

LPEA

La Plata Electric Association, Inc.

A Touchstone Energy[®] Cooperative 

2022

LPEA ANNUAL MEETING



2021 Annual Report Video



[Video on YouTube](#)



LPEA Board Report

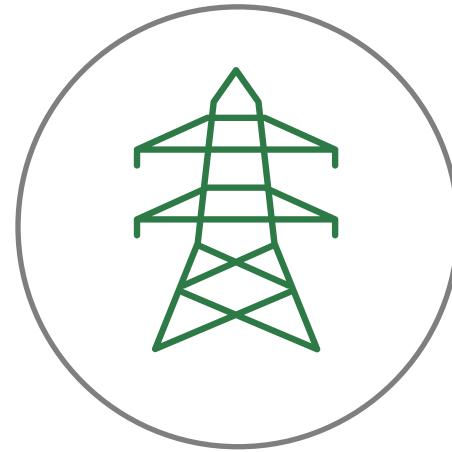
John Witchel, LPEA Board President

Board 2021 Highlights



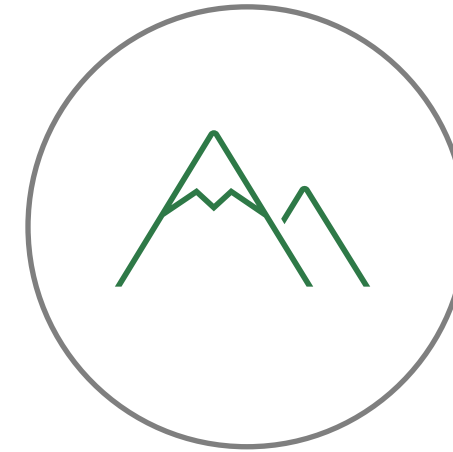
Board Operations

- Regular virtual meetings
- 2 town halls
- Director elections



Power Supply

- Solid progress made on the partial contract option with Tri-State
- 4% rate reduction from Tri-State



Broadband

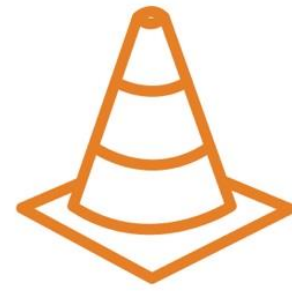
- Clear path forward on broadband

LPEA CEO Report

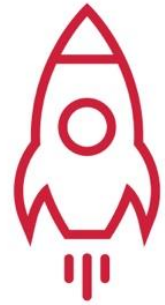
Jessica Matlock, LPEA CEO



LPEA North Star



safe and excellent in all we do



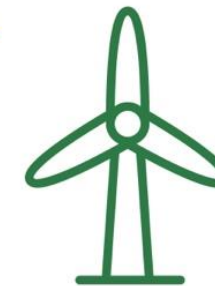
Prepare for the future



Keep the lights on



Maintain strong financial health



Source clean, local, low-cost power



Be a trusted community partner



Be safe and excellent in all we do



0

UNION
GRIEVANCES



2

EMPLOYEE
ENGAGEMENT
SURVEYS



25

SUBSTATIONS WITH
INCREASED SECURITY



Keep the lights on



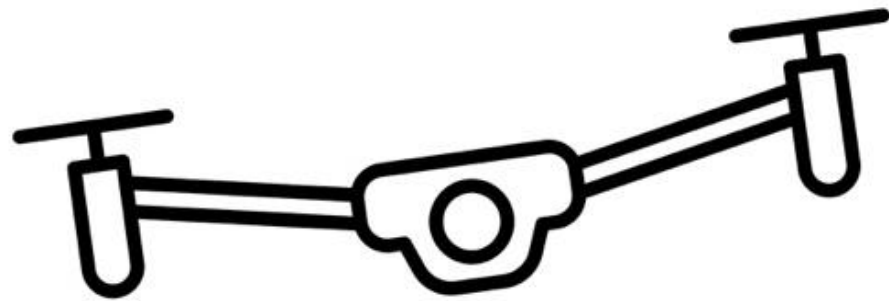
31

TREES REMOVED FROM LINES
IN DECEMBER'S STORMS



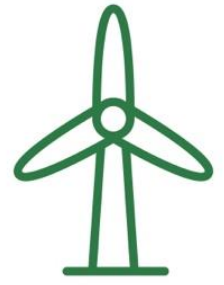
10

MILES OF LINE
REPLACED



2000

MILES OF LINES SURVEYED

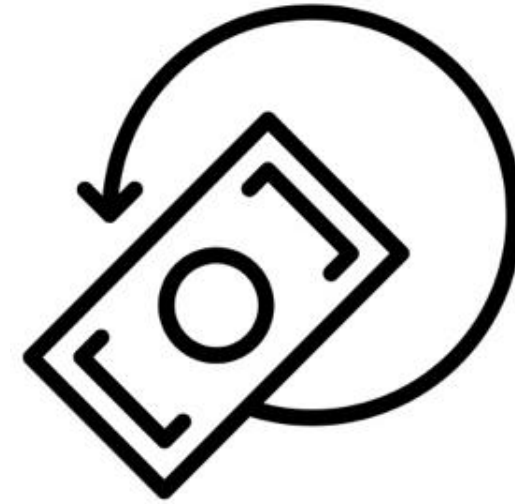


Source clean, local, low-cost power



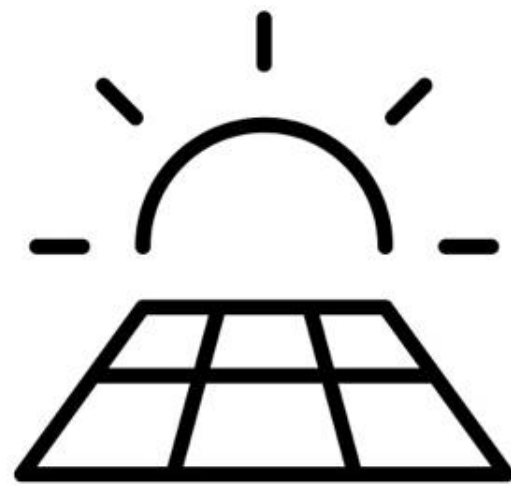
4%

WHOLESALE RATE
REDUCTION FROM
TRI-STATE



\$1.5m

RETIRED CAPITAL
CREDITS FROM TRI-STATE



2,100kW

ADDED IN ROOFTOP SOLAR



Be a trusted community partner



\$78k

IN SCHOLARSHIPS



\$20k

RAISED FOR RISE
ABOVE VIOLENCE



\$118k+

IN GRANTS



Maintain strong financial health



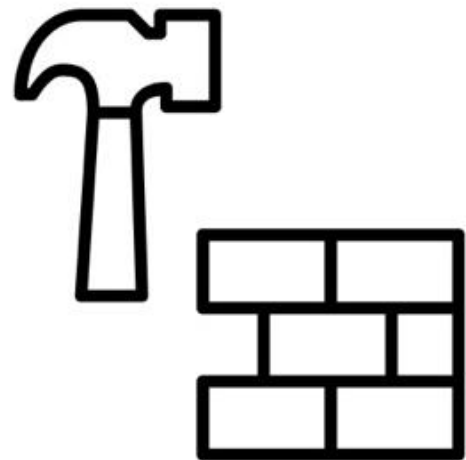
\$5.5m

RETIRED CAPITAL CREDITS



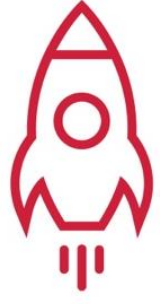
\$80k

SAVED IN METER READING

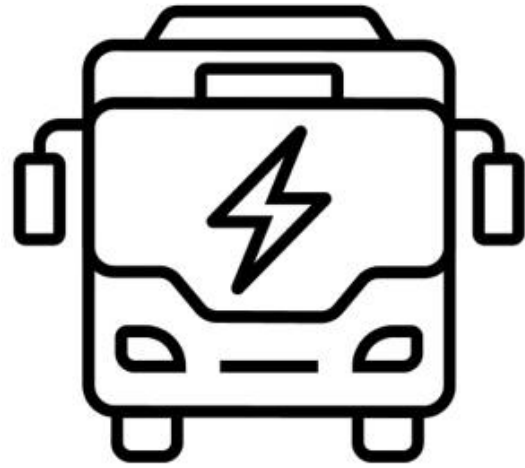


\$100k+

NEW CONSTRUCTION SAVINGS
TO MEMBERS

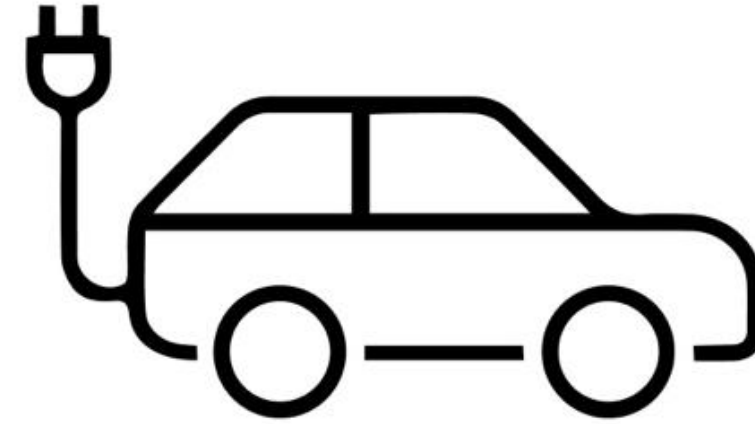


Prepare for the future



1st

V2G ELECTRIC SCHOOL BUS



2

NEW EV FAST CHARGERS



\$490k

IN REBATES ISSUED TO OUR MEMBERS

LPEA Power Supply Report

Dan Harms, LPEA Executive VP of Grid Solutions & Special Projects



Board's 3-Prong Strategy



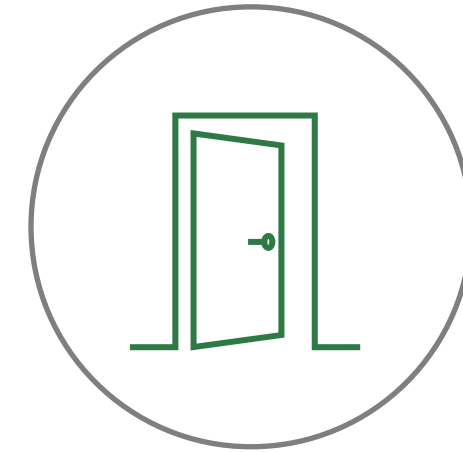
#1: Flexibility

LPEA acquired the ability to install 2 MW community solar project



#2: Partial Contract

LPEA has chosen to move forward on contract negotiations that allow LPEA to acquire 50% of its power supply from alternate sources

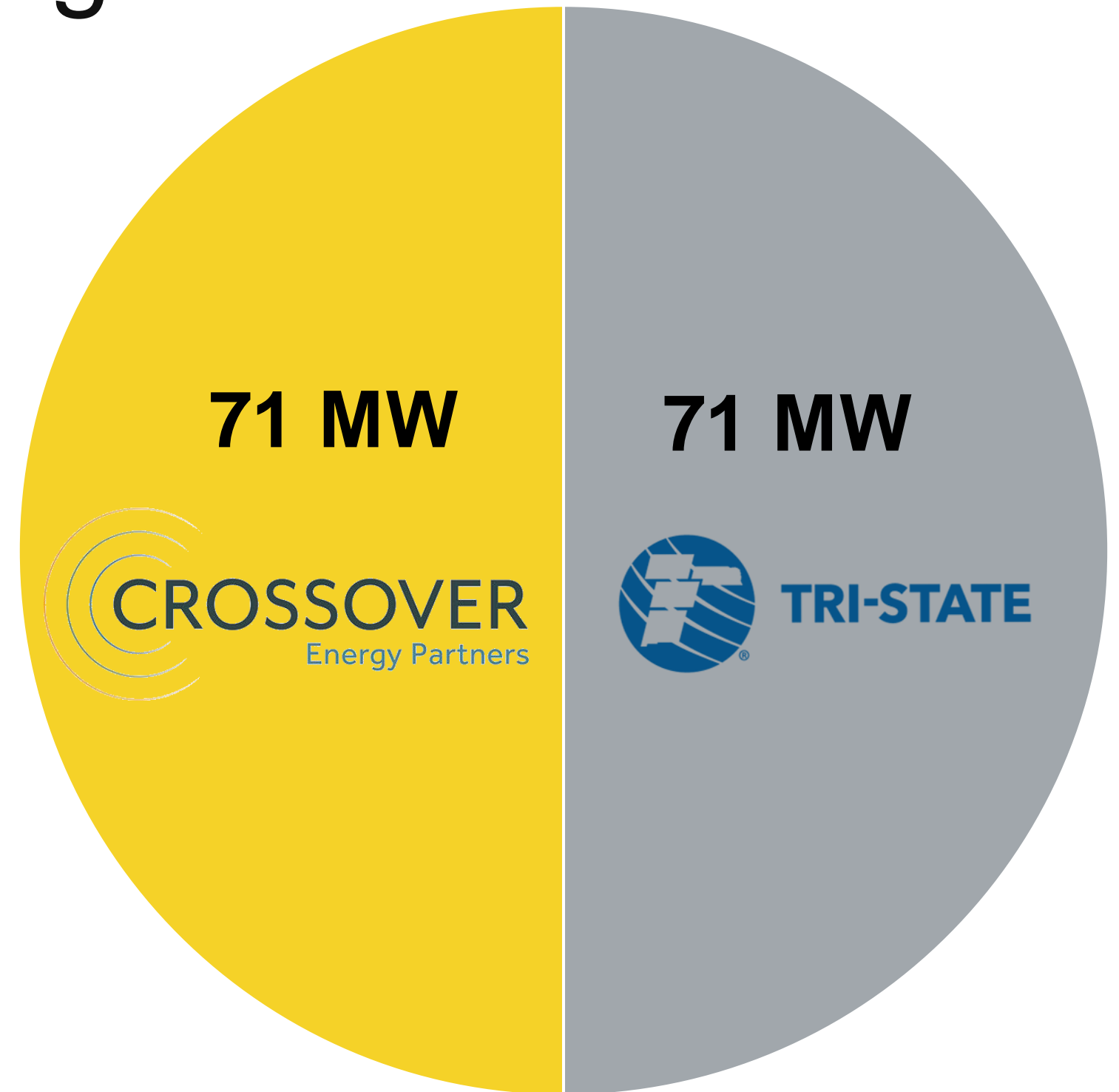


#3: Full Exit

LPEA is closely monitoring the case at FERC for possible future opportunities

2021 Power Supply Highlights

- Successfully negotiated a Buy-Down Payment with Tri-State.
- Completed financial analysis showing significant savings.
- Performed competitive Request for Proposals (RFP) and selected Crossover Energy Partners for continued negotiations.
- On track to meet LPEA's strategic goal to cut carbon emissions by 50%.





LPEA Power Supply Report

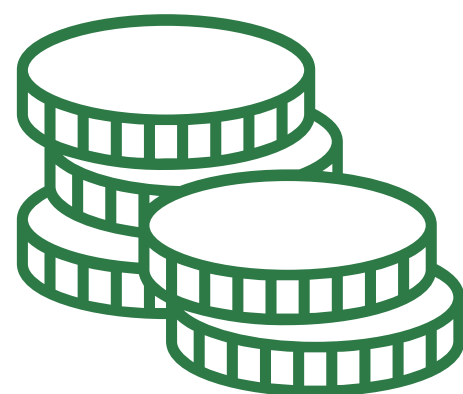
Reg Rudolph, Tri-State Chief Energy Innovation Officer

LPEA Financial Report

Monica Rodriguez, LPEA Controller

ARIAT
CAT 2 | 2112 R

2021 Financial Highlights



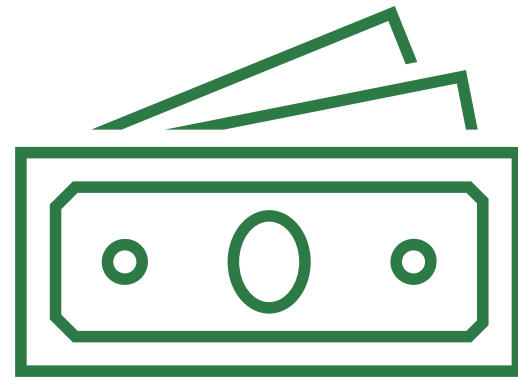
- ✓ Total operating costs equal to 2020 - \$1.1M lower than in 2019.
- ✓ \$80k in expenses saved by moving meter reading in house.
- ✓ \$5.5M in Capital Credits paid to members - highest ever!
- ✓ Electric sales (kWh) 1.0% lower than in 2020.
- ✓ \$11.0M invested in electrical infrastructure.
- ✓ Long-term debt reduced by \$5.5M in 2021.
- ✓ Administrative expenses lower than 2020 and 20% below budget.
- ✓ Delinquent accounts 0.02% of accounts receivable.
- ✓ 10-year financial forecast presented to the LPEA board.

Safeguarding Member Assets



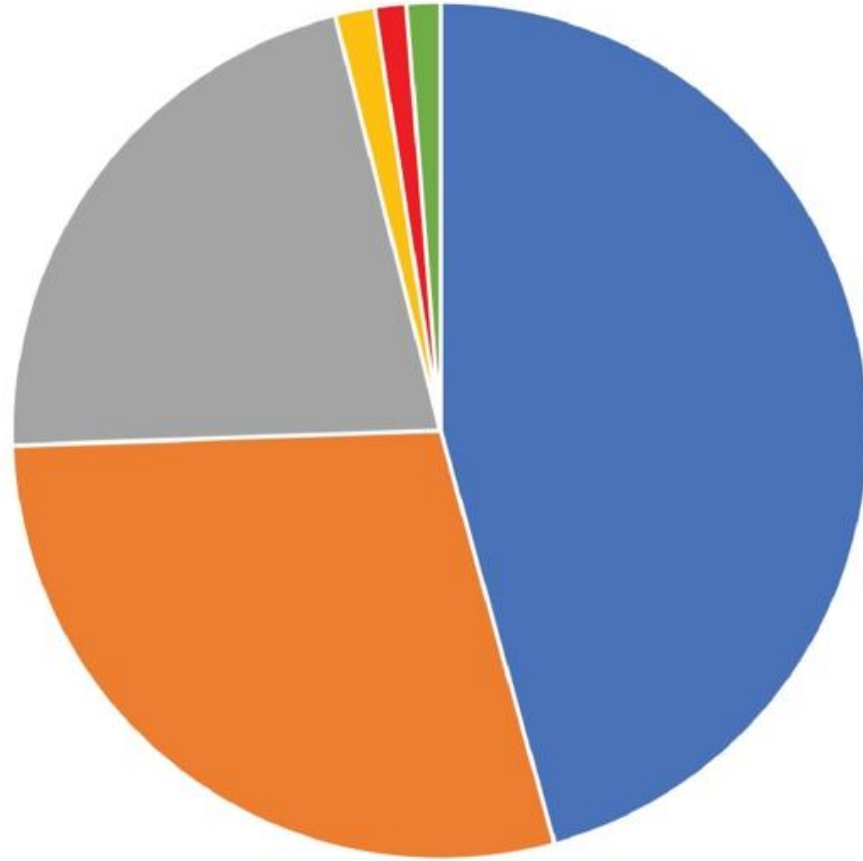
- ✓ Invested \$11.0M in the electrical infrastructure w/o borrowing.
- ✓ Work completed by LPEA crews, rather than contractors. 17% of labor costs went towards capital projects (an increase of 2% over 2020).
- ✓ Returned more than \$5.5m in Capital Credits to members, the highest retirement in our 83-year history.
- ✓ Reduced costs in 2020 compared to 2019 and maintained this in 2021.

Conclusions



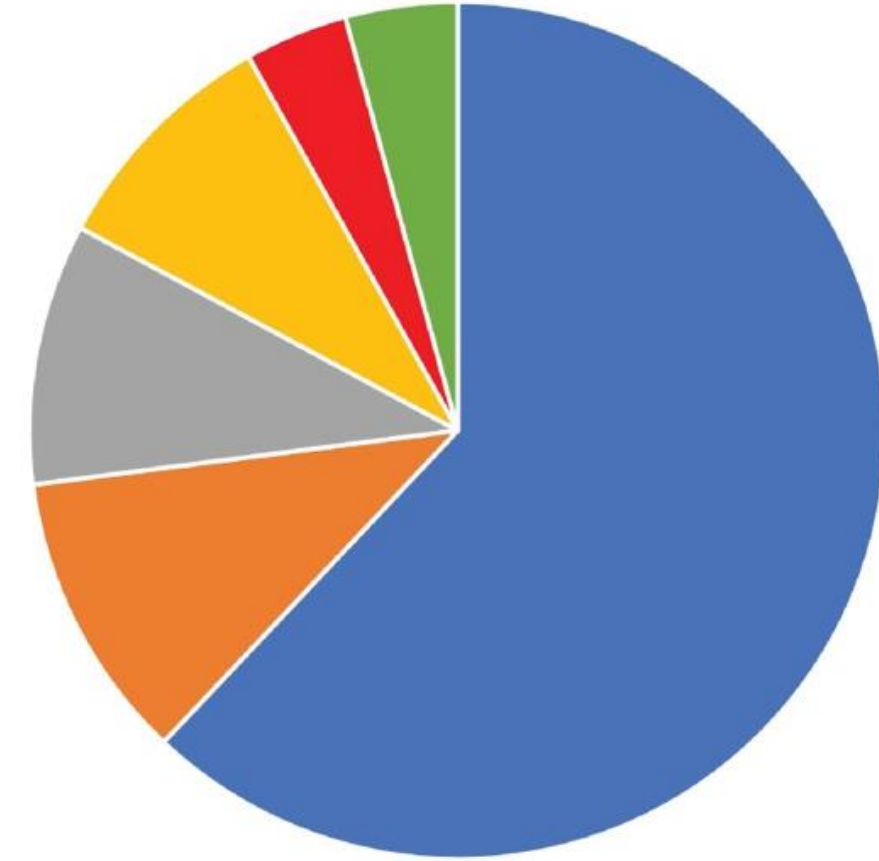
- ✓ Solid financial results in 2021 driven by cost controls.
- ✓ The pandemic played a role in cost reduction in Q1 2021, but costs were still lower.
- ✓ We have built a sustainable model of cost control that has been projected out for the next ten years
- ✓ Future savings in power supply costs plus continued fiscal discipline will stabilize rates.
- ✓ Prudent cash management is essential to reduce borrowing costs and to enable retirement of Capital Credits.

REVENUE



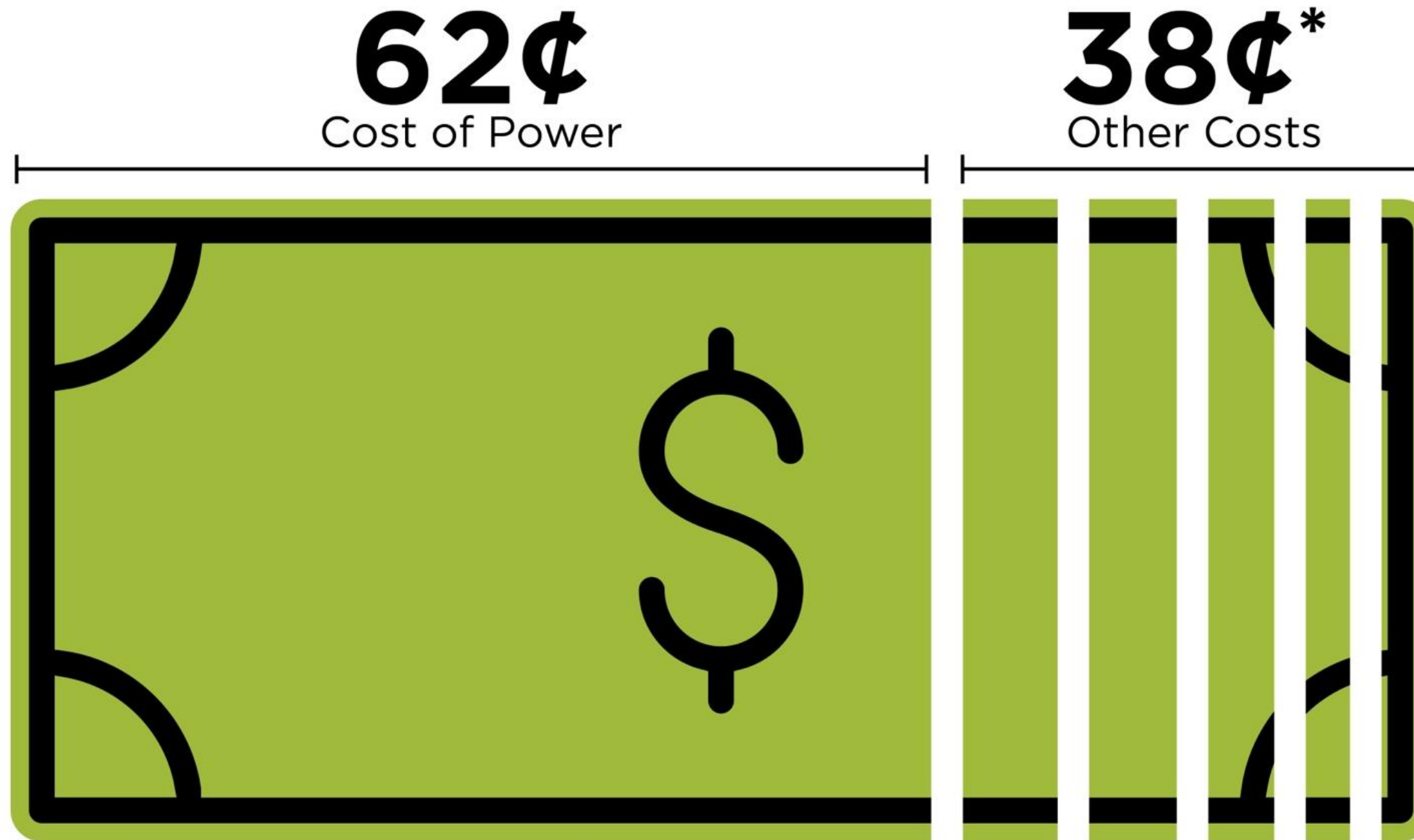
Residential	\$50,118,970	46%
Small Commercial	\$31,511,120	29%
Large Commercial	\$23,675,843	22%
Other Operating Revenues	\$1,638,043	1%
Tri-State Allocations	\$1,305,558	1%
Other Allocations & Income	\$1,401,362	1%

EXPENSES



Cost of Power	\$66,350,034	62%
Operating Costs	\$11,697,466	11%
Administrative Costs	\$10,543,158	10%
Plant Costs	\$9,665,077	9%
Cost of Borrowing	\$4,159,141	4%
Net Margins	\$4,529,100	4%

How your dollar is spent



*11¢ Operational Costs, 10¢ Administration Costs, 9¢ Plant Costs
4¢ Cost of Borrowing, 4¢ Net Margin

An overhead photograph of four students sitting on a concrete staircase. From top to bottom: a young man in a light blue shirt and dark pants is looking at a smartphone; a young woman with curly hair in a striped shirt is reading an open book; a young woman with dark curly hair in a white patterned top is reading an open book; and a young man in a white shirt and dark pants is looking at a smartphone. A wooden handrail is visible on the left side of the stairs. A semi-transparent white box with black text is overlaid on the left side of the image.

Scholarship Awards

Jessica Matlock, LPEA CEO

“I am honored to accept the Tri-State Scholarship. This scholarship will provide me the opportunity to pay for books or fees for classes.”

From: Durango High School
Accepted to: Colorado School of Mines
Major: Electrical Engineering

A portrait of Grace Martinez, a young woman with long, dark, wavy hair, wearing a black top. She is smiling slightly and looking directly at the camera. The background is a dark, neutral color.

LPEA congratulates Grace Martinez
2022 Tri-State Generation & Transmission recipient

“The LPEA Scholarship will greatly facilitate my ability to attend college and delve deeper into the subjects of my passion. It will also enable me to continue learning and have access to people who can make me both a better student and member of society.”

From: Pagosa Springs High School
Accepted to: Colorado State University
Major: Biochemistry



LPEA congratulates Nell Taylor
2022 Tri-State Generation & Transmission recipient

“This scholarship reminds me that I will always have the Durango community in my corner helping me chase my goals.”

From: Durango High School
Accepted to: University of Texas at Austin
Major: Chemistry

A young man with short brown hair, wearing black-rimmed glasses and a blue plaid button-down shirt, is smiling warmly. He is standing in front of a red brick wall, with a blurred background of green and yellow foliage, suggesting an outdoor setting. The lighting is soft and natural, highlighting his features.

LPEA congratulates Thomas Pope
2022 Basin Electric Scholarship recipient

“This scholarship will give me the financial freedom I need to pursue a meaningful career.”

From: Pagosa Springs High School
Accepted to: Colorado Mesa University
Major: Business



LPEA congratulates Timothy Hittle
2022 LPEA John Voelker Memorial Scholarship recipient

“This scholarship means I will be able to achieve my goals of becoming a firefighter and my dream of playing college football. Thank you to the community of supporters who are helping me get there.”

From: Ignacio High School
Accepted to: Iowa Central
Community College
Major: Fire Science



LPEA congratulates Jeremy Roderick
2022 LPEA John Voelker Memorial Scholarship recipient

“I plan on being a lineman till the day I retire, it's a passion that I found and heard about. This scholarship will help me be one of those people up there supplying electricity to the US.”

From: San Juan Mountain School
Accepted to: Colorado Mesa University
Major: Lineworker



LPEA congratulates Ryan Elliott
2022 LPEA Lineworker Scholarship recipient

“Knowledge itself is power.”
– Sir Francis Bacon

From: Big Picture High School
Accepted to: Western Colorado
Community College
Major: Lineworker



LPEA congratulates Dutch Revells
2022 LPEA Lineworker Scholarship recipient

“As someone who wants to pursue a community-focused career path, I’m aware of how the crippling cost of post-secondary education could inhibit me from reaching that goal. Receiving this scholarship has not only greatly reduced the financial burden on me but enabled me to enroll at a university that I otherwise may have been unable to attend. I am extremely grateful for this opportunity.”

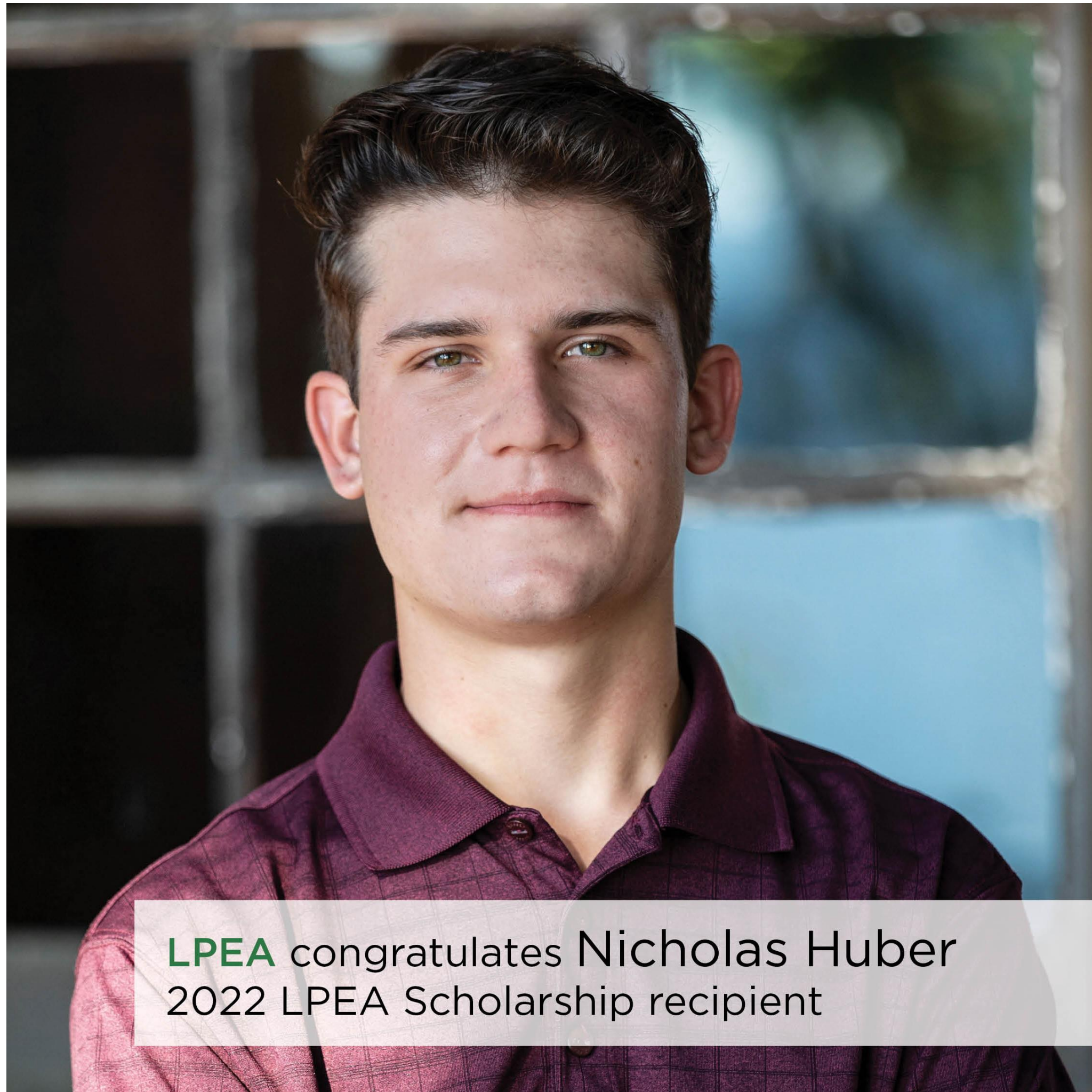
From: Durango High School
Accepted to: George Washington University
Major: Engineering



LPEA congratulates Grace Holst
2022 LPEA Scholarship recipient

“I deeply believe that every opportunity should be embraced to the fullest and every possibility be thoroughly explored. On the path to my future, did indeed explore many possibilities. It was LPEA, however, that chose to present me with an opportunity. For the opportunities to broaden my education, impact my community, and represent LPEA, I am extraordinarily grateful.”

From: Durango High School
Accepted to: Colorado School of Mines
Major: Engineering



LPEA congratulates Nicholas Huber
2022 LPEA Scholarship recipient



Q&A Session

Door Prize Drawing!

