

STATEMENT ON CO-GENERATION

Fannin County Electric Cooperative, along with other Texas electric cooperatives and municipals are exempt from the net-metering requirements in Texas. Most Electric Cooperatives and Municipalities have no generation and subsequently realize no real reductions from any co-generation activities.

However, as of November 2008, Fannin Electric Cooperative has allowed co-op members to operate their in-home power co-generation facilities. These systems must be connected to a live source of power in order to develop and maintain sixty (60) cycle electricity, and will operate only when the outside source is available. Otherwise, it would require a battery system to enable the system to operate in a standalone power producing mode.

FCEC does not give credit for excess power produced, nor is any banking for later credit permitted.

FCEC is exempt from Net-Metering or Banking of energy. The member will be receiving benefits from their systems by supplementing their power usage, therefore reducing their monthly power bill of their existing co-op metered load

In this day and age, everyone is trying to save energy in every possible way, and co-generation is one alternative.

Whether you use a wind or solar unit, or a combination of both, there are certain technical and legal requirements that must be met.

Until recently, a minimum \$1,000,000 liability policy was required to connect a co-generation unit in to the grid system, along with a notarized contract between the cooperative and cooperative member.

As of November 1, 2008, the insurance requirement has been dropped. Please look at the Fannin County Electric Cooperative website to see the actual contract that is still required.

The web address is: www.fcec.coop.

In reading this contract, you will see interconnection, inspection, certification and other important requirements. This contract follows the State of Texas statute, 25.212.

Any co-generation unit attached to the grid will have to be inspected as to installation, safety, and UL 1741 compliance.

The unit will be inspected by a Fannin County Electric Cooperative representative.

At this time, there is no charge for the inspection.

A good resource for wind generation information is the American Wind Energy Association website. This site has some excellent information at www.awea.org, or in your search engine, "*small wind in Texas*".

And recently, Rayburn Country Electric Cooperative in Rockwall, of which Fannin Electric Cooperative is a member, joined the National Renewables Cooperative Organization (NRCO).

NRCO was formed in March 2008 by several rural electric cooperatives to develop and deploy renewable energy resources.

. During the 2008 calendar year, NRCO is establishing staffing and operational resources, and planning the first project.

If you need further information, please call the co-op office at 903-583-2117 or 1-800-695-9020.