

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

I. Overview

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

II. Background

The Board began consideration of each of the IIJA Standards in October, 2022. Subsequently, the Board directed DPI's staff to review each of the IIJA Standards, confer with expert consultants as appropriate, and to develop testimony relating to each of the IIJA Standards for the purposes of guiding and informing the Board's consideration of, and ultimate determination with respect to, each IIJA Standard. DPI scheduled and held a public hearing on June 6, 2023 (the "Hearing").

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

1. Web site posting beginning on February 28, 2023, at the DPI Web site.
2. Notice posted at the DPI headquarters and all district offices beginning on February 28, 2023.
3. Board resolution adopting the PURPA Manual and record date for notice of the Hearing was approved In October 2022.
4. Notices were mailed to all members in March via Georgia Magazine.
5. A copy of the Notice was also published in Georgia Magazine, which was also delivered to all members in April.

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

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

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III. Findings

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

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

1. Overview

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

(A) In general

Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

(B) Rate recovery

(i) In general

Each State regulatory authority shall consider establishing rate mechanisms allowing an electric utility with respect to which the State regulatory authority has ratemaking authority to timely recover the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

(ii) Nonregulated electric utilities

A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

16 U.S.C.A. § 2621(d)(20).

2. Consideration

The Board believes that the testimony presented at the Hearing by Mr. Shedd indicates that DPI's existing rate programs, educational outreach, energy use utilization tools, efficient appliance and insulation rebates, energy audit tools, and customized rate programs, implement the DRP Standard and promote the purposes of PURPA: the conservation of energy and, in most cases, enhance the efficient use of DPI's facilities and resources. DPI is also continuously evaluating new demand response practices to help reduce consumption during peak demand periods. DPI will continue to evaluate its current programs as well as opportunities for future DRPs. This ongoing evaluation approach places a priority on ensuring these programs provide benefits to the Cooperative and its members.

3. Determination

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

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

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

1. Overview

The EV Charging Standard provides as follows:

Each State [and nonregulated electric utility] shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that:

(A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;

(B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;

(C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and

(D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

16 U.S.C.A. § 2621(d)(21).

2. Consideration

Mr. Shedd's testimony demonstrates that DPI has been evaluating and developing infrastructure necessary for electric vehicles ("EV"), and DPI has for several years been implementing measures that promote greater electrification of the transportation sector in its service area. DPI provides special EV rates, its "Drive Free For a Year" program and a charger rebate program, which provide an incentive for members to acquire and use EVs. DPI participates in efforts to educate its consumers, legislators and other leaders regarding how the electrification of the transportation

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sector may impact electric utilities and their consumers. DPI has installed and operates several EV chargers (level 2 and level 3), and owns and operates several EVs as part of its corporate vehicle fleet. DPI is also monitoring the hurdles to electrifying transportation, which include high costs for charging infrastructure, low dependability of level 3 chargers, potential negative impact on the electrical grid, and considering how to ensure equitable recovery of these costs. The Board intends to engage in an ongoing effort to understand and address the needs of EV users, the Cooperative, its membership, and indeed the needs of the many communities served by the Cooperative.

3. Determination

The Board finds that DPI's current EV charging rates, rebate programs, investments in charger infrastructure and educational efforts all have served the three (3) purposes of PURPA. The Board further finds that to the extent it is able as an electric distribution cooperative, these efforts are an implementation of the EV standard. The Board will continue to explore methods to promote greater electrification of the transportation sector, while incorporating measures needed to fairly recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

IV. Conclusion and Certification

This Board, having considered the testimony presented at the Hearing, the purposes of PURPA, and both federal and state laws, hereby adopts this document by unanimous vote of the Board on September 28, 2023.

Diverse Power Incorporated

By: _____

Charles L. Knight, Chairman

Attest: _____

Kimie O. Curry, Secretary/Treasurer

[CORPORATE SEAL]