




La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 

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# NEWS

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## **LPEA board approves ground-breaking partnership on cooperative's future power supply**

DURANGO, Colo. – The La Plata Electric Association (LPEA) Board of Directors unanimously passed a resolution today allowing staff to negotiate and finalize power supply contracts with Tri-State Generation and Transmission Association (Tri-State) and Crossover Energy Partners (Crossover). This historic collaboration between LPEA, Tri-State, and Crossover supports one of three future power supply options LPEA has been exploring for several years and positions LPEA to source roughly half of its power from its current power provider Tri-State and half from other sources. As outlined in [Resolution 2019-10](#), the other options explored were to amend LPEA's current Tri-State contract to allow more flexibility or to fully exit the contract.

"This is a breakthrough partnership that delivers substantially greener energy at lower costs while ensuring the reliability our members expect," said LPEA Board President John Witchel. "I am incredibly proud of the LPEA team and the extraordinary results their hard work has delivered to our community. I hope that other rural electric co-ops around the country will follow our lead to a more sustainable and resilient future."

"I want to thank our partners at Tri-State and Crossover for working with us on this ground-breaking, collaborative solution that meets LPEA's mission to provide safe, reliable, affordable, low-carbon electricity to our members," added LPEA CEO Jessica Matlock. "I also want to thank our members for their continued interest and feedback throughout this process."

LPEA hosted the third in a series of virtual town hall meetings on this topic last week. During the [meeting](#), LPEA detailed the benefits expected from the partial contract option. These include an average savings of \$7 million per year, an immediate 50% reduction of LPEA's carbon footprint, continued reliability through Tri-State's established infrastructure, enhanced resiliency through Crossover's regional generation resources, and an extra \$1 million in education grant funds for the local community.

"Together with LPEA, we are working towards a win-win solution as we both reduce emissions and increase clean energy resources," said Tri-State CEO Duane Highley. "Tri-State's Responsible Energy Plan is delivering the power supply flexibility that ensures our members and their communities can meet their goals."

"Crossover is thrilled to partner with LPEA to develop an alternative supply plan that leverages Crossover's regional resources to provide reliable, sustainable energy that will also save LPEA's members millions of dollars annually, making this a cost-effective solution with immediate results," said Tiago Sabino Dias, CEO of Crossover. "We appreciate the LPEA board's vote of confidence in our capabilities and look forward to our collaboration."

LPEA continues to work with Tri-State and other parties in the Federal Energy Regulatory Commission (FERC) process to find a mutually agreeable buy-down payment amount (e.g., the cost to LPEA of partially exiting its contract with Tri-State). An agreement memorializing the settlement will be filed with FERC for approval if a settlement is reached.

The LPEA board will continue discussions on how to pass the anticipated cost savings to members. Options include rate decreases, the postponement of future rate increases, the increased retirement of Capital Credits to members, or increased funding for capital construction or fire mitigation projects to improve service reliability.

For more details on LPEA's exploration of future power supply options, including the latest updates, town hall materials, legal timelines, and FAQs, visit [lpea.coop/powersupply](http://lpea.coop/powersupply).

LPEA is a member-owned, not-for-profit electric distribution cooperative serving La Plata and Archuleta, with segments of Hinsdale, Mineral, and San Juan counties. LPEA is the fifth largest cooperative of 22 in Colorado and aims to provide safe, reliable electricity at the lowest reasonable cost to approximately 35,000 members. Contact LPEA at (970) 247-5786 or visit [lpea.coop](http://lpea.coop) for more information.

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