

EXTERNAL AFFAIRS/MEMBER RELATIONS/COMMUNICATIONS AND PUBLIC AFFAIRS

1. Safety

- a. There was one Non-Lost Workday Case in August 2023.

1. Environmental and Regulatory Activities

- a. For August 2023, 19 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. None to report for August 2023.

2. Government Relations

- a. The Government Relations report was provided. The link for the August 2023 Government Relations on LPEA's Board Drive is –
https://drive.google.com/file/d/1BbVU6EUzAZF9Wi2IEGyr-rAHifzC8GuJ/view?usp=drive_link

3. Member Relations and Communications

- a. TS Member Relations/Marketing/Communications reports were provided.

4. External Affairs Committee Report

- a. Reg Rudolph provided a written report.

REGULAR BOARD MEETING AND COMMITTEE MEETINGS

This month our Board Meeting was virtual and only the Executive Committee met. Committee Updates were provided for the other three committees. The routine reports and presentations were done in open session and other items were in Executive Session. It was a short meeting (6 hours) as compared to the last couple of months. United Power and Mountain Parks have pulled their representatives off the Tri State Board. United Power did have a United staff member attend the meeting that was in open session and most of the Executive Session that was open to Member's Staff.

Please see the September Board Report in OnBoard and additional TS reports/presentations in the LPEA Board Drive. Documents in the Board Drive may not be shared with the public.

This month's highlights

- Chairman and CEO messages
- Operations and financial performance
- WSPC funding authorization
- Recent Media
- Government Relations report
- Meetings and events

From the Chairman

We were saddened to learn of the passing of long time Southeast Colorado Power and Tri-State director Bill Wright on August 29. Please keep Bill's wife Fern, his family, friends and co-op colleagues in your prayers during this difficult time. Bill was a good man and director, and greatly benefited Tri-State with his perspective and wisdom.

Please welcome Elias Coriz to the board, representing Jemez Mountains Electric, and Larry Hoozee, representing Morgan County REA. United Power sent notice that effective Aug. 23, it will no longer have a representative assigned to the Tri-State Board, so their representative Steven Douglas will no longer be joining us, and we've wished him our very best. Mountain Parks Electric has also informed us that they will not send a director to serve on the Tri-State board.

Last month, Don Keairns, Julie Kilty, Stuart Morgan, Steven Douglas, Duane Highley and I attended Basin Electric's Annual Meeting in Bismarck. There were good presentations, including discussion on the complexity of USDA's New ERA program rules. Basin is managing through some of the same issues as Tri-State related to aging assets and concerns over investments in plants considered or scheduled for closure. I sat in on the Member CEO Town Hall on Aug. 23, at which staff shared good information and updates on recent events and answered questions.

The board had an informational meeting on Aug. 24 for staff to present their work on resource planning and preparation of Tri-State's Letter of Interest for the USDA New ERA Program.

In September, directors need to complete the business relationship disclosure, pursuant to Policy #403. Shannon is sending a virtual copy, which you can sign with Adobe Sign, or you have the option to print the form and return it at the October board meeting.

We have received positive feedback on our texts and emails to the board and member CEOs with meeting updates and advisories. To help support that engagement, we will continue to email and increasingly use our text messaging system to notify the membership of important information and updates on our various meetings.

At this month's board meeting, the board authorized Western States Power Corporation funding and approved two contracts. Following our executive session, I reported that the board received the operations and financial reports, received updates on our New ERA program efforts, received a legal update, approved the 2024 capital budget, and an IT system implementation contract amendment. We also had our monthly discussion with the CEO, which we started recently and greatly value.

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

On Friday, the Western Area Power Administration announced it will move forward to pursue final negotiations for membership and expanded participation in the western expansion of the SPP Regional Transmission Organization. This is an important milestone and follows an extensive public participation process by the federal power marketing agency. As we discussed at the board meeting, we are awaiting a decision from Basin's board on its participation, and we believe the long-term benefits will well serve western G&Ts.

We have issued a reverse RFP for power sales, knowing that we will have energy and capacity available with three members' termination of their wholesale electric power contracts and withdrawal from membership.

I look forward to our mediation session with United Power later this month, and the opportunity to reach a settlement, or make progress towards settlement. We continue to do all we can to ensure the orderly withdrawal of United Power and Northwest Rural PPD by May 1, 2024.

Recent board meetings have included longer than normal executive sessions, leading to some questions about the nature of the board's discussions. With the impactful federal funding opportunities before us, much of the focus of our executive sessions has been on our resource planning and New ERA program application. Given the competitiveness of the application, and the interplay with the electric resource plan we will file on Dec. 1, it is necessary to have these discussions in executive session. This is an exciting transition that can transform Tri-State, achieving greenhouse reductions and clean energy additions while preserving affordable wholesale rates and maintaining reliable and resilient power, we just can't talk about it publicly until December.

I want to thank the Chimney Rock PPD for the privilege of attending their board meeting last month, and I appreciate the robust discussion. It was also good to meet with the leadership of San Isabel Electric. I had the opportunity to attend the Basin annual meeting with Tim and several directors, and appreciate Basin's discussions of the concerns and challenges we share on reliability. I also attended the G&T Managers Association fall meeting, where reliability was also the lead topic of discussion.

I want to thank Sen. Bennet for his continued interest and support of transitioning northwest Colorado communities with the retirements of Craig Station and Colowyo Mine. It was good to see the Senator in Craig, where we had a productive energy opportunities workshop with local officials.

Next month I will attend Northern Rio Arriba's annual meeting and the NRECA Region 7 & 9 meeting, however I cannot attend the Region 8 & 10 meeting. I will also be meeting with other Western energy leaders, where a focus will include the advancement of organized markets in the West.

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

July 2023 operations performance

- Coal fleet generation was at 97% availability and 42% of total power supply.
- Gas and oil fleet generation were above budget and accounted for 7% of total power supply.
- Renewable generation accounted for 31% of total power supply and 35% of member load.
- Tri-State had 759 MW of utility-scale wind and solar capacity with an average capacity factor of 32%, with 83 MW (11% of potential output) available at Tri-State's peak.
- Other purchased power (non-renewable) was 20% of total power supply.
- Member sales revenue was over budget and non-member energy sales revenues was under budget.

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

July 2023 financial performance

- Total operating revenues were lower than budget primarily due to lower non-member electric sales.
- Operating expenses were lower than budget.
- Purchased power, fuel, and production costs were higher than budget respectively, while transmission and general and administrative costs were lower in July, respectively.
- Purchased power was higher than budgeted for the month, with the quantity of power purchased being higher than budget, while the average cost was lower per MWh than was budgeted. The main contributor was short-term energy purchased on the open market.

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

Board Update

Western States Power Corporation funding authorization

At its September meeting, the board authorized Tri-State's participation in Western States Power Corporation (WSPC) funding for the Bureau of Reclamation – Missouri Basin Region and Western Area Power Administration - Rocky Mountain Region projects.

- WSPC was established in 1995, and is a voluntary, not-for-profit corporation.
- WSPC purpose is to assist federal agencies, including the Western Area Power Administration, U.S. Bureau of Reclamation and Corps of Engineers, by supplementing declining congressional appropriations.
- WSPC primarily supports capital improvements, replacements and urgent repairs.
- Under the Advanced Funding and Bill Credit Concept, WSPC participants advance funds and receive credit on their WAPA power. Tri-State recovers its costs, including interest, through a fund recovery fee and a transfer fee.

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

Recent Media

- [Tri-State issues request for offers from third parties to purchase power](#)
- [Origis Energy announces construction on 200 MW Escalante Solar Project.](#)
- [Chief Financial Officer Pat Bridges to retire in March 2024](#)
- [FERC issues order providing direction and clarity on Tri-State's wholesale rates and a long-standing issue regarding battery storage](#)

Government Relations report

The September [Government Relations Report](#) can be found on the directors' BoardBooks app and in the Member Information Center.

Meetings and events**Member CEO Town Hall**

- Mon., Sept. 11, 10 a.m.

Member Communications Advisory Council

- Council calls, Tues., Sept. 19, 2 p.m. and Wed., Sept. 20, 9 a.m.

October Board Meeting

- Executive Committee, Mon., Oct. 2, 3 p.m.
- Committee Meetings, Tues., Oct. 3, running consecutively beginning at 8 a.m.
 - Engineering and Operations Committee
 - External Affairs/Member Relations Committee
 - Finance and Audit Committee
- Board Meeting, Wed., Oct. 4, 8 a.m.

Tri-State Communications and Energy Services Conference

- Tues., Oct. 10 – Wed., Oct 11