

RESOLUTION

OF THE BOARD OF DIRECTORS OF CARROLL ELECTRIC MEMBERSHIP CORPORATION

WHEREAS, in 2007, the United States Congress approved and the President of the United States signed into law the Energy Independence and Security Act of 2007 (the “Act”); and

WHEREAS, the Act contained several amendments to the Public Utility Regulatory Policies Act of 1978 (“PURPA”); and

WHEREAS, PURPA, as amended by the Act, requires certain covered electric utilities whose rates are not subject to regulation by a state regulatory authority to consider and determine whether they will implement three new standards relating to energy resource planning, rate design and resource information (the “new PURPA standards”); and

WHEREAS, PURPA, as amended by the Act, contained duplicated code section numbers and other ambiguities which have not, to-date, been corrected; and

WHEREAS, one of these ambiguities is whether a fourth standard is applicable to nonregulated utilities (the “fourth PURPA standard”); and

WHEREAS, the fourth PURPA standard is known as the “smart grid investment” standard, and is codified at 16 U.S.C. § 2621(d)(16) (the second of the two identically numbered sections); and

WHEREAS, out of an abundance of caution and the advice of the National Rural Electric Cooperative Association, Carroll Electric Membership Corporation (“Carroll EMC”) has determined to consider all four PURPA standards; and

WHEREAS, PURPA, as amended by the Act, requires the consideration and determination be made after public notice and hearing; and

WHEREAS, PURPA, as amended by the Act, provides that, except for the specific requirements contained therein, the procedures for the consideration and determination shall be those established by the electric utility; and

WHEREAS, Carroll EMC is a covered electric utility whose rates are not subject to regulation by a state regulatory authority and, therefore, must hold hearings for the consideration and determination of the applicable new PURPA standards; and

WHEREAS, the Board of Directors of Carroll EMC desires, pursuant to the authority bestowed upon it by PURPA, as amended by the Act, to establish procedures for the conduct of such hearing; and

WHEREAS, PURPA, as amended by the Act, requires covered electric utilities to commence the consideration or set a hearing date for such consideration with regard to one or more of the new PURPA standards no later than December 19, 2008; and

WHEREAS, Carroll EMC's Board of Directors desires to consider all four (4) of the new PURPA standards at a single PURPA hearing (the PURPA Hearing"), as recommended by Carroll EMC's staff; and

WHEREAS, Carroll EMC's Board of Directors desires to authorize Carroll EMC's staff to establish a date for the PURPA Hearing; and

WHEREAS, Carroll EMC's Board of Directors further desires to authorize Carroll EMC's staff to establish a record date for the purpose of determining members who are entitled to receive notice of the PURPA Hearing; and

WHEREAS, the record date should be sufficiently in advance of the date of the PURPA Hearing to ensure that all participants are given adequate opportunity to fully participate in the PURPA Hearing.

NOW THEREFORE, BE IT RESOLVED, that the "Rules for Conducting Proceedings Required by the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Independence and Security Act of 2007)" (the "Rules"), which are attached hereto as Exhibit "A" and incorporated herein by reference, be, and they are hereby are, adopted by the Board; and

BE IT FURTHER RESOLVED, that the Rules shall govern any and all proceedings conducted by Carroll EMC in connection with or relating to the consideration and determination of the new PURPA standards; and

BE IT FURTHER RESOLVED that Carroll EMC's staff shall, in accordance with the guidelines established by the Rules and with due consideration for meeting the deadlines established by the law and the ability to fully consider the standards and develop testimony necessary to guide the Board in making its written determination, establish a date and time for the PURPA Hearing and a record date for notice of such hearing; and

BE IT FURTHER RESOLVED that the PURPA Hearing shall be held in Carroll EMC's headquarters in Carrollton, Georgia.

Adopted this ____ day of _____, 2008.

CORPORATION **CARROLL ELECTRIC MEMBERSHIP**

W. S. Harman, Chairman