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**GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.**

**RULES AND REGULATIONS**

**6.17 Sustainable Natural Alternative Power (SNAP) Program**

In order to promote the installation of Member-owned alternative power generation, the Association has created a SNAP Program that links Members who want to develop alternative power generation sources with Members who voluntarily would contribute to the development of alternative sources of power generation in the Association's service territory.

Members can become SNAP supporters by paying extra on their electric bills. All funds designated as SNAP contributions shall go directly in a SNAP Fund to be used to pay local producers who operate and maintain eligible SNAP Projects. See Section 6.19.

**6.18 SNAP Project Requirements**

To be eligible for participation in the SNAP Program, a SNAP Project must be: (a) Member-owned, (b) located within the service territory of the Association, (c) have a capacity of 25 kW or less, and (d) produce energy from facilities using wind, solar, geothermal, biomass, or water resources. The Association will be responsible for certifying eligibility of each SNAP Project. A Member having a certified SNAP Project shall be hereinafter referred to as a SNAP Producer.

All costs associated with interconnecting a SNAP Project with the Association's distribution system shall be the responsibility of the SNAP Producer. SNAP Producer is responsible for installing and maintaining the SNAP Project in compliance with all national, state, and local construction and safety codes.

In order to prevent unauthorized power to the Association through a meter used in the SNAP Program, energy produced from SNAP Projects cannot be used as back-up power for SNAP Producers and SNAP Projects are not allowed to utilize any battery back-up unless otherwise authorized in writing by the Association.

The steps required for participating in the SNAP Program and interconnecting a SNAP Project with the distribution system of the Association are as follows:

- A. SNAP Producer submits a completed Application For Interconnection of SNAP Generation (Application) to the Association.

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B. The Association evaluates the Application and proposed interconnection to determine requirements according to the applicable engineering criteria contained in Interconnection Requirements for Sustainable Natural Alternative Power Producers, IEEE 1547, and the Technical Guidelines for Operating, Metering and Protective Relaying for Non-Utility Power Producers and Cogenerators (the standard adopted by the Alaska Intertie Operating Committee dated March 15, 1990).

C. The SNAP Producer satisfies the interconnection requirements established by the Association for the SNAP Producer's specific SNAP Project and enters into a Power Purchase and Interconnection Agreement for SNAP Generation with the Association.

Generation supplied by the SNAP Project will be absorbed by the Association. Payment for energy produced by the SNAP Project shall be in accordance with the terms of the Rate Schedule No. SNAP No. 1 - Producers Schedule.

Once operating, the Association reserves the right to require the Member, at the Member's expense, to provide corrections or additions to their existing protective devices in the event of future modification of government regulations or industry standards. If, in the Association's sole discretion, it is determined that the SNAP Producer has connected non-qualified generation to their SNAP Project and is delivering energy to the Association, the Association will disconnect the SNAP Project and suspend SNAP Producer from the SNAP Program.

**6.19 Sustainable Natural Alternative Power Fund (SNAP Fund)**

Purchases and/or contributions under the SNAP Program from Members will be added to a SNAP Fund. All purchases and/or contributions by Members will be voluntary. The SNAP Fund will be used to help pay SNAP Producers for the energy delivered to the Association's distribution system from SNAP Projects. SNAP Producers will also receive a payment based on the average cost of non-firm power purchased by the Association. See Rate Schedule: SNAP No. 1 - Producer Schedule.

For purposes of accounting for payments made to SNAP Producers, the SNAP Fund will be closed on March 31 of each year and the level of funds as of this date will

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determine the amount of SNAP funding available for distribution to SNAP Producers for the calendar year ending that date. Payments made to SNAP Producers from the SNAP Fund will not, under any circumstances, exceed \$1.50/kWh. Any SNAP Fund amounts in excess of this level will be held over to the following year and added to the SNAP Fund account for the next calendar year. Any payments from the SNAP Fund are unequivocally dependent on the voluntary purchases and/or contributions of other Members. If there is no money in the SNAP Fund, SNAP Producers will receive no payment from this fund. The Association will not be required to make a payment for the SNAP Fund from any other source.

**6.20 Purchases of Energy Generate by SNAP Projects**

Purchases of energy under the SNAP Program will be made by the Association at a price derived from a sum of the average annual price the Association paid for non-firm energy and amounts available in the SNAP Fund in accordance with the formula set forth in the SNAP No. 1 - Producer Schedule in the Tariff.

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