

EXTERNAL AFFAIRS/MEMBER RELATIONS/COMMUNICATIONS AND PUBLIC AFFAIRS

1. Safety

- a. There were two Non-Lost Workday Case reported in March 2022.

2. Environmental and Regulatory Activities

- a. For March 2022, 48 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 inspection of the petroleum storage tank system at Craig Station was conducted by the Colorado Department of Labor and Employment, Division of Oil and Public Safety. No violations were identified during the inspection.

3. Government Relations

- a. The Government Relations report can be found at the following link -
https://drive.google.com/file/d/1_e14-dflhoL-lelVrJTIFeLmnNiYesax/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. No reports were given this month

REGULAR BOARD MEETING, COMMITTEE MEETINGS, AND ANNUAL MEETING

This month there were no Committee Meetings due to the Annual Meeting. The Board Meeting was abbreviated. There was an Executive Session which included a legal update, action on Project Ascend (the Board approved moving forward with the project), and reorganization of the Executive Committee (no changes were made). The Membership Meeting and Annual Meeting presentations are included in our drive.

Tri-State Board of Directors

April 2022 Meeting Highlights



2022 Annual Meeting Recap

The 2022 Tri-State Annual Meeting and Membership Meeting was held in Westminster, CO on April 5-6 and marked the 70th anniversary of the organization. The theme of the meeting was “Driving Change,” which was highlighted in remarks made by Tri-State Chairman Tim Rabon, CEO Duane Highley and Treasurer Stuart Morgan. The keynote speaker was Arshad Mansoor, President and CEO of the Electric Power Research Institute (EPRI).

- *Tim Rabon (Chairman’s Report)*
 - Rabon focused his comments on his priorities as chairman and the progress made last year on the association’s energy transition and the Tri-State Board of Directors’ priorities.
 - Since becoming chairman in August of 2021, Rabon has focused on four priorities:
 - Keeping the lights on and prioritizing reliability
 - Making sure Tri-State’s energy transition does not leave any member behind
 - Continuing to adhere to the cooperative principles
 - Ensuring progress on the transition – even when faced with challenges
 - In support of the board’s priorities, he provided specific examples of how the association is maintaining reliability, working hard to be more affordable, and implementing initiatives to provide more member flexibility as Tri-State makes a responsible transition.
 - He emphasized that the members are driving the change and working together to ensure that Tri-State is stronger than ever before, and will continue to be so well into the future.
- *Duane Highley (CEO’s Report)*
 - Building on the theme of the driving change, Highley discussed Tri-State’s role in the advancement of clean energy, lower emissions and member contract flexibility, all while providing reliable service and reducing wholesale rates.
 - Highley provided a vision of what Tri-State will look like in the future and noted that, while we continue to face challenges, the association is making progress on its priorities .
 - He emphasized the need to continue to be a reliable source of energy to our members, while also providing more services, investing in transmission, moving to a regional energy market, reducing costs, and increasing flexibility.
 - While the focus of his presentation was on the future, he acknowledged that any journey of this magnitude would have its detours and roadblocks that will need to be overcome.
 - In his closing, he acknowledged the transition is moving fast and resulting in lots of changes and some uncertainty, but in the end the membership will benefit and be positioned for another 70 years of success.
- *Stuart Morgan (Treasurer’s Report)*
 - Morgan presented the 2021 financial information, which included a 2 percent rate reduction starting in March 2021.
 - The financial results reflected the challenges Tri-State faced in 2021, but also showed the association will continue to be financially stable, achieve its financial goals and focus on reducing rates as it progresses through its transition.
 - Morgan noted Tri-State is fortunate to have the financial strength to implement significant changes and meet the board’s priorities of reliability, affordability, responsibility, and flexibility.
- *Arshad Mansoor (EPRI)*
 - Monsoor discussed the work EPRI is researching, including how the utility industry will transition to meet federal environmental goals and priorities.
 - He discussed the need to embrace change, but also to be cautious and make prudent decisions related to technology.
 - EPRI’s research is focused on finding new technologies – or improving existing technology – that can provide a reliable source of clean dispatchable energy in the future.
 - He also mentioned the need for regulations and rate designs that will advance more distributed energy, similar to those Tri-State is considering in its new Energy as a Service program.

Chairman of the Board and Executive Committee Re-elected.

Tim Rabon, who represents Otero County Electric Cooperative (Cloudcroft, N.M.) was re-elected to serve as Chair. As the association continues to transition, Rabon indicated he believes Tri-State is headed in the right direction and is honored by the board’s trust in him to lead the organization.

- Mr. Rabon serves as a trustee of Otero County Electric Cooperative, Inc. and has served on the Tri-State board since April 2014. He owns or is a partner in several construction, land development and ranching businesses in Alamogordo, NM.
- In addition to re-electing the chairman, the Tri-State board re-elected the following incumbents to serve on the Executive Committee:
 - Don Keairns, representing San Isabel Electric Association (Pueblo West, Colo.), was re-elected to the position of Vice Chairman.
 - Julie Kilty, representing Wyrulec Company (Torrington, Wyo.), was re-elected to the position of Secretary.
 - Stuart Morgan, representing Wheat Belt Public Power District (Sidney, Neb.), was re-elected Treasurer.
 - Matt Brown, representing High Plains Power (Riverton, Wyo.) and Scott Wolfe, representing San Luis Valley REC (Monte Vista, Colo.), were re-elected Assistant Secretaries.
 - The Executive Committee’s three at-large positions were seated with incumbents Wayne Connell, representing Central New Mexico Electric Cooperative (Mountainair, N.M.), and Shawn Turner, representing The Midwest Electric Cooperative (Grant, Neb.) Thaine Michie was elected to the remaining at-large position on the board; he represents Poudre Valley Rural Electric Association (Fort Collins, Colo.).

This month's highlights

- 70th Annual Meeting
- Membership Meeting
- Executive Committee re-elected
- Annual Report published
- Filing on Rifle Station
- Operations and Financial Reports
- Government Relations Report
- Upcoming Events

From the Chairman

I want to thank the approximately 450 member representatives and guests for their attendance and active participation at our Annual Meeting. I thought the week went really well and was a proper tribute to 70 years of service to our members. I also want to recognize Secretary Julie Kilty and Treasurer Stuart Morgan for their work and reporting at the Annual Meeting.

The meeting was a wonderful experience, and I want to thank Duane and his staff for pulling off another great event. After two years of virtual and limited meetings, it was nice to see so many members in person. Of course, we are always looking to improve, so if you have any suggestions for me or staff on the meeting, please let me know.

I also want to let you know how humbled I am to be re-elected chairman of this great organization. As we work through this energy transition, I am excited and proud to be part of the team. As I stated in my Annual Meeting report, I do think we are on the right path and I look forward to working with all of you to fulfill our priorities and continue to provide value to the membership.

I also want to congratulate the members of the Executive Committee on their re-election. I look forward to working with them over the next year, and I think their re-election is another good sign the organization believes we are going the right direction.

Again, I want to thank you for your support and look forward to another year of progress. 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

Our Annual Meeting events have many moving parts, and it takes a well-coordinated team to make it happen. I want to thank the Communications, Member Relations, Beneficial Electrification, Legal, Strategy, Facilities and Security teams, our Ambassadors, and our leadership team and their staff, for their thorough preparation and strong execution of the meetings.

During my presentation and throughout our discussions, we reenforced the important message that Tri-State is not reacting to change or avoiding change, but driving it. It's our members who are really driving change for Tri-State, and even as we transition to cleaner energy, reliability remains job one.

As Tim, Stuart, our executive staff and I discussed, we are making steady progress on the four pillars of our strategy map – reliability, affordability, responsibility and flexibility – and I am so very proud of the diligent work of our staff to get us where we are today.

I also want to thank this year's keynote speaker, Electric Power Research Institute (EPRI) President & CEO Arshad Mansoor. Tri-State is part of EPRI's Low Carbon Research Initiative. Arshad's discussion, followed with a Q&A session, was informative to how needs for reliability and affordability are served in the energy transition, and how the energy sector is at the "tip of the spear" in the transition.

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

February 2022 operations performance

- Coal fleet generation was at 95% availability and 47% of total power supply.
- Gas and oil fleet generation were above budget and accounted for 5% of total power supply.
- Renewable generation accounted for 28% of total power supply and 34% of member load.
- Tri-State had 759 MW of utility-scale wind and solar capacity. In January, the average capacity factor for these resources was 42%, with 336 MW (44% of potential output) available at Tri-State's peak.
- Other purchased power (unspecified) was 20% of total power supply.
- Member energy sales volumes were 1.4% over budget and non-member energy sales volumes were 9% under budget.

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

February 2022 financial performance

- Member electric sales were 1.7% higher than budget.
- Non-member sales were 18.7% higher than budget. The budget includes an adjustment for Rate Stabilization included monthly. Rate Stabilization, while budgeted monthly, will be assessed on a quarterly basis to determine whether to recognize deferred revenue.
- Purchased Power was 10.7% higher than budget primarily due to higher energy imbalance purchases
- Fuel was 42.9% higher than budget primarily resulting from higher fuel costs at two plants and Colowyo Mine.

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

Board Update

Tri-State's 70th Annual Meeting held April 5-6

The 2022 Tri-State Annual Meeting and Membership Meeting was held in Westminster, Colo., on April 5-6, marking the 70th anniversary of the cooperative. The theme of the meeting was "Driving Change," which was highlighted in remarks made by Tri-State Chairman Tim Rabon, CEO Duane Highley and Treasurer Stuart Morgan. The Annual Meeting keynote speaker was Arshad Mansoor, President and CEO of the Electric Power Research Institute (EPRI).

View the Annual Meeting [press release](#).

Chairman's Report

- Tim Rabon focused his comments on his priorities as chairman and the progress made last year on the association's energy transition and the Tri-State Board of Directors' priorities.
- Since becoming chairman in August of 2021, Rabon has focused on four priorities:
 1. Keeping the lights on and prioritizing reliability;
 2. Making sure Tri-State's energy transition does not leave any member behind;
 3. Continuing to adhere to the Cooperative Principles; and
 4. Ensuring progress on the transition—even when faced with challenges.

- In support of the board’s priorities, he provided specific examples of how the association is maintaining reliability, working hard to be more affordable, and implementing initiatives to provide more member flexibility as Tri-State makes a responsible transition.
- Rabon emphasized that the members are driving the change and working together to ensure that Tri-State is stronger than ever before and will continue to be so well into the future.
- Review the [Chairman’s presentation](#) in the Member Information Center and the Directors’ BoardBooks app.

CEO’s Report

- Building on the theme of *driving change*, Highley discussed Tri-State’s role in the advancement of clean energy, lower emissions and member contract flexibility, all while providing reliable service and reducing wholesale rates.
- Highley provided a vision of what Tri-State will look like in the future and noted that, while we continue to face challenges, the association is making progress on its priorities.
- He emphasized the need to continue to be a reliable source of energy to our members, while also providing more services, investing in transmission, moving to a regional energy market, reducing costs, and increasing flexibility.
- While the focus of his presentation was on the future, he acknowledged that any journey of this magnitude would have its detours and roadblocks that will need to be overcome.
- In his closing, he acknowledged the transition is moving fast and resulting in lots of changes and some uncertainty, but in the end the membership will benefit and be positioned for another 70 years of success.
- Review the [CEO’s presentation](#) in the Member Information Center and the Directors’ BoardBooks app.

Treasurer’s Report

- Stuart Morgan presented the 2021 financial information, which included a 2 percent rate reduction starting in March 2021.
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- Morgan noted Tri-State is fortunate to have the financial strength to implement significant changes and meet the board’s priorities of reliability, affordability, responsibility, and flexibility.
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Keynote from EPRI

- Electric Power Research Institute (EPRI) President and CEO Arshad Mansoor discussed the work EPRI is researching, including how the utility industry will transition to meet federal environmental goals and priorities.
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- EPRI’s research is focused on finding new technologies – or improving existing technology – that can provide a reliable source of clean dispatchable energy in the future.
- He also mentioned the need for regulations and rate designs that will advance more distributed energy, similar to those Tri-State is considering in its new Energy as a Service program.

Membership Meeting presentations highlight progress on member goals, culture and safety

At the Membership Meeting on April 5, several Tri-State executives presented on key issues, including:

- Sr. VP People & Culture Elda de la Peña [presented](#) insight related to Tri-State employees, highlighting our engaged and diverse workforce, and how we're managing change together.
- Sr. VP Policy and Compliance Barbara Walz [presented](#) on the value Tri-State puts on safety, and the direct connection between safety and providing reliable service.
- Brad Nebergall, Sr. VP Energy Management, and Joel Bladow, Sr. VP Transmission, [presented](#) on resource planning and organized markets, with a focus on preserving reliability.
- Reg Rudolph, SVP Chief Energy Innovations Officer, [presented](#) on opportunities for Tri-State and the membership to provide Energy as a Service.
- Pat Bridges, SVP Chief Financial Officer, [presented](#) on affordability, highlighting 2021 financial performance, cost management and revenue growth opportunities.

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2021 Annual Report published

Tri-State's 2021 Annual Report, titled *Driving Change* is available on our [web site](#). We have additional copies available in hardcopy. Members should reach out to their Relationship Manager to request additional copies. The report features letters from the Chairman and CEO, highlights of the year, and Q&A columns with Elda de la Peña and Brad Nebergall.

Tri-State filing with Colorado Public Utilities Commission would result in retirement of Rifle Station

On April 5, Tri-State made a filing with the Colorado Public Utilities Commission that would, if approved, result in the retirement of Rifle Station on or about Oct. 6, 2022. The 85-megawatt combined-cycle facility, located in Rifle, Colo., runs infrequently, as Tri-State currently has sufficient and lower-cost resources to serve its members' power requirements, and significant near-term investments would be required to continue operating the facility.

- The power plant has four employees, and Tri-State is providing support for those employees as they transition from the facility.

- Tri-State’s board of directors also approved a donation of \$50,000 for local economic development to the Rifle Regional Economic Development Corporation (RREDC). Tri-State worked with Garfield County, Colo., to identify RREDC as the recipient for these funds.
- Rifle Station came online in 1987. Tri-State began purchasing power from the plant in 1992 and purchased the facility in 2002. Tri-State does not anticipate adverse effects to reliability or emissions with the retirement of the facility.

View the [press release](#) on the filing.

Government relations report

The April [government relations report](#) can be found on the directors’ BoardBooks app and in the Member Information Center.

Meetings and events

- Member CEO Meeting, Tuesday, April 19 at 11:30 a.m.
- Rate Design Committee, Wednesday, April 20 at 8 a.m.
- Board Executive Committee, Wednesday, May 4 at 3 p.m.
- Engineering and Operations Committee, Thursday, May 5 at 8 a.m.
- External Affairs/Member Relations Committee, Thursday, May 5 at 10:30 a.m.
- Finance and Audit Committee, Thursday, May 5 at 1:30 p.m.
- Board Meeting, Friday, May 6 at 8 a.m.