Mary Fallin
Governor

FILED
APR 21 2014
OKLAHOMA SECRETARY OF STATE

EXECUTIVE DEPARTMENT
EXECUTIVE ORDER 2014-07

Today, I have signed into law Senate Bill 1456. This Bill amends Section 156 of Title 17 of the Oklahoma Statutes by requiring retail electric suppliers to bring a tariff application to the Oklahoma Corporation Commission to determine the appropriate way to account for the infrastructure cost of distributed generation.

The intent of this Bill is to constrain the Corporation Commission's consideration and approval of tariff applications with respect to distributed generation customers. This Bill does not mandate tariffs or other increases for distributed generation customers.

Therefore, I hereby order all executive agencies to implement this Bill in the following manner:

All executive entities shall support all forms of energy, including both traditional fossil fuels and renewable energy sources like wind and solar power, as outlined and mandated by the Oklahoma First Energy Plan. This plan promotes wind and solar power as important forms of clean energy which have a significant place in Oklahoma power generation. An essential element of this plan is distributed generation. Senate Bill 1456 must be construed in a manner that is consistent with the Oklahoma First Energy Plan.

Currently, approximately 350 Oklahoma individuals and businesses rely on distributed generation produced by small wind turbines or solar power generators. While these customers will not be affected by this Bill, this number will grow significantly in the future. This is an exciting development and one this Bill encourages.

The proper incorporation of distributed power generation will require strict scrutiny from the Corporation Commission. Appropriate implementation by executive entities will require strict compliance by the Corporation Commission in accord with the goals and intent of the Oklahoma First Energy Plan and this Bill.

This Bill requires the Corporation Commission to conduct a transparent evaluation of distributed generation consistent with the Oklahoma First Energy Plan. The intent of this Bill is to protect all Oklahoma customers and encourage all forms of Oklahoma energy use.

Further, this evaluation mandates inclusion of all stakeholders, including representatives of the solar and distributed wind industries, and utilities. Prior to implementation of any fixed charges, this Bill allows the Commission to consider the use of all available alternatives, including other rate reforms such as increased use of time-of-use rates, minimum bills, and demand charges. A proper and required examination of these and other rate reforms will ensure that Oklahoma

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appropriately implements the Oklahoma First Energy Plan while protecting future distributed generation customers.

This Executive Order shall be distributed to the Oklahoma Corporation Commission and the Secretary of Energy and Environment, who shall cause the provisions of this Order to be implemented as herein directed.

IN WITNESS WHEREOF, I have set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, Oklahoma, this 21st day of April, 2014.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

Mary Fallin

MARY FALLIN

ATTEST:

Chris Benge

SECRETARY OF STATE