

Empire Electric Association, Inc.
NOTICE OF PURPA IMPLEMENTATION

ISSUED: May 15, 2009

Empire Electric Association, Inc. (hereinafter “EEA”) hereby gives public notice regarding the process to be followed by it in implementing the statutory directives in the Energy Independence and Security Act of 2007 (the “EAct 2007”), which amended the Public Utilities Regulatory Policies Act of 1978 (“PURPA”). EAct 2007 established three new Federal standards under Section 111(d) of PURPA, which certain non-regulated electric utilities (including EEA) are required to consider and to “make a determination whether or not it is appropriate to implement such standard[s]” within certain defined time lines based on evidence collected from interested persons after public notice and hearing.

The three new PURPA standards defined by EAct 2007 which EEA must consider are set forth below. A copy of the complete copy of the legislative language can be viewed at the EEA offices located at 801 North Broadway, Cortez, Colorado 81321 or a copy will be provided at no cost.

New PURPA Standards to be Considered

1. *Integrated Resource Planning.* Each electric utility shall integrate energy efficiency into its plans, and adopt policies establishing cost-effective energy efficiency as a priority resource.
2. *Rate Design Modifications to Promote Energy Efficiency Investments.* Rates allowed to be charged by any electric utility shall align utility incentives with the delivery of cost-effective energy efficiency, and promote energy efficiency investments.
3. *Information Time-based Rates.* All electricity purchasers shall be provided from their electricity provider direct access, in written or electronic machine-readable form as appropriate, information concerning time-based electricity prices in the wholesale electricity market, along with retail prices or rates that are available to purchasers. Further, purchasers shall be provided information on the sources of power provided by the utility, including the greenhouse gas emissions associated with each type of generation for intervals during which such information is available on a cost-effective basis. Please note that EEA is a distribution cooperative and purchases its full wholesale power requirements from Tri-State Generation and Transmission Association, Inc. (hereinafter “Tri-State”) under a long-term full-requirements contract. EEA does not directly own or control any generation resources.

Please also note that EEA is not required to implement these standards, but is required to consider them and to determine whether or not it is appropriate to implement the standards.

In order for EEA to fully consider the views of the Eligible Participants regarding the standards so that it may determine whether or not it is appropriate to implement such standards, EEA will follow the basic procedural schedule set forth below.

- Notice – to be posted on EEA’s website on May 20, 2009 and in local media newspapers no later than June 15, 2009.
- Notice to intervene as a Party to the proceedings must be filed by July 30, 2009.
- Pre-filed testimony or comments by Parties to the proceeding must be filed by September 30, 2009.
- Public Hearing to be held on October 16, 2009, commencing at 8:30 a.m., at the EEA Headquarters, 801 North Broadway, Cortez, Colorado.
- Determination to be rendered on or before November 20, 2009.

The procedures to be followed at the Public Hearing will depend in part on the number of participants (persons espousing the same position(s) are urged to consolidate their presentations), and will be determined by the presiding officer (who will be the President of the EEA Board of Directors) with the goal of ensuring a full and fair record on the issues. The purpose of the hearing is to collect evidence in addition to that found in the written comments; a person need not participate in the hearing for his/her written comments to be considered. A transcript of the Public Hearing will be made, posted on EEA’s website and made available to an Eligible Participant at cost.

Determination. The Determination to be made by the EEA Board of Directors as to whether or not it is appropriate to implement any of the three standards will be in writing, will be based on findings supported by the evidence of record, will be posted on the EEA website, and will be made available for any Eligible Participant at cost.

We urge persons interested in this matter to contact us with any questions as to any of the items discussed above. Thank you in advance for your interest.