

LA PLATA ELECTRIC ASSOCIATION, INC. (LPEA)
Finance and Audit Committee Meeting Minutes
Thursday, December 7, 2023
9:00 a.m. - 11:00 a.m.
<https://lpea.coop/board-directors-committees>

CALL TO ORDER

The Finance and Audit Committee of the La Plata Electric Association Board of Directors was held Thursday, December 7, 2023, via Zoom webinar. Committee Chair Wheeler called the meeting to order at 9:01 a.m. The following committee members were in attendance:

COMMITTEE MEMBERS

Director Tim Wheeler, Board Treasurer & Committee Chair
Director Nicole Pitcher
Director David Luschen
Patrick Berry, VP of Finance
Jessica Matlock, Chief Executive Officer

LPEA STAFF

Dan Harms, EVP of Grid Solutions and Special Projects
Elizabeth Howe, VP of Business Services
Monica Rodriguez, Controller
Graham Smith, General Counsel
Janelle Thunstrom, Executive Assistant

EXCUSED ABSENCE:

None

GUESTS:

Directors Kohler McInnis and Kirsten Skeeahan
Guinn Unger
Alex Jauch and Allison Miller – SEH, Inc.

APPROVAL OF AGENDA

Committee Chair Wheeler addressed the agenda of the December 7, 2023, Finance and Audit Committee (FAC).

Motion: Committee Member Luschen moved to approve the December 7, 2023, FAC meeting agenda as presented. Motion seconded and carried without dissent.

APPROVAL OF MEETING MINUTES

Committee Chair Wheeler addressed the November 9, 2023, FAC meeting minutes.

Motion: Committee Member Luschen moved to approve the November 9, 2023, FAC meeting minutes as presented. Motion seconded and carried without dissent.

NOVEMBER FINANCIALS REVIEW

VP Berry stated that the November financials were not ready due to the timing of the FAC meeting this month. However, we don't see any significant budget variances, but there was an error last month in a plugged number of a negative variance of \$250k. The actual November results will be discussed at the board meeting next week. This error did not cause any of our KPI's to be off target after adjustment.

EXECUTIVE SESSION

Committee Chair Wheeler requested a motion to move into an executive session to discuss a building proposal.

Motion: Committee Member Pitcher moved to enter an executive session to discuss a building proposal. Motion seconded and carried without dissent.

The committee remained in the executive session from 9:07 a.m. to 10:15 a.m.

Motion: Committee Chair Wheeler moved to recommend to the full board that it pursue a new building route, not a remodel route. Motion seconded and carried without dissent.

NET METERING PROPOSAL

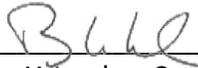
CEO Matlock gave the history of the Net metering proposal. VP Harms and CEO Matlock have been working with the Solar installers since January and meeting with them throughout the year. LPEA exceeded our 5% cap and had to pay Tri-State a true-up payment due to our current contract. We met with the Solar installers to come to a compromise that would benefit members and the solar industry.

VP Harms presented a Net Metering change summary sheet with examples and a cost shift chart. This presentation highlighted changes since starting the net metering process. VP Harms discussed the existing net metering tariff, the original staff proposal for net metering/Qualifying Facilities, the recommended staff proposal for net metering/Qualifying Facilities that included the compromises on terms from discussions with solar installers, and lastly, a version of the net metering/Qualifying Facilities that the solar installers requested. The recommended compromise proposal for net metering/Qualifying Facilities included the addition of aggregated net metering, the addition of an application fee, increasing the approval limit for net metering to 200% of annual consumption, and decreasing the allowed net metering system sizing to 50 kW. The recommended net metering package was estimated to reduce the cost shift to non-net metered members by approximately \$2 million over the next 10 years. VP Harms and CEO Matlock took all questions.

Motion: Committee Member Pitcher moved to recommend to the full board the compromise to the Net Metering and Qualified Facilities Tariff changes. Motion seconded and carried without dissent.

ADJOURN

There being no further business, this meeting of the Finance and Audit Committee of the La Plata Electric Association Board of Directors adjourned at 11:05 a.m. Recorded by J. P. Thunstrom and approved by:



Tim Wheeler, Committee Chair