

EXTERNAL AFFAIRS/MEMBER RELATIONS/COMMUNICATIONS AND PUBLIC AFFAIRS

1. Safety

- a. There was one Non-Lost Workday Case and one Restricted Workday Case reported in April 2022.

2. Environmental and Regulatory Activities

- a. For April 2022, 49 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. An on-site air quality inspection was conducted by CDPHE at J.M. Shafer Station.

3. Government Relations

- a. The Government Relations report can be found at the following link - https://drive.google.com/file/d/132FDqvt233X_dVEH-ZwO1buKSr4k1Gb_/view?usp=sharing

4. Member Relations

- a. TS Member Relations activities report was provided.

5. Corporate Communications

- a. TS Corporate Communications activities report was provided.

6. Affiliated Organizations Reports

- a. Reports were given for CREA, NMRECA and WREA.

REGULAR BOARD MEETING AND COMMITTEE MEETINGS

This month each of the standing Committees (E&O, EA&MR, F&A) held elections for their Chairperson and Vice-Chair. Only the EA&MR Committee had a leadership change. Chairperson Thaine Michie (Poudre Valley Rural Electric) stepped down and moved to the E&O Committee. Robert Baca (Mora-San Miguel Electric) was elected Chairperson and was previously Vice-Chair. Kevin Cooney (San Miguel Power) was elected Vice-Chair.

For information on the Regular Board Meeting please see “May 2022 Board Highlights” and “Tri-State May 2022 Board Report 202205” located in our board drive (also attached in DirectorPoint).

Tri-State Board of Directors

May 2022 Meeting Highlights



Committee Chairs Elected

Elections were held for the Finance & Audit (F&A), Engineering & Operations (E&O) and External Affairs (EA) Committees. The incumbent officers for the F&A and E&O Committees were re-elected, and new appointments were made in the EA Committee.

- The External Affairs Committee elected:
 - Robert Baca, representing Mora-San Miguel Electric Cooperative (Mora, NM), as Chair.
 - Kevin Cooney, representing San Miguel Power Association (Nucla, CO), as Vice-Chair.
- The Finance & Audit Committee elected:
 - Leo Brekel, representing Highline Electric Association (Holyoke, CO), as Chair.
 - Stuart Morgan, representing Wheat Belt Public Power District (Sidney, NE), as Vice-Chair.
- The Engineering & Operations Committee elected:
 - Shawn Turner, representing Midwest Electric Cooperative Corporation (Grant, NE), as Chair.
 - Wayne Connell, representing Central New Mexico Electric Cooperative (Mountainair, NM), as Vice-Chair.

New Mexico Cooks Peak Fire Update & Tri-State Community Donation

Ruth Marks, VP Transmission Maintenance, presented an update on Tri-State's response to the Cooks Peak Fire in New Mexico, which, along with several other active fires in the state, has impacted Tri-State's transmission lines and the distribution systems of several members. Tri-State is working closely with both firefighting crews and the impacted members to mitigate service and community impacts.

- The Cooks Peak Fire is located north of Ocate, New Mexico, and has burned an estimated 60,000 acres (est. 97% contained) since starting on Sunday, April 17.
- The Black Lake/Springer 115kV line tripped on April 22 due to the fire, and after assessing that section of the line, Tri-State estimated between five and nine structures would need to be replaced, though fortunately the line was still standing and carrying communications over the fiber.
- Tri-State received permission to access the impacted section of the fire burn area to begin replacing the damaged structures on April 26, with the line reenergized on the afternoon of May 6.
- Tri-State also provided a \$10,000 donation of emergency supplies including water, food and personal hygiene products to evacuation centers in Mora-San Miguel's service area.

Beneficial Electrification Program Update

Matt Fitzgibbon, Beneficial Electrification Manager, presented on Tri-State's electrification programs, including the program's 2021 results and demonstrating how data are underpinning plans for the program's future. In discussing the future strategy for the program, Fitzgibbon highlighted how staff is making refinements in light of Tri-State's Electric Resource Plan (ERP) settlement, which outlines increasing energy efficiency goals for the association.

- Total electrification and efficiency incentive spending was \$2.3M in 2021, down from a peak of \$3.3M in 2018. A significant contributor to the reduced spending is related to commercial lighting, which has seen a decline in LED installations.
- At the same time, spending in the HVAC and electric vehicle categories has been growing.
 - Heat pump installations in particular, under the HVAC category, have grown 23% in each of the past two years, with over 57% of installs occurring in new construction or replacing existing fossil fuel furnaces, resulting in new load of approximately 2.6M kWh annually.
- Fitzgibbon reviewed how these data are guiding Tri-State's portfolio optimization to achieve the ERP targets in a cost-effective manner.
 - For example, Tri-State has evaluated each product incentive offering's lifetime cost to achieve – its total incentive dollars divided by its lifetime kWh savings – to determine which products deliver a return on the energy efficiency investment.
- While Tri-State's existing portfolio average is already economical, these data will help inform which products it is most cost-effective to offer incentives for as the association looks to expand the program, helping to reduce overall costs.

This month's highlights

- Committee chair and vice chair elections
- Beneficial Electrification update
- Cooks Peaks Fire in New Mexico
- New electronic voucher process
- Operations and Financial Results
- Recent Tri-State press releases
- Government Relations Report
- Upcoming Events

From the Chairman

During this month's board meeting, several senior staff members are in Washington DC for the FERC hearing on the modified CTP tariff. In their absence, they appointed members of their teams to step in and provide the relevant reports, and these staff well represented their respective areas. I appreciate the depth of talent of staff.

I was also on the road and recently and had the pleasure of attending annual meetings for the Central New Mexico Electric Cooperative and Socorro Electric Cooperative, the Rate Design Committee and the Governance Committee meetings, and then traveled to the NRECA Legislative Conference in Washington, D.C.

The meetings prompted great discussion and I was impressed once again with the level of professionalism of the Tri-State staff and our outside representatives. The NRECA Legislative Conference was a great experience, and an opportunity for the membership to advocate for the issues of greatest importance to our industry.

During this month's committee meetings, we had a change to the External Affairs Committee leadership as Thaine Michie stepped down and Robert Baca was elected as chairman. I want to thank Thaine for his many years of service in the committee chairman role, as well as for his continuing leadership of the Governance Committee. The committee's vice chair is Kevin Cooney and I know he and Robert will do a great job. Other committee leadership remained unchanged - Leo Brekel will continue as the Finance Committee chair with Stuart Morgan as vice chair, and Shawn Turner will remain the chair of the Engineering & Operations Committee with Wayne Connell as vice chair. Thank you all for your service commitment for these next 12 months.

I also want to extend a warm welcome to our new board member from Continental Divide, Joe Hoskins, as he replaces Claudio Romero. Welcome Joe, and thank you Claudio for your more than 20 years of service to the Tri-State board.

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 — *Tim*

From the CEO

As you all know, we began the Contract Termination Payment hearing with the FERC in Washington D.C. I want to thank staff for overcoming the big hurdle getting all the data submitted and our testimony filed. We expect a decision by late summer or early fall, which will be followed by an appeals process to a full panel of commissioners, who will render decision in the first or second quarter of 2023.

I was with Tim at the NRECA Legislative Conference where dialogue continued about federal stranded asset assistance, which sparked interesting discussion. As always, these meetings provide great value by providing the opportunity to interact with other co-op leaders from around the country.

I also participated in a G&T Manager Association meeting to talk about areas of change our industry is facing. I wanted to let you know that other G&Ts are showing a lot of interest in what we are doing and how our energy transformation is progressing.

As the summer months unfold, I'm looking forward to attending several of the member's annual meetings and welcome discussion about where we're headed. When we talk about having a mindset of continuous improvement, you're living that out. The board's leadership and ability to adapt to change are helping us transform into an even more efficient and flexible organization. I'm grateful for all you give to Tri-State.

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 — Duane

Operations and Financial Performance

March 2022 operations performance

- Coal fleet generation was at 96% availability and 49% of total power supply.
- Gas and oil fleet generation were above budget and accounted for 2% of total power supply.
- Renewable generation accounted for 30% of total power supply and 36% of member load.
- Tri-State had 759 MW of utility-scale wind and solar capacity. The average capacity factor for these resources was 43%, with 367 MW (48% of potential output) available at Tri-State's peak.
- Other purchased power (unspecified) was 19% of total power supply.
- Member energy sales volumes were 1.7% over budget and non-member energy sales volumes were 9.9% under budget.

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

March 2022 financial performance

- Member electric sales were 1.7% higher than budget.
- Purchased Power was 9.9% higher than budget primarily due to the quantity of purchased power.

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

Board Update

Committee chair and vice chair elections

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

New electronic expense voucher process

A new electronic expense voucher process is being introduced this month to make submitting board expenses more efficient, reduce staff time and expedite reimbursement. The executive committee will take a trial run with the new tool, with the system expected to be available to all board members by the July board meeting.

Recent press releases

In April, Tri-State released several statements including:

- Tri-State, La Plata Electric Association, Poudre Valley Rural Electric Association and San Miguel Power Association [reach settlement on flexible power supply options](#) (April 28)
- Tri-State enters [new \\$520 million revolving credit facility](#) (April 25)
- [FERC rejects United Power's filings](#) and nullifies conditional withdrawal notices (April 21)
- Tri-State's [Phase I 2020 Electric Resource Plan settlement approved](#) by Colorado PUC (April 19)
- Advancement of reliable, affordable, responsible power highlighted at [Tri-State's 70th Annual Meeting](#) (April 8)
- Tri-State filing with Colorado Public Utilities Commission would result in [retirement of Rifle Station](#) (April 5)

Government relations report

The May [Government Relations Report](#) can be found on the directors' BoardBooks app and in the Member Information Center.

Meetings and events**Committee and Board Meetings**

- Monday, June 6:
 - Executive Committee Meeting, 3 p.m.
- Tuesday, June 7
 - Engineering & Operations Committee, 8 a.m.
 - External Affairs/Member Relations Committee, 10:30 a.m.
 - Finance & Audit Committee, 1:30 p.m.
- Wednesday, June 8
 - Tri-State Board of Directors Meeting, 8 a.m.

Note the July 6-8 Committee and Board meetings will be virtual only.

Rate Design Committee

- Tuesday, June 9 at 8 a.m.
- Wednesday, June 29 at 8 a.m. (virtual only)

CEO Town Hall Meeting

- Monday, June 13 at 10 a.m. (virtual)

Quarterly Member CEO Meeting

- Wednesday and Thursday, July 20-21, in Santa Fe, N.M.