

**Board of Directors' Written Determination
With Respect to PURPA Standards
August 2023**

I. Overview

This document constitutes the written, public determination of Snapping Shoals EMC ("Snapping Shoals") with respect to the two (2) new standards that Snapping Shoals is required to consider pursuant to the Infrastructure Investment and Jobs Act of 2021 (the "IIJA") which amended the Public Utility Regulatory Policies Act of 1978 ("PURPA"). These standards, which shall be referred to in this document as "The IIJA Standards," are as follows: **(1) Demand-response practices (16 U.S.C. § 2621(d)(20))**, and **(2) Electric vehicle charging programs (16 U.S.C. § 2621(d)(21))**. This document is adopted pursuant to Rule 15 of Snapping Shoals' PURPA Rules and 16 U.S.C.A. § 2621(b).

II. Background

The Board began consideration of each of the IIJA Standards on November 10, 2022. Subsequently, the Board directed Snapping Shoals' staff to review each of the IIJA Standards, confer with expert consultants as appropriate, and to develop testimony relating to each of the IIJA Standards for the purposes of guiding and informing the Board's consideration of, and ultimate determination with respect to, each IIJA Standard. Snapping Shoals scheduled and held a public hearing on May 9, 2023 (the "Hearing").

To solicit and encourage participation in the Hearing, public notice was provided by each of the following means:

1. Letter notice to the Secretary of Energy was sent on January 25, 2023.
2. Web site posting beginning on January 12, 2023, at the Snapping Shoals Web site.
4. Notice posted at the Snapping Shoals headquarters beginning on March 15, 2023.
5. Board resolution adopting the PURPA Manual and record date for notice of the Hearing was approved on November 10, 2022.
6. Postcard notices were mailed to all members on January 19, 2023, by USPS.

The Board has now completed its consideration of whether the adoption of each of the IIJA Standards will serve the three purposes of PURPA,¹ in reliance upon the facts, opinions, conclusions and other information derived from a careful review of the testimony presented at the Hearing, and after giving due and thoughtful consideration to applicable federal and state laws, the unique circumstances of non-profit, member-owned cooperatives in general, and to the specific circumstances of Snapping Shoals in particular, the Board adopts the following determinations:

III. Findings

Based upon the foregoing, the Board has resolved and makes the determinations set forth below:

A. The Demand-response practices (The DRP Standard)

1. Overview

The Demand-response practices ("DRP") Standard provides as follows:

(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.

¹ The three purposes of PURPA are: (i) to encourage the conservation of energy; (ii) to optimize the efficient use of energy facilities and resources; and (iii) to encourage equitable consumer rates. 16 U.S.C.A. § 2611.

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(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).

16 U.S.C.A. § 2621(d)(20).

2. Consideration

The Board believes that the testimony presented at the Hearing indicates that Snapping Shoals is laying the groundwork for a future demand response program to promote the purposes of PURPA: the conservation of energy and, in most cases, enhance the efficient use of Snapping Shoals' facilities and resources. Snapping Shoals currently provides rebates for energy efficient appliances to spread demand costs and rebates for smart thermostats to encourage members to voluntarily limit energy consumption during peak and high-cost periods. Moreover, Snapping Shoals is a non-profit cooperative, and as such it has an incentive to keep its member's power costs as low as possible. Snapping Shoals continues to evaluate its current programs as well as opportunities for future DRPs. This ongoing evaluation approach places a priority on ensuring its programs provide benefits to the Cooperative and its members.

3. Determination

Snapping Shoals' current and on-going demand-response programs are described in Mr. Purcell's written testimony. The testimony demonstrates that Snapping Shoals, to the extent it is able to do so as an electric distribution utility, has already adopted programs that promote demand-response and demand flexibility practices by residential consumers to reduce electricity consumption during periods of unusually high demand. The Board further commits that it will, on Snapping Shoals' behalf, continue to evaluate its programs as well as opportunities for future DRPs to ensure that the Cooperative's demand-response provides benefits to the Cooperative and its members.

The Board finds that Snapping Shoals' current DRPs serve the three (3) purposes of PURPA. The Board further finds that because its practices are compliant with the DRP Standard, and because of its unique structure as a member-owned, member-governed cooperative, it is not necessary for Snapping Shoals to modify its current DRPs or policies, or to formally adopt the DRP Standard as set forth in IIJA.

B. Electric vehicle charging programs (The EV Charging Standard)

1. Overview

The EV Charging Standard provides as follows:

Each State [and nonregulated electric utility] 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

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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.

16 U.S.C.A. § 2621(d)(21).

2. Consideration

The Board concludes that the Hearing transcript, and in particular, Mr. Toole's testimony, demonstrates that Snapping Shoals has been considering and developing infrastructure for electric vehicles ("EV"), and Snapping Shoals has for several years been implementing measures that promote greater electrification of the transportation sector in its service area. Snapping Shoals provides a rebate for the purchase of an EV and a separate rebate for the installation of an in-home level 2 charger. Additionally, Snapping Shoals is considering offering a time of use rate to members and a time of use residential rate. The Board intends to ensure that the Cooperative continues to contemplate the growing needs of EV users while addressing the needs of the Cooperative, its membership, and indeed the needs of the many communities served by the Cooperative.

3. Determination

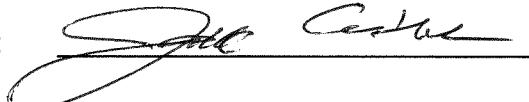
The Board finds that Snapping Shoals' current EV rebates and policies serve the three (3) purposes of PURPA. Further, the Board intends to continue to consider rate options (such as time of use rates) that fairly recover both costs and risks in an equitable manner among Snapping Shoals' membership. The Board also hereby advises its staff to offer to assist public and commercial EV charging providers in identifying locations in the EMC's territory where adequate distribution infrastructure already exists for serving such stations. The Board will also continue to explore ways to promote greater electrification of the transportation sector, while incorporating measures needed to recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure. In such, it is the Board's determination that it is not necessary for Snapping Shoals to adopt the EV Standard as set forth in the IJA. Instead, the EMC will continue to consider implementing other policies, rates etc consistent with the standard, as new developments occur.

IV. Conclusion and Certification

This Board, having considered the testimony presented at the Hearing, the purposes of PURPA, and both federal and state laws, hereby adopts this document by unanimous vote of the Board on August 8, 2023.

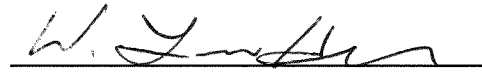
Snapping Shoals EMC

By:



Jake Carter, Chairman

Attest:



Lance Harper, Secretary/Treasurer

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