

FINANCIAL POLICY NO. 309

1. SUBJECT: TRANSMISSION AND GENERATION

2. OBJECTIVE:

- 2.1. To establish responsibility for the Board in developing policies and providing direction for Beartooth Electric Cooperative (BEC) to minimize the costs of obtaining an adequate supply of energy and providing transportation for that energy.
- 2.2. To provide procedures and direction to the General Manager and staff for working with state, regional and national organizations on power supply and transmission issues.

3. GENERATION POLICY:

- 3.1. BEC will comply with directions for utilities set by the National Energy Policy Act of 1992 (EPACT92).
- 3.2. BEC will review and update, if necessary, an Integrated Resource Plan (IRP) following guidelines set by EPACT92 and the Wyoming Public Service Commission (PSC).
 - 3.2.1. The IRP will be evaluated annually to determine its continued applicability and whether or not it requires revision.
 - 3.2.2. This plan will be used to determine the least cost mix of energy resources to meet the needs of customers. Both supply side and demand side resources will be evaluated. It is designed to consider resource needs for the long term.
 - 3.2.3. Membership involvement is considered a critical part of the development and approval of the IRP.
 - 3.2.4. Implementation of the IRP will be carried out by the General Manager with direction from the Board. Approvals will be obtained from the PSC, as needed.
- 3.3. A Power Requirements Study (PRS) will be prepared and approved by the Board as the official forecast of customers, energy sales and system demand.
 - 3.3.1. The PRS will be evaluated annually to determine its continued applicability and whether or not it requires revision.

3.4. Each year during the strategic planning process the Board will include planning strategies for power supply and transmission issues. These strategies will be used by the Board and management in preparation of the Annual Work Plan and Financial Budget.

3.4.1. The Strategic Plan will consider short and intermediate term energy needs and the process required to obtain them. It will also coordinate with steps necessary for obtaining long-term energy requirements.

3.4.2. The Strategic Plan and planning strategies will comply with recommendations of the IRP.

3.5. The Annual Work Plan will outline specific power supply and transmission tasks and objectives for the year being planned.

3.6. Power supply relationships are not limited to traditional or conventional methods. Future wholesale electricity may come from a mixture of suppliers including independent power producers, other utilities or member-generation. Future relationships will be defined in an approved IRP.

4. TRANSMISSION POLICY:

Coordination will be maintained with other utilities interconnected to BEC's transmission system.

5. PROCEDURE:

5.1. BEC will maintain membership in those organizations which can influence the broad goals of public power and the specific objectives and interests of cooperatives in the Pacific Northwest in a manner consistent with BEC objectives. BEC will actively be involved in the leadership of those organizations.

5.2. BEC will continually investigate opportunities to form new strategic alliances which will enhance its competitive position. These alliances will be developed for the purpose of obtaining mutual benefit in either generation or transmission services or supply.

5.3. The Board will maintain a risk management committee. At a minimum this committee will consist of Board members designated as representatives to regional or state power supply organizations. The Board President may appoint additional members to this committee as appropriate. The General Manager is an ex officio member of the committee. The risk management committee responsibilities will be at least as follows:

5.3.1. The committee will meet quarterly in conjunction with regular Board meetings, more often as needed.

- 5.3.2. The committee will review current regional activities and regional power supply policies which may impact BEC, give direction for BEC's involvement in regional organizations and evaluate potential opportunities for new strategic alliances. Board approval will be obtained as appropriate.
- 5.3.3. The committee will give the entire Board an update report on power supply activities and request action from the Board as needed.
- 5.3.4. As new or revised contracts relating to power supply or transmission are developed, the committee will review them in detail and recommend action on them by the Board.

6. RESPONSIBILITY:

The Board shall ensure that the provisions of this policy are followed.

Adopted: 11/25/2014
Revised: 02/28/2017
Reference: LV BP311,
BEC Bylaws Articles I, II and IV, BEC III.5.A
Review Date: February 2019

Attest: /s/ David Peterson
Board President

Attest: /s/ Julie Lindgren
Secretary/Treasurer