



La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 

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# NEWS

**FOR FURTHER INFORMATION CONTACT:**

Hillary Knox, VP of Member Experience

T: (970)749-6378 E: hknox@lpea.coop

## **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, 2022 – Westminster, Colo.) In a significant step forward to advance flexible power supply options for its members, wholesale power supply cooperative Tri-State Generation and Transmission Association today filed with the Federal Energy Regulatory Commission (FERC) a settlement agreement with numerous parties, importantly including Tri-State utility members La Plata Electric Association (LPEA), Poudre Valley Rural Electric Association (PVREA) and San Miguel Power Association (SMPA) on partial requirements memberships.

With FERC approval, Tri-State’s utility members can utilize the flexible option to self-supply up to 50% of their load requirements, in addition to members’ current 5% self-supply and community solar options.

“Reaching an agreement to implement flexible power supply options with our members is another significant milestone in our Responsible Energy Plan,” said Duane Highley, chief executive officer of Tri-State. “In the spirit of our cooperative model, it’s a win for all involved, and we greatly appreciate the collaborative efforts of our members, our board of directors and FERC Trial Staff.”

In 2021, Tri-State’s board of directors, including a representative from each of the cooperative’s 42 utility members, authorized an open season offering a total of 300 megawatts of self-supply capacity, which is approximately 10% of Tri-State’s system peak demand. Three Tri-State utility members, LPEA, PVREA and SMPA, have already taken part in the open season for an aggregate of 203 megawatts.

“We are optimistic about the partial contract option, allowing us to source half our power from Tri-State and half from other sources, and are thankful for the collaboration to meet the unique needs of our local communities,” said LPEA CEO Jessica Matlock. “If approved by FERC, this path would support and evolve the generation and transmission model, while delivering financial, environmental, social, and resiliency and reliability benefits to LPEA. We hope for a positive outcome from FERC, given the wide level of support and the win-win nature of the settlement.”

“We are encouraged by the settlement at the FERC to allow us to explore a partial requirements contract,” said PVREA CEO Jeff Wadsworth “We appreciate Tri-State and the other cooperative members for their work to reach this positive outcome.”

“We (SMPA) are very pleased with this latest step forward, towards more flexibility, further enabling us to meet the needs of our membership,” said SMPA CEO Brad Zaporski. “After several years of work, we are confident that we have come up with an agreement that works to the benefit of all Tri-State members.”

The settlement agreement resolves the level of the buy-down payment that a partial requirements member would pay to Tri-State, and certain of the commercial terms applicable to Tri-State utility members that intend to become partial requirements utility members. Specific buy-down payments will not be disclosed until the settlement is approved by FERC. Regarding transmission services, partial requirements utility members will continue to purchase full-requirements transmission service from Tri-State and will agree on how third-party resources will be delivered into Tri-State’s transmission system. “By listening to each other’s needs, our members developed an approach to pursue their individual goals while maintaining the value of membership in Tri-State and benefiting all of our members,” said Highley.

### **Tri-State extends opportunities for members to participate in flexible contract options**

To increase opportunities for its members to self-supply power, Tri-State’s board extended the open season for other utility members to pursue opportunities in flexible self-supply contracts. The extension of the open season for the 97 megawatts of capacity remaining supports the needs of Tri-State members, including potentially Jemez Mountains Electric Cooperative (Española, N.M.) as it works on solar energy development with the Pueblos located in the cooperative’s service territory, supporting economic growth in tribal communities.

“The additional flexibility in our power contract gives us the opportunity to advance our Pueblos’ goals for investment and economic development through locally generated clean energy,” said Michael Hastings, CEO and general manager of Jemez Mountains Electric Cooperative, Inc.

Nominations for self-supply capacity in the extended open season can be made in May 2022. As part of its Responsible Energy Plan, Tri-State has reduced its wholesale rates 4%, while increasing clean energy and reducing emissions, with 50% of the energy Tri-State’s members consume forecasted to come from emissions-free renewable energy in 2024 and targeted to reach 70% by 2030.

Members transitioning to partial requirements memberships will continue to receive the unique benefits of Tri-State membership, demonstrating the value of Tri-State, generation and transmission cooperatives and the cooperative business model.

The settlement agreement addresses issues in FERC Docket Nos. ER20-2417-000 and ER21-368-000

LPEA is a member-owned, not-for-profit electric distribution cooperative serving La Plata and Archuleta counties, 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. For additional information, contact LPEA at (970) 247-5786 or visit [lpea.coop](http://lpea.coop).