

CANCELLED

BLUE GRASS ENERGY COOPERATIVE CORPORATION

July 1, 2024

**KENTUCKY PUBLIC
SERVICE COMMISSION**

FOR ENTIRE TERRITORY SERVED
P.S.C. KY NO 1
THIRD REVISED SHEET NO. 115
CANCELLING PSC KY NO. 1
SECOND REVISED SHEET NO. 115

Renewable Energy Program

STANDARD RIDER

This "Renewable Energy Program" is a rider to all current rate schedules. The purpose of this program is to provide members with a source of renewable energy or renewable energy attributes called Renewable Energy Certificates ("RECs"). There are three (3) options. Blue Grass Energy, via its participation in East Kentucky Power Cooperative, Inc.'s ("EKPC") Renewable Energy Program ("Envirowatts"), will aggregate the contributions provided by the retail members to develop renewable energy, purchase renewable energy, or purchase RECs. Alternatively, the retail member, Blue Grass Energy, and EKPC will enter into a special agreement to purchase renewable energy to offset the retail member's existing energy consumption.

(T)

APPLICABLE

In all territory served.

DEFINITIONS

- a) "Renewable energy" is that electricity which is generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable certified resources.
- b) A REC is the tradable renewable energy attribute which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of renewable energy from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of renewable energy.

(T)

AVAILABILITY OF SERVICE

This rider is available to any member on any rate schedule.

Option A - Retail members may participate in the program by contributing monthly as much as they like in \$2.75 increments (e.g., \$2.75, \$5.50, \$8.25, or more per month). The retail member may allocate their "Renewable Energy Program" contribution to a type or types of renewable energy offered by the Envirowatts program (solar, wind, hydroelectric, or landfill gas).

Option B – Option B is a pilot program and is available on or before March 25, 2025. A member may, after entering into a special agreement with Blue Grass Energy and EKPC, purchase renewable energy to offset the member's existing energy consumptions under the members' applicable rate schedule.

Option C – After entering into an agreement with Blue Grass Energy and EKPC, commercial and industrial ("C&I") retail members have the opportunity to purchase RECs through Blue Grass Energy and EKPC to offset up to all of their energy consumption with RECs, resulting in that portion of energy consumption to be considered renewable.

(N)



**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director

EFFECTIVE

12/1/2021

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE: October 29, 2021

DATE EFFECTIVE: December 1, 2021

ISSUED BY:

TITLE: President/CEO

Renewable Energy Program (continued)

ELIGIBILITY

Under Option A, a "Pledge to Purchase Renewable Energy" must be signed by the member prior to service under this rider. Retail members may not owe any arrearage prior to participating in the Renewable Energy Program. Funds contributed by retail members are not refundable.

Under Option B, a retail member must execute an agreement with Blue Grass Energy and EKPC to purchase, supply or secure a minimum renewable capacity of 1 MW. The maximum annual renewable energy under the agreement cannot exceed the participating member's average annual consumption over the previous three (3) years. For new businesses with no usage history, the maximum annual renewable energy under the contract will be estimated. The type of renewable energy will be determined by the retail member. Retail members having multiple services across the EKPC system may aggregate consumption and renewable energy totals into a single agreement.

Under Option C, C&I retail members, in conjunction with Blue Grass Energy and EKPC, will determine the type of renewable resource and amount of RECs the Blue Grass Energy and EKPC will purchase monthly on behalf of the participating retail member. The original agreement will expire after one (1) year, but will automatically renew monthly until the retail member provides 60 days' notice of cancellation. The retail member may also amend the agreement to change the amount of RECs or type of renewable resource generating such RECs they will purchase. EKPC may sell and retire RECs generated by EKPC when applicable with a market-based rate per REC.

The sum of renewable energy purchased under Option B and the RECs purchased and retired under Option C shall not exceed the retail member's annual usage.

(N)
↓

RATE

Under Option A, monthly contribution of any amount in \$2.75 increments shall be made pursuant to the terms of the "Pledge to Purchase Renewable Energy". The fuel adjustment clause and the environmental surcharge are not applicable to the Option A Renewable Energy Program contributions.

Under Option B, the renewable energy rate shall be set forth under the individual participating renewable energy agreements. The retail member's bill will be credited for the base fuel, the fuel adjustment clause, capacity credit when applicable, the variable portion of the Environmental Surcharge that EKPC credited to Blue Grass Energy per individual renewable energy agreements. The credit amount is based on the total of the avoided costs from base fuel, fuel adjustment clause, capacity credits when applicable, variable environmental surcharge for the renewable energy delivered pursuant to the agreement. The total credit will be the lesser of this credit amount or the PJM Localized Margin Cost.

CANCELLED

July 1, 2024

**KENTUCKY PUBLIC
SERVICE COMMISSION**

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director

Linda C. Bridwell

**EFFECTIVE
12/1/2021**
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE: October 29, 2021
DATE EFFECTIVE: December 1, 2021
ISSUED BY: *[Signature]*
TITLE: President/CEO

Renewable Energy Program (continued)

Under Option C, the participating C&I retail member will pay the market value of the RECs purchased on their behalf without markup from Blue Grass Energy or EKPC. They will have the option to instruct Blue Grass Energy and EKPC to purchase: (i) RECs covering a set percentage of their energy consumption each month; (ii) a set dollar amount of RECs per month; or (iii) a set number of MWhs. The participating C&I retail member can set a REC price that requires additional approvals for the Blue Grass Energy and EKPC to purchase RECs per the Agreement. EKPC will act as the participating retail member's REC purchasing agent including settling the REC market transactions and REC retirements.

(N)
↓

BILLING AND MINIMUM CHARGE

Under Option A, the member will be billed monthly for the amount the retail member pledged to contribute in their "Pledge to Purchase Renewable Energy". Existing Envirowatts retail participants will be billed at their existing rate of \$2.75 per their existing agreement or pledge.

Under Option B, the retail member will be billed for the renewable energy per the agreement.

Under Option C, Blue Grass Energy will increase the participating retail member's electric bill for the RECs purchased at the market price plus a monthly transactional fee of \$100. For any agreement instructing Blue Grass Energy and EKPC to purchase RECs in advance of the billing cycle, a monthly carrying charge equal to 1/12 of the annual deposit rate set by the Commission will be added to the participant's electric bill.

(N)
↓

TERMS OF SERVICE AND PAYMENT

This rider shall be subject to all other terms of service and payment of the applicable tariffs and adjustment clauses to which it is applied to each member.

CANCELLED

July 1, 2024

**KENTUCKY PUBLIC
SERVICE COMMISSION**

DATE OF ISSUE: October 29, 2021

DATE EFFECTIVE: December 1, 2021

ISSUED BY: *[Signature]*

TITLE: President/CEO

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director

Linda C. Bridwell

**EFFECTIVE
12/1/2021**
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)