. QF shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00.
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. QFs proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated market administration fees will be filed with the Public Service Commission of Kentucky by March 31 of each year.

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