



Revision No. 10.09-0

Effective Date November 14, 2024
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**Asset Management
Policies and Procedures**

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The Municipal Energy Agency of Nebraska (MEAN) has set forth written documentation of the policies and procedures regarding Participant generation and electric systems. ~~This Asset Management Policies and Procedures (AMPP) document incorporates the established Electrical Resources Pooling Agreement (ERPA) policies and procedures that MEAN has been following over the years as well as new policies and procedures approved by the Management Committee or the MEAN Board of Directors (Board) from time to time. This document shall serve as part of the “policies and procedures” and “rules and regulations” which may be authorized by, and made pursuant to, the agreement between MEAN and the Participant,~~ including without limitation the MEAN General Terms and Conditions of Service. Effective August 15, 2019, the Management Committee delegated its duties and assigned its rights to the Board. Accordingly, references in this document to matters to be determined by, or actions to be taken by, the Management Committee have been updated to refer to the Board. In the performance of services under these policies and procedures, staff which provide services to and on behalf of MEAN (MEAN Staff) are officially employed by the Nebraska Municipal Power Pool (NMPP) and are utilized by MEAN through a Joint Operating Committee ~~a~~Agreement.

- I. NON-LEASED GENERATION (*Approved on 5/26/05; modified on 8/15/13, 5/21/15, 5/18/17, 8/16/18, 5/23/19, 8/15/19, 11/21/19, 1/23/20 ~~and 8/18/22~~ and 11/14/24*)
 - A. Participants that have local generation **not** leased to MEAN must comply with and are permitted to generate in accordance with the then-current ~~following policies and procedures: BTMG-Unit Generating Procedure (Unit Generating Procedure) Non-Leased issued by MEAN Staff (BTMG-Generating Procedure Non-Leased).~~ A current copy of the BTMG-Unit Generating Procedure Non-Leased is provided to all applicable participants and is attached hereto as Appendix A. The ~~BTMG-Unit Generating Procedure Non-Leased (and the Appendix A hereto)~~ may be modified from time to time in the discretion of MEAN Staff, and an updated copy will be provided to all applicable ~~p~~Participants. Participants may request to exercise from time to time other than the pre-determined scheduled exercises in accordance with the ~~BTMG-Unit Generating Procedure Non-Leased, subject to all applicable Standards. “Standards” as used in these Asset Management Policies and Procedures shall mean the then-current laws, ordinances, orders, rules, regulations, tariffs, policies, protocols, business practices, criteria, and standards including but not limited to those Standards adopted at the local, state, regional, or federal level by a transmission system or energy or capacity market utilized to market or transmit the output from Participant’s generating units, or by Midcontinent Independent System Operator (MISO), Southwest Power Pool (SPP), Midwest Reliability Organization (MRO), Western Electricity Coordinating~~



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Council WECC), North American Electric Reliability Corporation (NERC), Federal Energy Regulatory Commission (FERC), Environmental Protection Agency (EPA), a state department of environmental quality, natural resources, environment and energy, or public health and environment, a state utilities board, public utilities commission, power review board, or public service commission, MEAN, or other third party or governmental entity asserting jurisdiction.

1. Compensation:

- a. The non-leasing Participant will be compensated for energy production as set forth in Article VII, Section M below. -The compensation provided for herein is subject to the generation meeting all other applicable requirements set forth in these Asset Management Policies and Procedures or established from time to time by the Board.
- 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 provide advance notice~~notify the TEA Real Time Operator~~ of its intent to operate, as outlined in the BTMG-Unit Generating Procedure-Non-Leased, even during emergencies, the non-leasing Participant will **not** be compensated for energy production or fuel. In such event, the non-leasing Participant will may be responsible for all resulting charges and penalties assessed by a third party, including without limitation a transmission provider, ~~Regional Transmission Organization~~Balancing Authority, market operator, reliability coordinator, regional transmission organization (RTO) or Independent Transmission System Operator/independent system operator (ISO), arising out of the failure to timely and properly notify ~~TEA~~MEAN. “Balancing Authority” as used in these Asset Management Policies and Procedures shall have the same



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meaning as that term is used in the NERC Glossary of Terms Used in NERC Reliability Standards.

2. All provisions of these Asset Management Policies and Procedures shall apply to non-leasing Participants 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.

B. MEAN-Owned or MEAN-Contracted Distributed Generation Interconnected with a Participant’s Distribution System. Staff is authorized to develop criteria for MEAN’s evaluation and selection of sites for MEAN-owned and MEAN-contracted generating units to be interconnected with a Participant’s distribution system. MEAN shall at all times remain responsible for compensating the third party for electrical output of such generation on a site selected by MEAN. Compensation to the Participant for any use of lands or systems owned by the Participant will be negotiated on a case-by-case basis between MEAN and the Participant and set forth in a separate agreement between the parties.

1. 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.

2. Metering: It is MEAN’s responsibility to install and maintain or cause to be installed and maintained, revenue quality metering equipment, or make alternative arrangements for data sharing, that can measure the gross and net output of the unit(s) on an hourly interval.

II. MEAN’S REGISTRATION WITH NERC (*Approved on 5/26/05; modified on 8/15/13, 5/21/15, 11/17/16, 8/16/18, 5/23/19, ~~and 1/23/20~~ and 11/14/24*)

A. 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~~



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~~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. All other NERC requirements are retained by the Participant.

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

III. INTEGRATED RESOURCE PLAN DEVELOPMENT (*Approved on 5/26/05; modified on 5/21/15, 8/16/18, 5/23/19, 8/15/19, ~~and 1/23/20~~ and 11/14/24*)

- A. MEAN Staff will develop an Integrated Resource Plan (IRP) on behalf of MEAN and its total requirements participants every five (5) years as well as annual updates to the IRP as required by rule, regulation, the Western Area Power Administration (WAPA) or 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 an 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



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MEAN or its Participants, this procedure will be amended to include such changes and submitted to the Board for approval.

- E. If the situation warrants, MEAN will update elements of the IRP more often than every five (5) years, including load forecasts, resource plans, and demand side management alternatives. The results will be reviewed with the Board as necessary.
- F. Participant will respond to MEAN ~~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~~IRP.

IV. ABNORMAL SYSTEM CONDITIONS AND RESTORING SERVICE (*Approved on 8/19/04; modified on 5/20/10, 5/18/17, 5/23/19, 11/21/19 ~~and~~, 1/23/20 and 11/14/24*)

- A. In periods where a Participant has abnormal conditions on its system, the Participant will notify ~~the TEA Real Time Operator~~MEAN 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 if capable, begin to self-generate to stabilize their distribution system. Generator operators are responsible for operating their systems in a manner that complies with all applicable ~~Governmental~~ Standards.
 - 1. Participant will provide notice as outlined in the Unit Generating Procedure~~contact the TEA Real Time Operator by phone~~ 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 TEA Real Time Operator~~or where the applicable Balancing Authority, market operator, or Transmission Operator has an abnormal condition on its system, MEAN or the TEA Real Time Operator 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. TEA Real



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Time Operator” as used in these Asset Management Policies and Procedures shall mean The Energy Authority, Inc. when acting in its role as an agent of MEAN.

“Transmission Operator” as used in these Asset Management Policies and Procedures shall have the same meaning as that term is used in the NERC Glossary of Terms Used in NERC Reliability Standards.

- D. Every effort will be made by all Participants, MEAN and the TEA Real Time Operator to maximize effective communication during abnormal periods.
- E. ~~The TEA Real Time Operator~~MEAN and ~~the~~ Participant will coordinate taking generation ~~off line~~offline.
- F. In cases of a widespread grid event (i.e., blackout), MEAN or the TEA Real Time Operator may direct Participants to isolate from the grid and generate to their distribution load or ‘self-generate’.
 - 1. If called upon by MEAN or the TEA Real Time Operator, 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 MEAN or the TEA Real Time Operator.
 - 3. ~~The~~MEAN or the TEA Real Time Operator 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 by phone or electronic ~~means~~mail 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.



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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.

V. CONTRACT CAPACITY (*Approved on 1/23/20; modified on 1/21/21 and 11/14/24*)

- A. MEAN in its sole discretion will determine the amount of each Participant’s Net Dependable Capacity, as defined in Article VI, Section C below, that will be compensated as leased generation under these Asset Management Policies and Procedures (Contract Capacity). The Contract Capacity amount may be changed by MEAN from time to time based on performance, testing, ~~and~~ compliance with other provisions of these Asset Management Policies and Procedures, or for other reasons as may be determined by the Board.
- B. From time to time, it is necessary for MEAN to adjust generating capacity levels in order to meet MEAN’s resource needs. These adjustments are the result of fluctuations in unit capability testing results, changes to loads in MEAN’s system, or for other reasons. In any instance where an adjustment is 2 MW or less, the following procedure may be used:
 1. Staff will investigate possible options for capacity including existing and available resources of entities from which MEAN already receives generating capacity.
 2. If MEAN Staff determines that increasing the Contract Capacity of any Participant from existing and available resources would be appropriate, MEAN Staff will contact the Participant to discuss modifications to the Contract Capacity. If the resource owner agrees, MEAN Staff will provide the information to the Executive Director of MEAN for approval.
 3. Once approval has been received from the Executive Director of MEAN, MEAN Staff will update the necessary documentation for reporting and capacity compensation. The change in Contract Capacity will be reported to the Board at the next scheduled meeting.



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VI. UNIT CAPABILITY TESTING PROCEDURES (Approved 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, 8/16/18, 5/23/19, 8/15/19, 11/21/19 ~~and 1/23/20~~, and 11/14/24)

All unit capability tests (each referred to ~~herein~~ in these Asset Management Policies and Procedures as a “Unit Capability Test”) ~~will~~ shall be conducted in accordance with ~~the requirements of the respective Regional Transmission Organization or other authority, including without limitation the requirements specified in the Southwest Power Pool (SPP) Criteria 7.1 Electrical Facility Ratings, and the then-current version of the Midcontinent Independent System Operator (MISO) Resource Adequacy Business Practice Manual BPM-011~~ all applicable Standards.

A. Scheduling of Unit Capability Tests:

1. All scheduling of Unit Capability Tests will be coordinated with ~~the MEAN Manager of Resources and Transmission or his/her designee~~ MEAN.
2. ~~The MEAN Manager of Resources and Transmission or his/her designee~~ will give Participant no less than forty-eight (48)-hour written or verbal notice that a Unit Capability Test will be conducted.
 - 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. ~~MEAN Staff or~~ the TEA Real Time Operator 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 must be approved by MEAN.~~
5. During any Unit Capability Test, the net output of the generating unit(s) being tested will be recorded hourly and reported to ~~MEAN Staff~~ by the on-site and authorized MEAN Staff member, or at ~~MEAN’s Staff’s~~ MEAN’s discretion a Participant designee, 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 Board, Unit Capability Tests must be attended by at least one authorized MEAN Staff member, or at MEAN's ~~Staff's~~ discretion a Participant designee when the plant has Supervisory Control and Data Acquisition (SCADA) capabilities or similarly approved monitoring instrumentation. This individual will keep a record of plant output and operation during the test.
2. Any member of the Board may attend any such tests in an advisory capacity.

C. Testing procedures to demonstrate capability:

1. ~~MEAN will determine the amount of Net Dependable Capacity as defined in MEAN's sole discretion. "Net Dependable Capacity" as used in these Asset Management Policies and Procedures shall mean the maximum capacity a unit can sustain over a specified period modified for seasonal limitations and reduced by the capacity required for station service or auxiliaries, which amount will be determined by MEAN in its sole discretion. Criteria for establishing seasonal accredited capacity defined by relevant Standards may be used in determining Net Dependable Capacity.~~ Ratings will be confirmed annually or more frequently as necessary to demonstrate the Net Dependable Capacity. 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 Dependable Capacity of the entire plant. MEAN Staff will determine on a ~~case-by-case~~ case basis which units may be tested independently based on plant system configuration and equipment condition.
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 Dependable Capacity. 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

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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 Board.
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~~ end of each testing 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 MEAN Staff, or at MEAN ~~Staff's~~ discretion a Participant designee, that represent unit load levels.

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

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 (4) peak hours for five (5) days in succession at the time of MEAN's annual peak. (Minimum fuel storage volume = Unit Capability Test fuel/hr x 4 hrs x 5 days.)

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6. The test loading shall be maintained at as constant a level as practical. The reported test results shall be the hourly average of the MWh/hr integrated net output for the two (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 Contract Capacity in kW in MEAN’s current Participant Generator Master Data. “Participant Generator Master Data” as used in these Asset Management Policies and Procedures, shall mean the data in MEAN’s possession related to Participant generation. If the test results in a kW output that is less than the current kW amount found in the Participant Generator Master Data, the latest test result will be recorded in the next Participant Generator Master Data, 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 (4) continuous hours.
2. Net Dependable Capacity will be corrected using the average of the past five (5) 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 reciprocating engine generator unit tests:

1. The test period for combustion turbine and reciprocating engine generator units shall be two (2) continuous hours following sufficient warm-up and stabilized operating conditions not to exceed thirty (30) minutes.
2. The Net Dependable Capacity for combustion turbine units only will be determined by using the temperature correction methodology as prescribed in SPP Criteria 7 Electrical Facility Ratings. That corrected temperature will be used in conjunction with the original equipment manufacturer compressor inlet temperature vs. unit output performance curve (if available). This correction will be completed by MEAN ~~Staff~~.

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F. Requests for retesting of units:

- Should all or a portion of the Contract Capacity identified in MEAN's current Participant Generator Master Data 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. "Outage" as used in these Asset Management Policies and Procedures shall have the same meaning as that term is used in Article VII. Section F of these Asset Management Policies and Procedures.

G. Costs:

If any Unit Capability Test is authorized by the Board for the purpose of establishing the Contract Capacity, 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 Board, so long as the test is deemed successful by MEAN in accordance with Article VI, Section C.6.

- 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:

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

- Actual cost of natural gas consumed will be the cubic feet consumed, 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.

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

VII. OPERATION OF GENERATION (*Approved on 8/19/04; modified on 5/26/05, 5/20/10, 5/16/13, 8/15/13, 5/21/15, 5/18/17, 8/16/18, 5/23/19, 8/15/19, 11/21/19* ~~and~~ *1/23/20 and 11/14/24*)



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Each Participant that leases generation to MEAN will, upon request by MEAN, supply MEAN energy up to the full amount of its Contract Capacity net of any derated amount communicated to MEAN.

- A. ~~The~~MEAN or the TEA Real Time Operator will contact the Participant by telephone of the need to generate. ~~-MEAN or t~~The TEA Real Time Operator will specify ~~which unit(s) to run,~~ a start time, and an amount to generate. ~~-The~~ Participant must be available to generate within one (1) hour of the request, or within the timeframe specified in any applicable Standards.
- B. When ~~MEAN or~~ the TEA Real Time Operator determines generation is no longer required, it will contact the Participant by telephone or electronic means, ~~fax and/or email of~~ to indicate the appropriate time to stop generating.
- C. ~~The~~MEAN or the TEA Real Time Operator may request Participant to generate reactive volt-amperes (VARs) as system conditions warrant.
- D. If Participant cannot ~~bring operate~~ designated unit(s) ~~up to~~ supply specified Contract Capacity net of any derated amount communicated to MEAN, the Participant will immediately provide notice as outlined in the Unit Generating Procedure ~~inform the TEA Real Time Operator~~ so other generation can be scheduled.
- E. Participants that lease generation to MEAN will not plan ~~for~~ discretionary maintenance outages from June 1 through September 30 and December 1 through March 31. Notification of planned maintenance outages that occur in the remaining months will be made by the Participant to MEAN as soon as possible and within the timeframe specified in any applicable Standards, but at minimum forty-eight (48) hours prior to 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 Contract Capacity identified in MEAN’s current Participant Generator Master Data 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 between June 1 and September 30 or between December 1 and March 31 with a predetermined duration (referred to herein as an “Unapproved Planned



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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”.

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

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

Participant must notify MEAN immediately in the event all or a portion of the Contract Capacity identified in MEAN’s current Participant Generator Master Data 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 ~~may~~ result in Participant being responsible for any charges and penalties applicable to MEAN from a third party, including without limitation the market, Balancing Authority, RTO, ISO, or transmission provider(s), which charges and penalties ~~shall~~ may 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 Unit Capability Test of the affected unit(s).

For purposes of clarity:

If an outage that was planned to occur between ~~October~~ April 1 and May 31 extends past May 31, or if an outage that was planned to occur between October 1 and November 30 extends past November 30, 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~~ scheduled in advance to occur between June 1 and September 30 that extends past September 30, or an Unapproved Planned Outage scheduled in advance to occur between December 1 and



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March 31 that extends past March 31, 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.

- G. If the total Contract Capacity is made available to MEAN within ninety (90) days after commencement of any such Outage and the generating unit(s) pass any required Unit Capability Test as described in Section I below, retroactive payment will be made by MEAN to the Participant for the amount of Contract Capacity in MEAN’s current Participant Generator Master Data, which was unavailable from Participant because of the Outage. The commencement of the ninety (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 Contract Capacity is unavailable to MEAN for a period of ninety (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 Contract Capacity after an Outage, the Participant can request, in writing, to extend the ninety (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 Board.
 - 1. The petition for extension must be received prior to the expiration of the initial ninety (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,



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as well as the remaining net generation output still available from the plant.

3. Any extension approved by the Executive Director cannot exceed fifteen (15) months beyond the initial ninety (90)-day period.
 4. If an extension is granted, the Participant must provide monthly progress reports to MEAN until such time MEAN 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 Contract Capacity returned to service after being unavailable for ninety (90) days or longer (or after the expiration of the term of any approved extension of such ninety (90)-day period) must reapply to the Board for compensation for such Contract Capacity and, if approved, such amount shall be incorporated into the Participant Generator Master Data. 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 energy production as set forth in Article VII, Section J below.
 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 in the following Compensation Arrangements Summary table](#). Payments are contingent on generation meeting all other applicable requirements set forth in these Asset Management Policies and Procedures, or as established from time to time by the Board.

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<u>Compensation Arrangements Summary Table</u>		
Reason for Generation	Leased Generation	Non-Leased Generation
Unit Capability Test – successfully completed	FOM	N/A
MEAN Request	FOM	FOM
Quarterly exercise per MEAN schedule successfully completed	FOM	N/A
Emergency outage	FOM	Energy Charge
Request from third party – (example: rural)	Rate from <u>thirdrd</u> party OR Energy Charge if not reimbursed by <u>thirdrd</u> party	Rate from <u>thirdrd</u> party OR Energy Charge if not reimbursed by <u>thirdrd</u> party
All other generation	Energy Charge	Energy Charge

~~For purposes of the chart above:~~

For purposes of the Compensation Arrangements Summary Table above:

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

“Energy Charge” shall mean the then-current Energy Charge applicable to MEAN Energy pursuant to the Service Schedule M Schedule of Rates and Charges or any new rate as may be approved by the Board. 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.

- N. Point of Delivery. To the extent the energy generated by behind the meter generation interconnected with a Participant’s distribution system and leased to or purchased by MEAN is used by MEAN to serve such Participant, the energy may be delivered at the generator’s point of interconnection with the Participant



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or alternate point at which MEAN acquires the energy as agreed in writing between MEAN and the Participant or Participant’s customer.

VIII. EXERCISING OF UNIT(S) AND SCHEDULING OBLIGATIONS (*Approved on 8/19/04; modified on 5/20/10, 5/16/13, 8/15/13, 5/21/15, 5/18/17, 8/16/18, 5/23/19, 8/15/19, 11/21/19 and 1/23/20 and 11/14/24*)

Participants will maintain in good operating condition all generating units, switches, buildings and auxiliaries (power plant facilities) leased to MEAN. Participants will operate power plant facilities so as to not 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 combustion turbines (CT) per a predetermined schedule as set by MEAN. Testing will include:
 - Starting the unit, tying on line and operating for the predetermined 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 (4) peak hours for five (5) days in succession at the time of MEAN’s annual peak. (Minimum fuel storage volume = Unit Capability Test fuel/hr x 4 hrs. x 5 days.)

2. Schedule to be set by MEAN ~~Staff~~. An annual schedule for exercising will be created by MEAN and will be confirmed as outlined in the Unit Generating Procedure. The generator operator will follow the Unit Generating Procedure. ~~Staff~~ by October 1 for the subsequent year. The TEA Real Time Operator may need to revise the exercise schedule due to system conditions.

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~~a. The Monday prior to the week of the scheduled unit exercise, MEAN Staff will provide to the generator operators of the units scheduled to exercise, an email indicating which units, generation levels, and duration of operation are anticipated. The generator operator will confirm that information and make any changes, as well as provide the preferred unit start time no later than noon (12:00 p.m.) Central time the following Friday by responding via email to generation@nmppenergy.org.~~

~~b. MEAN Staff will send a follow up email with the confirmed information to the generator operator and TEA the Friday afternoon prior to the week that the unit(s) are scheduled to exercise.~~

~~c. The generator operator will follow the then current BTMG Generating Procedure issued by MEAN Staff (BTMG Generating Procedure). A current copy of the BTMG Generating Procedure is provided to all applicable participants and is attached hereto as Appendix B. The BTMG Generating Procedure (and the Appendix B hereto) may be modified from time to time in the discretion of MEAN Staff, and an updated copy will be provided to all applicable participants.~~

3. Participant may request to exercise from time to time other than the predetermined scheduled exercises.

a. The generator operator will follow the **BTMG-Unit** Generating Procedure.

4. 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 predetermined schedule or is considered to be other generation because it is in excess of the predetermined schedule.

b. MEAN will add back to the Participant's total load calculation the hourly energy production provided during generation to ensure



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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.

5. Payments are contingent on generation meeting all other applicable requirements set forth in these Asset Management Policies and Procedures or established from time to time by the Board.

B. Process for compensation for charges and penalties incurred:

Participant ~~will~~may, at MEAN's discretion, 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, and 5 of Section A of this Article VIII. Such charges and penalties ~~will~~may be passed through to Participant at MEAN's sole discretion.

IX. RECORDKEEPING AND REPORTING (*Approved on 8/19/04; modified on 5/20/10, 5/21/15, 5/18/17, 8/16/18, 5/23/19, ~~and~~ 1/23/20 and 11/14/24*)

Participants are required to prepare and submit reports concerning schedules, loads and generating facilities capabilities, as may be reasonably requested by MEAN. Participants are also required to promptly inform MEAN of any new interconnected substation, distribution or transmission points with other Participants or third parties and any changes to existing points or facilities.

- A. The Participant must maintain hourly log sheets for all emission unit operation and generation activity.
 1. MEAN 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 the unit. A log sheet must be submitted any time fuel is consumed, even if no energy was generated.

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3. The Participant will email the completed log sheet as outlined in the Unit Generating Procedure to generation@nmppenergy.org each day when applicable.
 - a. If necessary, the Participant may call MEAN and orally relay the information.
 - b. Oral communication will be followed up with a completed log sheet mailed or emailed to MEAN within the timeframe specified in the Unit Generating Procedure ~~forty-eight (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 at MEAN 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 on 5/13/04; modified on 5/20/10, 8/16/18, 5/23/19, 8/15/19, ~~and 1/23/20~~ and 11/14/24)

Participant is required to maintain one (1) continuously available and manned primary telephone number and one (1) 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:
MEAN and the TEA Real Time Operator 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 by the Participant. The contact list will be updated on a regular basis.



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- 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, or if applicable, within the time frame specified in any applicable Standards 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 twelve (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 twelve (12)-month period of the first offense) – MEAN will cease payment of the Participant’s monthly capacity compensation until such time the Board 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 was not a result of negligence, poor maintenance or poor operating practice.
- C. Appeal process:

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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 MEAN within sixty (60) days from the date of the imposed assessment. The Participant’s notice must state the specific grounds for disputing the assessment.
2. Any such appeal received by MEAN will be presented to the Board at its next regularly scheduled meeting.
 - a. Prior to the meeting, a copy of the Participant’s written notice will be distributed to the Board along with a written response from MEAN as to why the assessment was incurred.
3. Any action taken by the Board will be final and binding.

XI. METERING (*Approved on 5/26/05; modified on 5/20/10, 1/22/15, 5/18/17, 8/16/18, 5/23/19, 8/15/19, 1/23/20 and 8/18/22 and 11/14/24*)

A. Wholesale revenue metering

1. All points of measurement must have, at a minimum, revenue quality metering equipment meeting the accuracy range and other requirements enforced by the applicable transmission provider.
2. The Participant and applicable transmission provider will determine the appropriate revenue metering equipment.
3. MEAN is responsible for installing a data recorder or arranging alternate methods to collect and record metering data for Participants to ensure accurate billing. Participants other than total requirements participants are responsible for the cost of MEAN installing such data recorder or establishment of alternate methods.
4. If Participant owns instrument transformers, Participant shall maintain such instrument transformers in accordance with good practice and accepted industry standards, within revenue metering accuracy specifications.

B. Generation and fuel metering:



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1. All generation must have revenue quality electric equipment meeting the accuracy range and other requirements enforced by the applicable transmission provider. 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 meet the accuracy range and other requirements enforced by the applicable transmission provider. This accuracy shall be the overall accuracy including any error introduced by the potential and current transformers.

All Participants must provide and maintain metering equipment on their fuel sources. All generation must have fuel metering, accurate to at minimum +/- 4.0%. 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 and maintain 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 and fuel metering. This includes verifying calibration of all meters at a frequency appropriate to ensure the specified accuracy.
4. If Participant owns instrument transformers, Participant shall maintain such instrument transformers in accordance with good practice and accepted industry standards, within revenue metering accuracy specifications.



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C. Penalties for not having appropriate metering equipment installed:

1. The following penalties may apply to total requirements 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 thirty (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 sixty (60) days of the first written request) – Letter to the Participant’s governing body plus an assessment of twenty-five percent (25%) of one (1) 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 ninety (90) days) – MEAN will cease payment of the Participant’s monthly capacity compensation until such time the Board 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 MEAN within sixty (60) days from the date of the imposed assessment. The Participant’s notice must state the specific grounds for disputing the assessment.



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- b. Any such appeal received by MEAN will be presented to the Board at its next regularly scheduled meeting.
- c. Prior to the meeting, a copy of the Participant’s written notice will be distributed to the Board along with a written response by MEAN as to why the assessment was incurred.
- d. Any action taken by the Board will be final and binding.

D. Metering equipment shall be tested at reasonable intervals in accordance with applicable ~~industry standard rules and regulations~~ Standards and its accuracy of registration maintained in accordance with good practice and accepted industry standards. The expense involved in such tests shall be borne by the Participant owning the metering equipment.

E. If any test of metering equipment discloses an inaccuracy exceeding one percent (1%), the Participant shall be promptly notified. Such correction and adjustment shall be made from the date the meter became inaccurate, if known; if this cannot be determined, then such adjustment shall be made for the previous month, or from the date of the latest test if within the previous month and for the elapsed period in the month during which the test was made. Should any metering equipment at any time fail to register, or should the registration thereof be so erratic as to be meaningless, or fails to pass scheduled meter testing and calibration, the power and energy transmitted shall be determined by the revenue meter owner and MEAN.

F. Right of Access: MEAN, the applicable transmission provider and any intervening carrier agency shall have access to the Participant’s premises at all reasonable times for the purpose of reading meters and for installing, testing, repairing, renewing, exchanging or removing any or all equipment installed by MEAN or third parties.

XII. NEW OR ADDITIONAL GENERATION (Approved on 11/18/04; modified on 5/20/10, 5/21/15, 5/18/17, 8/16/18, 5/23/19, 8/15/19, 11/21/19 ~~and~~, 1/23/20 ~~and~~ 11/14/24)

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, alignment with MEAN’s Integrated Resource Plan and ability to interconnect with other systems. All generating



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units installed by Participants are subject to the applicable provisions of these Asset Management Policies and Procedures. Nothing in this section is intended to preclude a Participant from constructing or utilizing generation and transmission facilities other than those recommended by MEAN; however, such facilities shall be subject to the applicable provisions of these Asset Management Policies and Procedures.

- 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 percent (%) of total; secondary fuel option – natural gas or oil only or combined oil and natural gas by percent (%) of total, or wind, hydro, biofuel, etc.)
 5. Fuel storage on-site (type of fuel and available storage, in gallons, as applicable)
 6. Fuel transportation arrangements
 7. One-line electrical diagram including existing plant, proposed addition, and interconnection
 8. Capability Test-determined or manufacturer’s/installer’s estimated heat rate (BTUs of fuel / kWh of generation)
 9. Staffing schedule of plant operating employees for the proposed generation addition

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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, MEAN 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 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, biofuel, etc.)
 2. Type of prime mover, such as combustion turbine, combined cycle, aero-derivative, combustion engine, wind or water turbine, etc.
 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

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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 two percent (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 Participant’s past leased generation performance and compliance with the Asset Management Policies and Procedures requirements
10. Compliance with interconnection requirements, ~~and Standards rules and tariffs of the RTO or ISO~~
11. Potential rate impact on MEAN total requirements participants
12. Other factors, as necessary

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

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- C. Upon receipt of the required information from the Participant, MEAN Staff has sixty (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, MEAN Staff may ask the Participant to modify 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 the Board
- D. The Participant has thirty (30) days to review and respond to MEAN's written report. After this thirty (30)-day period, MEAN Staff will finalize the report and submit it to the Power Supply Committee for review and consideration at its next regularly scheduled meeting.
1. The Power Supply Committee will make a recommendation to the Board 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 Board. If the request is approved, the Board determines the level of capacity compensation paid to the Participant. (Capacity compensation is not addressed in this section of the Asset Management Policies and Procedures document.)
- E. Upon Board approval for new or additional generation:
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.



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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, MEAN 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 upon:

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 Unit Capability Test. (NOTE: MEAN representative(s) must conduct the Unit Capability Test.)

XIII. SUBSTITUTION OF LEASED GENERATION FACILITIES (*Approved on 11/18/10; modified on 8/16/12, 5/21/15, 5/18/17, 8/16/18, 5/23/19, 11/21/19 ~~and~~ 1/23/20 and 11/14/24*)

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:



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- 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. MEAN ~~Staff~~ shall verify the amount of Participant’s Contract Capacity via a Unit Capability Test that follows the then-current Asset Management 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 Asset Management Policies and Procedures as applicable to generation leased to MEAN.

XIV. DISCONTINUANCE OF COMMITMENT OF CAPACITY TO MEAN (*Approved on 11/18/10; modified on 8/16/12, 8/16/18, 5/23/19, 8/15/19, 11/21/19 ~~and~~, 1/23/20 and 11/14/24*)

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 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 Board unless the Executive Director determines the discontinuance of commitment of capacity will have minimal or no negative

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impact on ~~the MEAN Participant Generator Master Data~~ (“De Minimis”). In the event that the discontinuance of commitment of capacity is determined to be De Minimis, MEAN Staff is authorized to relieve the Participant of its obligation to commit the capacity to MEAN. MEAN Staff shall report to the Board 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 Board 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 or leased to MEAN. 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 be at least ninety (90) days.
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 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 Asset Management 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 MEAN ~~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.



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XV. ADDITIONAL CRITERIA FOR CAPACITY COMPENSATION ELIGIBILITY (*Approved on 8/16/12; modified on 1/10/13, 8/16/18, 5/23/19, 8/15/19, 11/21/19 ~~and~~, 1/23/20 and 11/14/24*)

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, charges, fines or other expenses incurred by MEAN arising from or relating to Participant’s noncompliance.
- B. The Board 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~~applicable 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 leased to MEAN.
- C. The Participant will be subject to the then-current Asset Management 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



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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 Appendix [B.C.](#)]



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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	Periodic 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



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Version	Effective Date	Description of Revision
2.15	November 16, 2017	Update to Renewable Distributed Generation Policy
3.0	August 16, 2018	Periodic review and update
4.0	May 23, 2019	Modifications to provisions regarding unit operations and unit capability testing; Addition of Point of Delivery provisions; Clarification of applicable Energy Charge rate for compensation; Housekeeping changes
5.0	August 15, 2019	Modifications to reflect delegation of duties of the Management Committee to the MEAN Board of Directors effective August 15, 2019; Housekeeping changes
6.0	November 21, 2019	Renamed document from Electrical Resources Pooling Agreement Policies & Procedures to Asset Management Policies and Procedures; Removed specific language related to generator operating procedures for unit scheduled and unscheduled unit exercising, and inserted references to new procedure documents; Modified exercise frequency for combustion turbines to reflect quarterly exercise rather than every other month; Housekeeping changes
7.0	January 23, 2020	Modifications to remove references to ERPA, to add new terms "Net Dependable Capacity", "Contract Capacity" and "Participant Generator Master Data" and remove terms "Accredited Capacity", "Available Accredited Capacity" and "Load and Capability Report"; Modifications to provisions regarding Metering and Reporting; Housekeeping changes
8.0	January 21, 2021	Modifications to Contract Capacity provisions to address adjustments of 2 MW or less; Housekeeping changes
9.0	August 18, 2022	Modifications to provisions regarding non-leased generation, including addition of new provisions for MEAN contracted or owned resources interconnected with a Participant's distribution system; modifications to provisions regarding Metering (Note: Subsequent to Board approval, non-substantive corrections were made to typographical errors in certain section numbering.)
10.0	November 14, 2024	Modifications to provisions regarding regulatory bodies and standards, generator testing and operation due to unit registration in SPP, and other general updates.



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APPENDIX A

Unit Generating Procedure~~BTMG Generating Procedure Non-Leased~~

[Copy of Unit Generating Procedure attached]

UNIT GENERATING PROCEDURE

PURPOSE This procedure provides direction to ~~behind-the-meter~~ MEAN Participant generator operators to operate generating units in accordance with the MEAN Asset Management Policies and Procedures (AMPP) and requirements of The Energy Authority (TEA).

SCOPE This procedure applies to all generating units that coordinate operations with MEAN and by extension TEA.

INFORMATION The information provided by the generator operator will be used by MEAN Personnel and TEA for the purpose of scheduling in the day ahead and real time markets, securing transmission and also for notification in order to track unit operation for environmental and settlements tracking.

NOTIFICATIONS Participant must provide the notification(s) required as shown in the applicable Notices table and Procedure below. Unless otherwise indicated, all notices from Participant to MEAN under this Procedure will be made via the NMPP Operations Application (mobile or desktop version) or by phone to the TEA Real Time Operator at 904-360-1407.

LOG The generator operator will provide MEAN personnel a completed generation log within 24 hours of unit operation. It will be emailed to generation@nmppenergy.org.

DEFINITIONS

1. 48 Hr means notice at least 48 hours in advance of unit operation.
2. 90 Min/Pre Start means notice at least 90 minutes in advance of unit operation.
3. Dispatch means a run per instruction by MEAN or the Balancing Authority.
4. Failed Start/Run means any instance where the unit fails to start or if the unit fails to operate for the expected duration of the run.
5. Maintenance Run means a start of a generating unit, on either a planned or unplanned basis, in order to perform maintenance on a unit.

6. MEAN Leased Generation means a generating unit of a MEAN Participant, the capacity of which unit is contractually committed to MEAN.
7. Non-Leased TRP Generation means a generating unit of a MEAN Total Requirements Service Participant, the capacity of which unit is not contractually committed to MEAN.
8. Participant Emergency means any instance where the unit starts for local emergency needs. Emergency excludes a Dispatch and a Third Party Request.
9. Scheduled Quarterly/Capability Test means a run for purposes of the Unit Capability Test as defined in the AMPP or a quarterly exercise as permitted by the AMPP.
10. Scheduled Run means a run for which the generator operator provided at least 48 hours advance notice.
11. Third Party Request means a run for purposes of satisfying the request of a third party, excluding a Dispatch.
12. Unit Offline means the generating unit is no longer synched to the distribution system.
13. Unit Online and Generating means any instance where the unit is synched with the distribution system.
14. Unscheduled Run means any run other than a Scheduled Quarterly/Capability Test, Scheduled Run, Dispatch, Emergency, or Third Party Request. Unscheduled Run includes without limitation a run for maintenance or training purposes.

PROCEDURE

1. For scheduled exercises of **MEAN leased capacity** generation.
 - a. MEAN personnel will provide to generator operators an annual schedule by October 1st of the calendar year prior to the test year indicating which units are scheduled to operate on a quarterly basis. MEAN or the TEA Real Time Operator may need to revise the exercise schedule due to system conditions.
 - b. The Monday prior to the week of the scheduled unit exercise, MEAN personnel will provide the generator operators of the units scheduled to exercise, an email indicating which units, generation levels, and duration of operation is anticipated. The generator operator will confirm that information and make any changes as well as provide the preferred unit start time no later than

noon Central time the following Friday by responding via email to generation@nmpenergy.org.

- c. MEAN personnel will send a follow up email with the confirmed information to the generator operator and TEA the Friday afternoon prior to the week that the unit(s) are scheduled to exercise.

~~d. The generator operator will contact the TEA Real Time Operator at 904-360-1407 to verify at least 90 minutes prior to generating the planned operating times and output.~~

~~e. The generator operator will notify TEA immediately if for any reason the amount of output is modified during operation or if any unit(s) need to shut down prior to the scheduled time.~~

~~f. Prior to discontinuing generation, the generator operator will contact TEA to confirm that system conditions do not warrant adjusting the timeframe for bringing the unit(s) offline.~~

~~g. The generator operator will provide MEAN personnel a completed generation log within 24 hours of unit operation. It will be emailed to generation@nmpenergy.org.~~

~~2. For scheduled operation of generation **not leased by MEAN**:~~

~~a. Generator operator will call the TEA Real Time Operator at 904-360-1407 at least 48 hours in advance of scheduled unit operation.~~

~~b. The generator operator will verify with TEA at least 90 minutes prior to generating the planned operating times and output.~~

~~c. The generator operator will notify TEA immediately if for any reason the amount of output is modified during operation or if any unit(s) need to shut down prior to the scheduled time.~~

~~d. Prior to discontinuing generation, the generator operator will contact TEA to confirm that system conditions do not warrant adjusting the timeframe for bringing the unit(s) offline.~~

~~e. The generator operator will provide MEAN personnel a completed generation log within 24 hours of unit operation. It will be emailed to generation@nmppenergy.org.~~

~~3. For **MEAN leased capacity** requesting to operate on days other than indicated in the annual exercise schedule.~~

~~a. Generator operator will call the TEA Real Time Operator at 904-360-1407 at least 48 hours in advance of planned unit operation.~~

~~b. The generator operator will verify with TEA at least 90 minutes prior to generating the planned operating times and output.~~

~~c. The generator operator will notify TEA immediately if for any reason the amount of output is modified during operation or any unit(s) need to shut down prior to the scheduled time.~~

~~d. Prior to discontinuing generation, the generator operator will contact TEA to confirm that system conditions do not warrant adjusting the timeframe for bringing the unit(s) offline.~~

~~e. The generator operator will provide MEAN personnel a completed generation log within 24 hours of unit operation. It will be emailed to generation@nmppenergy.org.~~

~~4.2. For any generator operation to respond to Participant Emergency or Third Party Request.~~

~~a. Generator operator will call the TEA Real Time Operator at 904-360-1407 as soon as is reasonable to do so. In addition to the required notice, gGenerator operator will provide notification~~inform them~~ of why~~

UNIT GENERATING PROCEDURE

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~~2022~~

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the unit was required to operate, the projected duration of the operation and if requested by a third party, who made the request.

~~The generator operator will provide MEAN personnel a completed generation log within 24 hours of unit operation. It will be emailed to generation@nmppenergy.org.~~

NOTICES TABLES (see next page)

UNIT GENERATING PROCEDURE

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NOTICES TABLES

MEAN Leased Generation

Type of Participant Notice to MEAN	Reason for Generation				
	Scheduled Quarterly/ Capability Test	Dispatch	Unscheduled Run	Participant Emergency	Third Party Request
48 Hr	X	N/A	N/A*	N/A	N/A*
90 Min/Pre Start	X	X	X	N/A	X
Unit Online and Generating	X	X	X	X	X
Failed Start/Run	X	X	X	X	X
Unit Offline	X	X	X	X	X

Non-Leased TRP Generation (excluding Emergency Only)

Type of Participant Notice to MEAN	Reason for Generation				
	Scheduled Run	Dispatch	Unscheduled Run	Participant Emergency	Third Party Request
48 Hr	X	N/A	N/A*	N/A	N/A*
90 Min/Pre Start	X	X	X	N/A	X
Unit Online and Generating	X	X	X	X	X
Failed Start/Run	X	X	X	X	X
Unit Offline	X	X	X	X	X

Non-Leased TRP Generation (Emergency Only)

Type of Participant Notice to MEAN	Reason for Generation		
	Testing	Maintenance	Emergency
48 Hr	N/A	N/A	N/A
90 Min/Pre Start	X	X	X
Unit Online and Generating	X	X	X
Failed Start/Run	X	X	X
Unit Offline	X	X	X

For purposes of the tables above, an asterisk (*) means notice is preferred, but not required.



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~~APPENDIX B
BTMG Generating Procedure~~

~~[Copy of Unit Generating Procedure attached — see Appendix A]~~



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APPENDIX ~~B~~C
Renewable Distributed Generation Policy

[Copy attached]