

LPEA July 2023 DIVISION DASHBOARDS



Flight for Life Demonstration for Health & Safety Day



Key Performance Indicators

Attribute	Metric	YTD Goal	YTD Actual	Status
Safety	Average Safety Meeting Attendance (%)	> = 80.00	96.25	✓
Reliability	System Average Interruption Duration Index (SAIDI, minutes)	< 60.000	55.754	✓
	System Average Interruption Frequency Index (SAIFI, outages/member)	< 1.000	0.668	✓
Finance	Financial Health Score	> = 100.00	328.1	✓
	YTD Operating Margin (% of Revenue)	> = 2.0	7.65	✓
	Cash Reserves (% of Operating Costs)	12 - 20	8.86	!
	Debt Financing (% of Equity)	< = 100	66.95	✓
	Modified Debt Service Coverage (MDSC)	> = 1.35	2.54	✓
	Operating Times Interest Earned Ratio (OTIER)	> = 1.50	3.59	✓
	Equity (%)	40 - 55	53.97	✓
Beneficial Electrification	BE Sales (kWh)	> = 120,000	132,578	✓
Information Technology	Average Critical System Uptime (%)	> = 99.9	99.980	✓



Meeting or exceeding performance goal



Monitoring performance



Not on track to meet performance goal

Date Range: 01/01/2023 - 07/31/2023

Definitions of attributes can be found at the end of this report.

Be safe and excellent in all we do



TARGET: EXPERIENCE NO LOST-TIME INCIDENTS OR ACCIDENTS

- ✓ No lost time accidents or incidents in July.
- ✓ LPEA sent a team of lineman (Evan Moore, John Keating, and Clinton Peak) to a Lineworker Rodeo event located in Butte, Montana. The event drew lineworkers from around the nation to compete against each other on electrical knowledge, skills and safety of their trade. LPEA's rodeo team took 2nd place in the cooperative division. This is a testament to the top-notch abilities and excellence of our line crews and management staff that support and train these crews.

TARGET: EXPERIENCE NO CYBER INCIDENTS THAT DISRUPT BUSINESS PROCESSES

- ✓ Zero cyber incidents.
- ✓ Retired on-premise Exchange server and completed migration to cloud-based email. Microsoft Exchange is a major target of cyber criminals, and removing this server reduces our exposure.

TARGET: ACHIEVE 100% REGULATORY COMPLIANCE

- ✓ All compliance goals were met for July.

- ✓ NERC/CIP-003-8 R1.2.1: Cyber Security Awareness Policy Review. This policy states that LPEA will ensure that our employees have appropriate training and awareness on cybersecurity threats and best practices.
- ✓ LPEA hosted an all-employee Health & Safety Day on July 27th comprised of 17 individual presentations related to health and safety in the workplace and beyond. The event model, created internally, has been shared with CREA and other cooperatives who wish to host similar events. This event also created and strengthened relationships with our regional partners like the Colorado State Patrol, USFS, FD, and PD.



LPEA lineworkers rodeo team

Keep the lights on



TARGET: COMPLY WITH LPEA'S WILDFIRE MITIGATION PLAN

- ✓ Replaced 5 poles, installed 2 raptor protects, and tree trimmed 35 miles of line.

TARGET: COMPLETE THE 2023 BUDGETED CAPITAL PROJECTS

- ✓ As of the end of June, 40% of our budget has been spent and 40% of the work has been completed.
- ✓ Energized the new mobile substation, capital project number 400-19, in the Pagosa substation. This will allow us to complete project number 500-30 and upgrade the substation relays, slated for August.
- ✓ Completed capital project 300-156 in Pagosa's Twin Creek subdivision. Over 25,628 feet of old primary cable was replaced, increasing capacity and reliability.

TARGET: ACHIEVE SAIDI/SAIFI TARGETS

- ✓ Restored 53 unplanned outages. These were caused by more underground faults, 16 were caused by small birds, and 8 were caused by the public.



LPEA representation at the Lineworker's Rodeo

Source clean, local, low-cost power



TARGET: CONTINUE TO PURSUE LOCAL CLEAN POWER PROJECTS

- ✓ Progress on Sunnyside continues to move forward, and we should break ground in September. LPEA has applied for one grant and is in the process of applying for a second that involves additional solar generation projects.
- ✓ Jessica Matlock and Dan Harms met with Tri-State staff and consultants to discuss the details of the EQP (partial contract alternative option) and to walk through Tri-State's modeling.



Lineworkers replace a pole outside of Pagosa

Be a trusted community partner



TARGET: CREATE TRAINING AND EDUCATION PROGRAMS FOR KEY STAKEHOLDERS WITH REGULAR TOUCHPOINTS

- ✓ LPEA has partnered with community organizations on three case studies that exemplify beneficial electrification by showing how a combination of weatherization, all-electrical appliances, and modern heating and cooling systems can work together to reduce energy bills and be a standard for new construction as well as retrofitting existing homes. One of these is a Habitat for Humanity project in Pagosa Springs. This project is on track to begin construction next month, which will offer insight and education programs for our local contractors in building an all-electric home. These projects are being funded through LPEA's Beneficial Electrification fund.



A lineworker demonstrates an electricity arc using a kite

Maintain strong financial health



TARGET: OPERATING MARGIN AT 2%

- ✓ 7.65% YTD - Very high margins due to strong winter sales, warmer than expected July and continuing cost controls.

TARGET: CASH RESERVES AT 12-20%

- ! 8.86% YTD - Cash was under the board's target at the end of July due to our quarterly and semi-annual debt repayment. We anticipate that the cash balance will be back to 12% by the time of the board meeting.

TARGET: EQUITY PERCENTAGE IS 40-55%

- ✓ 53.97% YTD - No significant change from June.

TARGET: LONG-TERM DEBT IS LESS THAN 100% OF EQUITY

- ✓ 66.95% YTD - Long-Term Debt reduced by \$14m over the last 12 months.

TARGET: MDSC IS GREATER THAN OR EQUAL TO 1.35 (DEBT COVENANT)

- ✓ 2.54 YTD - Strong and sufficient operating margins to cover cash requirements of our long term debt.



Meter exchange taking place



TARGET: WIN GRANT FUNDS TO SUPPORT LPEA INITIATIVES

- ✓ **GRANT TRACKING:** LPEA with the City of Durango applied for a DC fast-charging plaza grant. Our application was denied however a Tesla application was selected for our area and we can expect a new DC Fast Charging plaza in our area.

Awarded to LPEA: 1 = \$240,000

- TripSaver resiliency grant with SUIT

Awarded to others with LPEA help: 1 = \$200,000

- Pagosa to Durango transit grant

Grants pending: 3 = \$10,340,000

- USDA PACE grant for 5MW Sunnyside expansion
- DOE wildfire mitigation grant for Vipers
- DOE wildfire resilience grant for undergrounding

Grants in progress: 2

- EPA - Clean School Bus Program
- USDA New ERA - 25 MW solar generation project

- ✓ LPEA submitted a USDA PACE grant funding request for a solar plus storage project. This will be used for Phase II of our Sunnyside Community Solar Plus Storage Project.

TARGET: CONTROL 3,000 KW OF DISTRIBUTED ENERGY RESOURCES (DERs)

- ✓ LPEA now has 3,074 kW of DER assets under its control which is an increase of 83 kW over last month. LPEA has achieved its goal for 2023, however, we are still striving to have 5,000 kW under control by 2025. Under LPEA's current wholesale rate, having 3 MW of DER resources under control has the potential to save LPEA \$6,000 per month. Under the new wholesale rates, this would be \$7,200 per month. Current member incentives exist in the form of Time of Use Rates and avoidance of Peak Power Charges. These incentives total approximately \$4,500 per month.