

LPEA MARCH 2025 DIVISION DASHBOARD



March 2025 Dashboard





KEY PERFORMANCE INDICATORS

Key Performance Indicators

Be Safe And Excellent In All We Do

Keep The Lights On

Source Clean, Local, Lowest Reasonable Cost Power

Be A Trusted Community Partner

Maintain Strong Financial Health

Prepare For The Future

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Attribute	Metric	Goal	Actual	Status
Safety	Average Safety Meeting Attendance (%)	>= 80.00	98.33	✓
Reliability ¹	System Average Interruption Duration Index (SAIDI, minutes)	< 100.00	17.76	✓
	System Average Interruption Frequency Index (SAIFI, outages/member)	< 1.00	0.38	✓
Finance	Financial Health Score	>= 100.00	224.49	✓
	YTD Operating Margin (% of Revenue)	>= 2.5	5	✓
	Cash Reserves (% of Operating Costs)	12 - 20	5	!
	Debt Financing (% of Equity)	<= 100	60	✓
	Modified Debt Service Coverage (MDSC)	>= 1.35	2.62	✓
	Equity (%)	40 - 55	55	✓
Beneficial Electrification	BE Sales (kWh)	>= 63,000	56,944*	!
Information Technology	Average Critical System Uptime (%)	>= 99.9	100.00	✓

✓ Meeting or exceeding performance goal

! Monitoring performance

✗ Not on track to meet performance goal

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

¹Reliability is measured cumulatively over the year. The 100 minute target is our annual goal and is not monthly.

*The numbers for BE sales align with DMV reports, which are typically a month behind our reporting, and we have not received numbers for EV sales in March. The date range for this chart is 01/01/2025 - 03/31/2025.

BE SAFE AND EXCELLENT IN ALL WE DO

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TARGET: ENSURE A CULTURE OF SAFETY WITH ZERO LOST-TIME INCIDENTS AND CONTINUOUS IMPROVEMENT IN SAFETY PROTOCOLS

- ✓ No lost-time incidents in March.
- ✓ Achieved 100% regulatory safety compliance in March.
- ✓ Held a wildfire tabletop exercise to enhance staff readiness and improve response coordination.
- ✓ Hosted insurance carriers for on-site safety services consultations, including suggestions to drive change and resources to elevate programming.
- ✓ Hosted Dr. Jill Jorgensen, an expert in utility safety. Dr. Jorgensen met with focused groups of employees and provided individual consultations on biomechanics and nutrition to reduce workers' compensation and medical claims related to musculoskeletal injuries.

TARGET: EXPERIENCE NO CYBER INCIDENTS THAT DISRUPT BUSINESS PROCESSES

- ✓ No cyber incidents in March.



Dr. Jill Jorgensen speaks to staff about importances of health and wellness.

KEEP THE LIGHTS ON

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TARGET: STRENGTHEN WILDFIRE PREVENTION AND GRID RESILIENCE THROUGH PROACTIVE MITIGATION STRATEGIES AND INFRASTRUCTURE ENHANCEMENTS

- ✓ Crews changed 17 reject poles and installed 7 raptor protections.
- ✓ Chris completed a lineworker ride-along to assess the system and identify opportunities for future grid enhancements and wildfire mitigation.

TARGET: LEVERAGE TECHNOLOGY TO IMPROVE OPERATIONAL SAFETY, EFFICIENCY, AND PROACTIVE MAINTENANCE

- ✓ Completed drone inspections in the Los Ranchitos neighborhood to assess vegetation management opportunities.

TARGET: INVEST IN CAPITAL IMPROVEMENTS TO MODERNIZE THE GRID INFRASTRUCTURE, INCLUDING UPGRADES TO SUBSTATIONS, TRANSFORMERS, AND TRANSMISSION LINES

- ✓ Resumed work on Turtle Lake and Yucca Estates capital projects, which will greatly improve reliability in those areas.

TARGET: ACHIEVE TARGETED IMPROVEMENTS IN RELIABILITY METRICS, REDUCING THE FREQUENCY AND DURATION OF OUTAGES THROUGH SYSTEM UPGRADES, PREVENTATIVE MAINTENANCE, AND ENHANCED EMERGENCY RESPONSE

- ✓ Met SAIDI and SAIFI goals for March.
- ✓ Crews responded to 33 unplanned outages, mostly due to small storms and high winds.



Elizabeth Howe accepts an award from the Women's Resource Center for "Extraordinary Woman of the Year".

SOURCE CLEAN, LOCAL, LOWEST REASONABLE COST POWER

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TARGET: ADVANCE LOCAL CLEAN POWER PROJECTS BY SECURING NEW RENEWABLE ENERGY GENERATION OPPORTUNITIES, COLLABORATING WITH STAKEHOLDERS, AND ENSURING PROJECT FEASIBILITY

- ✓ Received an update from the Department of Energy (DOE) with instructions on resubmitting the PACE solar and battery project.
- ✓ Began allowing for non-export solar interconnections in areas with limited grid capacity. This enables members to offset their home usage without exporting excess power. These systems are often paired with batteries enhancing resiliency and helping reduce peak demand for both the member and the cooperative.

TARGET: COMPLETE ENERGY TRANSITION

- ✓ Signed the agreement with Mercuria, locking in prices and securing power supply for the bridge period of April 1, 2026 - 2028.
- ✓ Staff began risk training with The Energy Authority (TEA).
- ✓ Initiated a generation injection study to determine the maximum amounts and locations where generation can be added to our transmission network.
- ✓ Opened the Request for Proposals (RFP) Process through TEA to secure more power supply options beyond 2028.
- ✓ Received approval from Tri-State for the Network Integration Transmission Service (NITS) application.
- ✓ Continued to make progress on the withdrawal agreement.

- ✓ The Federal Energy Regulatory Commission (FERC) approved the tariff for the western expansion of the Southwest Power Pool (SPP) Regional Transmission Organization (RTO), covering portions of LPEA's service territory in the western grid.
- ✓ Made progress on the Meter Agent (MA) agreement.
- ✓ Finalized draft of the Purchase and Sale Agreement (PSA) with Tri-State.



CEO Chris Hansen speaks at Ska Brewery as part of the "Current Conversations with Chris" series.



THE ROAD AHEAD



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MARCH - DECEMBER 2025

APRIL 2026 - JUNE 2028

APRIL 2026 - DECEMBER 2033

JUNE 2028 +

The Energy Authority RFP Process

Bridge Period with Mercuria

Energy Independence

Power Purchase Agreements (PPAs) with Tri-State

Local Generation Projects

Diversified PPAs



BE A TRUSTED COMMUNITY PARTNER

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TARGET: ACHIEVE IMPROVEMENT IN OVERALL MEMBER SATISFACTION

- ✓ Staff collaborated to update and implement a new after-call survey aiming to gather member feedback on more targeted communications initiatives. The after-call survey will be updated approximately quarterly as initiatives change.

TARGET: STRENGTHEN COMMUNICATION WITH MEMBERS THROUGH MULTIPLE CHANNELS

- ✓ Completed key steps toward implementing online voting for the 2025 director election, including platform integration, member data coordination, and testing to ensure a secure and user-friendly experience.
- ✓ Published videos on our YouTube channel highlighting our weatherization and electrification efforts on three Pagosa homes.
- ✓ Launched a targeted, district-segmented campaign to educate members about the 2025 director election, online voting and the role of co-op directors.
- ✓ Mailed a bill insert to paper-preferring members with information about the Mercuria agreement and RFP process.
- ✓ Published a video update from Chris on our power supply progress.

TARGET: STRENGTHEN LPEA'S PRESENCE AND ENGAGEMENT WITHIN THE LOCAL COMMUNITY BY FOSTERING MEANINGFUL CONNECTIONS, PROMOTING SUSTAINABILITY EFFORTS, AND ENHANCING PUBLIC AWARENESS OF THE ENERGY TRANSITION AND EDUCATIONAL OUTREACH

- ✓ Awarded \$88,000 in scholarships to five high school seniors to support their higher education goals. Recipients were selected based on merit by a volunteer committee of seven local representatives from LPEA's service territory.
- ✓ The GRIP team partnered with Fort Lewis College's (FLC) Springboard Fellow program to conduct mock interviews for FLC students to support their career development.
- ✓ Elizabeth Howe was honored as an Extraordinary Woman of the Year from the Durango Women's Resource Center.

TARGET: IDENTIFY THE EVOLVING NEEDS OF THE MEMBERSHIP

- ✓ Chris hosted and attended several community events including:
 - Current Conversations in Durango.
 - Coffee with Chris in Ignacio.
 - Pagosa Springs Rotary Club, where he was a speaker.
 - The Childcare Strategic Investment Plan presentation in Durango.
 Each of these events support getting member feedback and addressing member questions and concerns.



MAINTAIN STRONG FINANCIAL HEALTH

KEY PERFORMANCE INDICATORS:

TARGET: OPERATING MARGIN AT 3%

✓ 5.0% YTD - This goal was met for March.

TARGET: CASH RESERVES AT 12-20%

! 5% YTD - Utilizing cash to finance elevated capital spending levels to avoid higher borrowing costs.

TARGET: EQUITY PERCENTAGE IS 40-55%

✓ 55% - This goal was met for March.

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

✓ 60% - This goal was met for March.

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

✓ 2.62 YTD - This goal was met for March.

TARGET: IMPLEMENT A COMPREHENSIVE FINANCIAL STRATEGY THAT ENSURES LONG-TERM SUSTAINABILITY BY OPTIMIZING COST STRUCTURES, SECURING DIVERSE FUNDING SOURCES, MAINTAINING HEALTHY FINANCIAL RATIOS, AND POSITIONING FOR FAVORABLE CREDIT RATINGS

✓ Continued to make progress on a long-term capital forecast.

✓ Completed preliminary steps in credit rating process.

✓ Hosted the leading finalist on-site for securing financing for the contract termination payment.

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PREPARE FOR THE FUTURE

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TARGET: POSITION LPEA FOR LONG-TERM GROWTH AND RESILIENCE THROUGH INNOVATIVE PROGRAMS, STRATEGIC PARTNERSHIPS, AND FORWARD-THINKING INVESTMENTS THAT OPTIMIZE THE GRID AND SUPPORT EVOLVING ENERGY NEEDS

- ✓ Chris met with Empire Electric Association, San Miguel Power Association (SMPA), Delta Montrose Electric Association (DMEA), and the City of Farmington to start to draft a joint aid agreement.
- ✓ Steve Smith participated in a panel session at the National Rural Electric Cooperative Association (NRECA) TechAdvantage conference titled “Challenges with Smart Inverter Testing and Commissioning”. He presented on how we have used Smart Inverters to address previous voltage concerns on our grid and how we might use them to address the current reverse-power flow concerns.

TARGET: DEVELOP PARTNERSHIPS TO ACHIEVE THE BOARD’S BROADBAND GOAL

- ✓ Continued to make progress on pole attachments with 117 work orders and 4,507 poles.
- ✓ On-boarded a new construction contractor whose sole focus is broadband make-ready projects.

TARGET: IDENTIFY AND SECURE GRANTS AND FUNDING OPPORTUNITIES TO SUPPORT KEY INITIATIVES THAT ADVANCE LPEA’S SUSTAINABILITY, INNOVATION, AND COMMUNITY ENGAGEMENT GOAL

- ✓ Received a Rolling Technical Assistance grant from the Department of Energy (DOE) that involves 100 hours of technical assistance from the National Renewable Energy Laboratory (NREL). We will use this technical assistance to understand the origin, purpose and proper implementation of reverse power flow screens on a line-section, feeder and substation basis. This will enhance our interconnection processes.

TARGET: RESEARCH AND IMPLEMENT NEW TECHNOLOGIES AND STRATEGIES THAT OPTIMIZE LPEA’S GRID, IMPROVING RELIABILITY, EFFICIENCY, AND RESILIENCE TO MEET FUTURE ENERGY DEMANDS

- ✓ Kicked off a months-long project to migrate to a consolidated software solution for mapping and staking, integrating into the same platform as our customer information and billing for simplified and enhanced workflows.



LPEA 