

## **EXTERNAL AFFAIRS/MEMBER RELATIONS/COMMUNICATIONS AND PUBLIC AFFAIRS**

### **1. Safety**

- a. There was one Lost Workday case in December 2021.

### **2. Environmental and Regulatory Activities**

- a. For December 2021, 24 air, water, and waste areas environmental compliance reports were submitted to the Colorado Department of Public Health and Environment (CDPHE), New Mexico Environment Department (NMED) and the Environmental Protection Agency.
- b. Agency inspections.
  - i. None to report this month

### **3. Government Relations**

- a. The Government Relations report can be found at the following link  
[https://drive.google.com/file/d/1mq1JETsGQfS2bkeBEqAl4-gBJH\\_uacjv/view?usp=sharing](https://drive.google.com/file/d/1mq1JETsGQfS2bkeBEqAl4-gBJH_uacjv/view?usp=sharing)

### **4. Member Relations**

- a. TS Member Relations activities report was provided.  
[https://drive.google.com/file/d/1K8Fmv1q6w8\\_a2Tmcu2m4bwMA5UpPHoJr/view?usp=sharing](https://drive.google.com/file/d/1K8Fmv1q6w8_a2Tmcu2m4bwMA5UpPHoJr/view?usp=sharing)

### **5. Corporate Communications**

- a. TS Corporate Communications activities report was provided.
- b. The January 18, 2022, CEO Committee Meeting agenda was provided

### **6. Affiliated Organizations Reports**

- a. CREDA – no meeting since last BOD meeting
- b. Mid-West – no report for January 2022
- c. CREA – December 2021 report was provided

## **REGULAR BOARD MEETING, COMMITTEE MEETINGS**

The January 2022 meeting was held virtually with all directors attending. The meeting documents can be found in LPEA's Board Google docs.

<https://drive.google.com/drive/folders/1V4MfZcuq95EanWN5VFkLChnkAYOtEheN?usp=sharing>

February 2022 will be Strategic Planning along with a brief Board Meeting, there will not be any committee meetings, but committee documents will be provided.

# Tri-State Board of Directors

## January 2022 Meeting Highlights



### Partial Requirements Open Season Extended

The Board of Directors approved extending the Initial Partial Requirements Open Season to allow members to apply for an allocation of the remaining 97 MW of the original 300MW that went unallocated. The extended open season will have the same terms and conditions as the original open season held in 2021, which resulted in three members being allocated a total of 203 MW.

- In March 2020, the Tri-State Board of Directors approved a partial requirements system limit of 300 MW.
- After board approval of policies to implement the open season in October 2020 and FERC approval on the associated filing January 2021, Tri-State commenced the initial open season in May 2021. Three members submitted applications and were allocated a total of 203 MW.
- Since the conclusion of the initial open season, one member has expressed interest in participating in an offering of the remaining 97 MW, which would allow it to work with local tribes in its service area to install community solar.
- All members that did not already participate are eligible to participate in the extended open season.

### Boulder County Fires Update

Duane Highley, CEO, provided an update on the impacts of the fires in Boulder County, which caused unimaginable destruction and loss. While Tri-State did not have any facilities in the area, two employees' homes were destroyed. Tri-State also assisted Xcel Energy, which provides gas and electric service in the area, in helping restore power and minimizing the impact on their natural gas system.

- In response to this devastation, Tri-State employees stepped-up and provided help to their colleagues directly impacted by the fire through donations and by offering their homes to those who were evacuated.
- Tri-State also worked with Mountain Parks Electric to respond to a request from Xcel to institute rolling blackouts in order to preserve reliability of the natural gas system.
- Finally, about 25 Tri-State Transmission Maintenance employees were mobilized to assist Xcel in restoration efforts.

### Transmission Maintenance Assists Member Systems

Highley also reported on the collaboration with two members to restore their systems after they were damaged during a high wind event on December 15. Both Northern Rio Arriba Electric Cooperative and San Luis Valley Rural Electric Cooperative sustained damage to their systems and Tri-State's transmission team worked with them to restore power.

- Working with our members in times of emergencies is a key service that often goes unnoticed, but as a cooperative, Tri-State and our members work together to keep the system reliable.
- In the case of this event, a large number of employees helped in the response, including transmission system operations, transmission maintenance, and other support groups.
- Northern Rio Arriba Electric Cooperative based in Chama, New Mexico, had seven structures down along with some broken cross arms. The widespread outages required quick response so they reached out to Tri-State for assistance. Tri-State brought in equipment and teams from Transmission Maintenance South to help with the rebuild and restore power.
- San Luis Valley REC based in Monte Vista, Colorado, lost 58 transmission poles on the Waverly-San Acacio 115 kV line. Tri-State provided, as part of our emergency response, materials, equipment, and crews from all three transmission maintenance regions to assist in replacing the structures and restoring power.

### Rate Design Committee Announced

Tri-State Chairman Tim Rabon informed the board that he had appointed 42 members to the Rate Design Committee (RDC). As a result of the Stated Rate Settlement Agreement entered into at the Federal Energy Regulatory Commission (FERC) between Tri-State and several of its members, Tri-State will file a new rate case at FERC no later than September 1, 2023. To fully engage the membership in the process, the RDC is being stood up to review and make recommendations on what should be filed by September 2023.

- Rabon also announced he has appointed Tri-State Vice Chair Don Keairns from San Isabel Electric Association to chair the committee and Mario Romero from Otero County Electric Cooperative to serve as vice chair.
- Keairns has scheduled the first committee meeting for February 8-9 and all Tri-State Board Members are invited to attend.

**This month's highlights**

- Partial requirements open season extended
- Rate Design Committee announced, first meeting in February
- Tri-State assists member systems restore power following storm
- Boulder County, Colorado fires update
- Approval of Eastern Colorado Transmission Project budget amendment
- Government relations report
- Operations and financial performance
- Meetings and events

**From the Chairman**

This month, our board meeting was held in a virtual format, as we will do with additional meetings throughout the year. This not only reduces costs, but also helps accommodate schedules when the board meetings align with holidays. I appreciate staff's work to support our cooperative governance by conducting effective remote meetings.

Our board meeting came on the heels of the devastating wildfires in Boulder County, Colo., which directly affected several Tri-State employees and their families who lost their homes. As we do, our co-op family has offered help both to the energy systems we depend on and to the victims to start the process of rebuilding. There is information on the following pages about how we can support Tri-State's affected employees.

Tri-State's wholesale rate is of great importance to each utility member, and it is critical that our membership work together on the rate's design. Our Rate Design Committee's first meeting is February 8-9, and will be led by Committee Chair Don Keairns (Tri-State's vice chairman and director at San Isabel Electric Association) and Vice Chair Mario Romero (General Manager/CEO of Otero County Electric Cooperative). I have appointed 42 members, including either a local board director/trustee or CEO, or a Tri-State director, from each utility member. Importantly, all member system directors and staff are invited to attend the committee's meetings.

Driven in part by the needs of a New Mexico member to support community solar projects with tribes, the board approved extending the partial requirements open season to allocation of the remaining 97 megawatts of the 300 megawatts that was available. Members that have not previously participated in the open season can participate in this open season extension.

Our board will meet for strategic planning in February, followed by an abbreviated board meeting with no meetings of the three standing committees. I look forward to the engaging discussion that has come from each of our planning sessions as we shape the future of Tri-State.

As I look forward into 2022, I do so with a goal in my chairmanship to work with all of you to find issues we can work on together, advance our shared interests and make Tri-State stronger as we move forward in our energy transition. I understand that it's hard for 42 utility members to agree on everything, but where we have differences, there are abundant opportunities to find resolution. I was encouraged by the desire expressed at last month's Member CEO town hall to support Tri-State, and I encourage all of us to do everything in our power to continue the momentum.

As I work to serve you as best I can, please do not hesitate to reach out to me at 575-430 2995 or [tim.rabon@tristategt.org](mailto:tim.rabon@tristategt.org) — *Tim*

**From the CEO**

I want to thank the board for its concerns about employees affected by the Marshall Fire. From my own home, I could see the steady advancement of the fire as it burned grassland, homes and businesses in communities of Louisville and Superior through the night. We monitored the impacts of the fires on the electric system, and our employees immediately banded together that evening to offer shelter to their affected colleagues. With fire-related power outages that evening threatening Xcel Energy's natural gas system, at the request of Xcel we worked with Mountain Parks Electric, which curtailed power in certain areas of its service territory for 90 minutes to reduce demand on Xcel's natural gas system. I appreciate how our utilities came together for the greater good of our communities. Along with other utilities, our transmission teams marshalled in the following days to offer assistance to Xcel in its daunting task to restore power.

Our transmission teams also worked with members Northern Rio Arriba Electric Cooperative and San Luis Valley Rural Electric Cooperative to assist in the restoration of their systems following a fierce storm on Dec. 15. As a full-service G&T, I am proud that we are able to deploy our teams and equipment to support members in need.

I greatly appreciate the many members that have filed in support of Tri-State's position that conditional withdrawal notices are not valid under the contract termination payment tariff accepted by FERC. We will work on an orderly early termination of a member under the tariff, but the uncertainty of conditional notices that can be rescinded at any time up to the termination of a member's contract is untenable given the extensive planning required.

With the board's approval of the budget amendment for transmission improvements in eastern Colorado, Tri-State is in a strong position to develop the transmission needed to reliably serve the members and continue with our energy transition in the most cost-effective manner possible.

We continue to move forward in our efforts to reduce costs, and working with a major financial consulting firm, are receiving ideas for cost controls, revenue enhancements and efficiency improvements that could result in tens of millions of dollars in savings. I remain confident that we can find significant savings as we seek to provide greater value to the members. This month, we shared with the board that our goal to reduce staff through attrition has surpassed our goal, with current staffing below 1,200. I do recognize the burden this places on staff, who are working hard with fewer resources to continue to serve our mission to the membership, and I so greatly appreciate their efforts.

We learned this week that Chuck Larsen, who retired as General Manager of Carbon Power & Light in 2015, passed away. I did not know Chuck, but from the warm comments of others, I wish I had. Chuck was a great co-op leader, cowboy poet and a respected member of his community in Saratoga. Our hearts go out to Carbon Power & Light, and Chuck's family and friends.

We are here to serve you, and if we can be of assistance, please contact me any time at 303-254-3535 or [dhighley@tristategt.org](mailto:dhighley@tristategt.org) — Duane

## **Operations and Financial Performance**

### **November 2021 operations performance**

- Coal fleet generation was 71% availability and 36% of total power supply.
- Gas and oil fleet generation were above budget and accounted for 6% of total power supply.
- Renewable generation accounted for 29% of total power supply and 40% of member load.
  - Tri-State had 759 MW of utility-scale wind and solar capacity. In November, the average capacity factor for these resources was 37%, with 221 MW (29% of potential output) available at Tri-State's peak.
- Other purchased power (unspecified) was 29% of total power supply.
- Member energy sales volumes were 9.6% under budget and non-member energy sales volumes were 179% over budget.

View the [Operations Report](#) on the directors' BoardBooks app and the Member Information Center.

### **November 2021 financial performance**

- Member Electric Sales were 12.3% lower than budget, primarily due to the 2% rate reduction.
- Non-Member Sales were 195.4% above budget as Tri-State realized positive impacts of market conditions.
- Purchased Power was 34.5% higher than budget, primarily due to increased natural gas costs and decreased generation from steam generating stations.
- Production and Fuel costs were 1.3% higher than budget. Fuel costs were 9.6% higher than budget, primarily resulting from increased natural gas and mining costs. Production costs were 7.8% lower than budget, primarily due to generation being less than budgeted for the month.

View the [Financial Results](#) on the directors' BoardBooks app and the Member Information Center.

## **Board Update**

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Staff has provided information to the board about how some of Tri-State's employees and their families have been directly impacted by the fires. Tri-State has shared details about how individuals can help either by contributing to the GoFundMe pages linked below, or by making a donation of a gift card, which Tri-State will distribute to impacted employees. Gift cards to Walmart, Target, Costco, Amazon, King Soopers and local area restaurants are all being collected by Tri-State's Employee Services team.

- **Mark Carson, Senior Tax Accountant**, and his family lost their home and all possessions in the Marshall Fire. They are grateful for the support they have received and are also spreading the word on how we can help others who may be less fortunate. [You can support Mark here.](#)
- **Diana Leiker, Senior Planner, Transmission Environmental**, lost her house and all her possessions in the Marshall Fire in Superior. She had only minutes to get out (on crutches) and could only grab her laptop, her purse and her dog. [You can support Diana here.](#)
- While his own home was unharmed, **Andrew Eisdorfer, IT Client Support Specialist**, and his wife have taken in her parents, sister and two nieces after they lost their home in the fire. The family was able to safely evacuate, but with only their truck and the clothes they were wearing. [You can support Andrew's family here.](#)

Please reach out to [Tri-State](#) if you are interested in other donation and support opportunities.

### **Approval of Eastern Colorado Transmission Project budget amendment**

At its meeting, the board approved Tri-State's plan and the required budget for important upgrades to transmission infrastructure in Eastern Colorado. Tri-State initially considered participation in Xcel Energy's Colorado Power Pathways Project, but this new plan specific to Tri-State is a better fit. Tri-State's plan is much better suited to the members' needs and where we need to move power, and we can do it at a much lower cost than if we had joined up with Xcel on Colorado Power Pathways.

### **Government relations report**

The January [government relations report](#) can be found on the directors' BoardBooks app and in the Member Information Center.

### **Meetings and events**

- Member CEO Meeting, Jan. 18-19, Tri-State Headquarters and virtual
- Board Strategic Planning begins at 8 a.m. on Tues., Feb. 1.
- The February Board of Directors Meeting is Wed., Feb. 2 beginning at 8:30 a.m.
- Member CEO Town Hall is Mon., Feb. 7 at 10 a.m., virtual