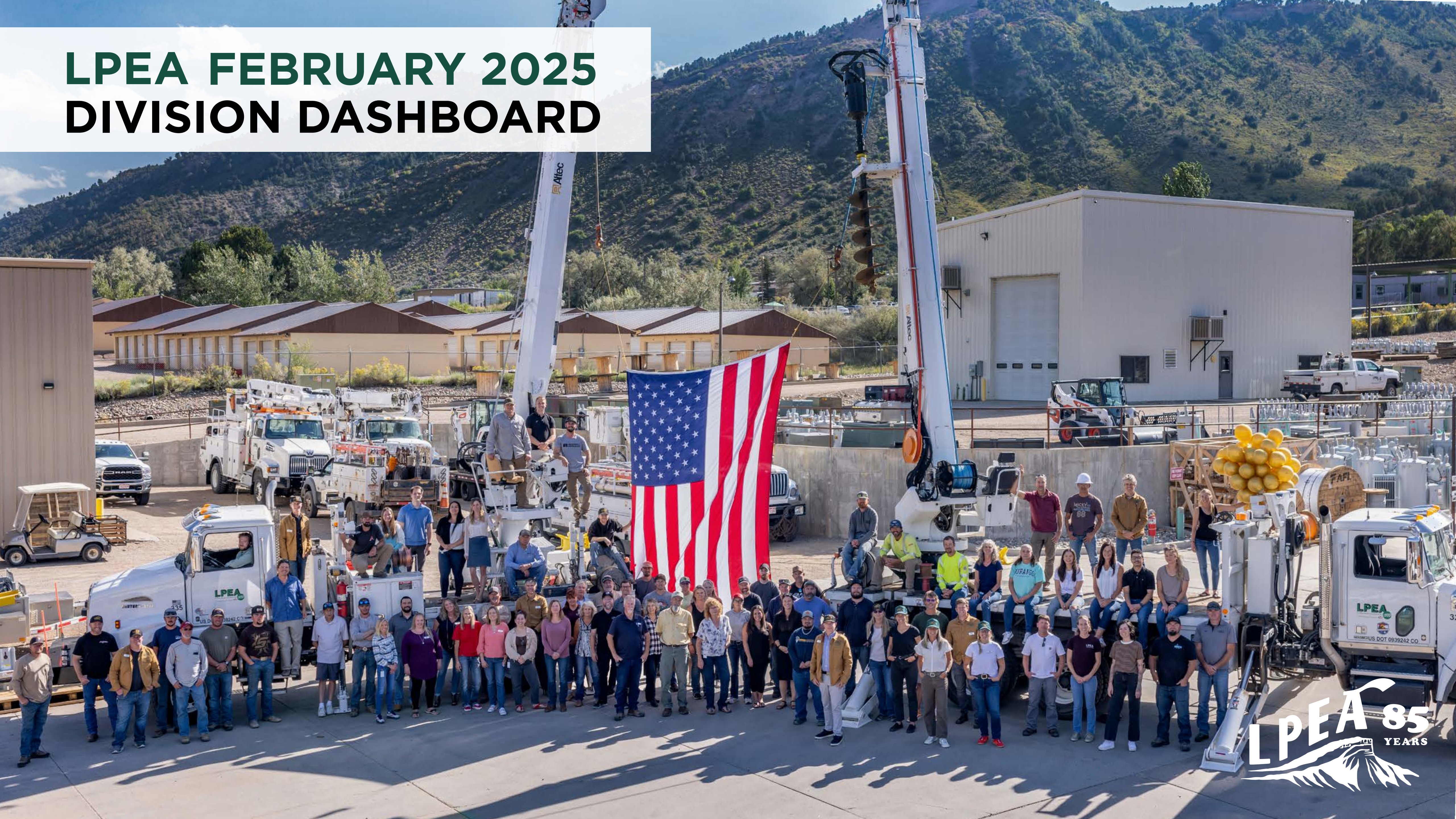


LPEA FEBRUARY 2025 DIVISION DASHBOARD





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

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Attribute	Metric	Goal	Actual	Status
Safety	Average Safety Meeting Attendance (%)	>= 80.00	98.00	✓
Reliability *	System Average Interruption Duration Index (SAIDI, minutes)	< 100.00	14.59	✓
	System Average Interruption Frequency Index (SAIFI, outages/member)	< 1.00	0.33	✓
Finance	Financial Health Score	>= 100.00	248.89	✓
	YTD Operating Margin (% of Revenue)	>= 3	5.7	✓
	Cash Reserves (% of Operating Costs)	12 - 20	4	!
	Debt Financing (% of Equity)	<= 100	60	✓
	Modified Debt Service Coverage (MDSC)	>= 1.35	2.75	✓
	Equity (%)	40 - 55	54	✓
Beneficial Electrification	BE Sales (kWh)	>= 42,000	58,501	✓
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.
 *Reliability is measured cumulatively over the year. The 100 minute target is our annual goal and is not monthly.
 The date range for this chart is 01/01/2025 - 02/28/2025.

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 February.
- ✓ Achieved 100% compliance in February.

TARGET: EXPERIENCE NO CYBER INCIDENTS THAT DISRUPT BUSINESS PROCESSES

- ✓ No cyber incidents in February.
- ✓ Completed an initial cybersecurity self-assessment aligned with the National Institute of Standards and Technology Cybersecurity Framework.
- ✓ Hosted a consultant on-site for a week-long exercise evaluation of our cybersecurity posture and tools. Received recommendations for improvements to align with industry best practices. Received this consultation through our Rural and Municipal Utility Cybersecurity (RMUC) ACT 1 cybersecurity grant.



The IT team and a Cybersecurity and Infrastructure Security Agency (CISA) representative.

KEEP THE LIGHTS ON

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

- ✓ Crews changed 30 priority reject poles.

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

- ✓ No updates.

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

- ✓ Completed the Animas Valley 46kv transmission rebuild. Crews returned circuits from the mobile substation back to normal operation.

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 February.
- ✓ Crews responded to 24 unplanned outages, excluding the major winter storm on February 14. That storm brought widespread outages across the service territory. Crews responded to poles and boxes hit by cars and lines downed by trees, restoring power within 16 hours. Of the 24 unplanned outages, 13 were member-caused.



Hot air balloons graced the sky during a winter day at the Animas Valley mobile substation location.

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

- ✓ Continued making progress on the Environmental Report (ER) for Powering Affordable Clean Energy (PACE) award.
- ✓ Applied for a grant for up to 100 hours of subject matter expertise for technical assistance on understanding the origin, purpose and proper implementation of reverse power flow screens on a line-section, feeder and substation basis. The purpose would be to assist in our efforts to allow solar interconnects across our system. This may include explorations of protection equipment and schemes, and anti-islanding research.

TARGET: COMPLETE ENERGY TRANSITION

- ✓ Update to be given in executive session.
- ✓ Submitted the Network Integration Transmission Service (NITS) application to Tri-State.



CEO Chris Hansen speaks at the Durango Chamber of Commerce's "Get to Know the CEO" series.



BE A TRUSTED COMMUNITY PARTNER

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TARGET: ACHIEVE IMPROVEMENT IN OVERALL MEMBER SATISFACTION

- ✓ Steve Smith, Kevin Camp and Jon Kenney hosted “Ask an Expert” events at the Ruby M. Sisson library in Pagosa Springs and at the new Beneficial Electrification lobby space in the Durango office. Topics discussed included battery systems, space heating, building control systems, and rates.

TARGET: STRENGTHEN COMMUNICATION WITH MEMBERS THROUGH MULTIPLE CHANNELS

- ✓ Kevin Camp met with 17 retailers throughout the service territory to educate them about outdoor power equipment and water heater rebates.

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

- ✓ Chris attended the Durango Chamber of Commerce’s Durango Rocks event, celebrating local business achievements and community partnerships.
- ✓ Chris took part in the World Savvy Changemaker Hub with Durango Schools, supporting student engagement in real-world problem-solving.

- ✓ Chris was a featured speaker at the Durango Chamber of Commerce’s “Get to Know the CEO” event, sharing insights on the cooperative’s vision and direction.
- ✓ Drew Timmerman, Ben Malone, Jonathan Zick, Greg Vogt, and Ryne Waggoner attended the Fort Lewis College “AI for Business Decision Making” workshop and Sara Knight attended the “AI for Marketing” workshop at the FLC Center for Innovation.
- ✓ Carrie Hugus attended the Ignacio Scholarship Fair and hosted a Scholarship Application webinar to educate interested members about LPEA’s scholarship opportunities and help them succeed in filling out an effective application.
- ✓ Darrick Robinson, Michael Messier, and Carrie Hugus attended the La Plata Futures Fair on behalf of LPEA, giving middle school and high school students the opportunity to learn about local resources, explore career pathways and plan for the future.
- ✓ Selected and announced student delegates for National Youth Tour in Washington, D.C.

TARGET: IDENTIFY THE EVOLVING NEEDS OF THE MEMBERSHIP

- ✓ Received and began responding to member comments in response to releasing the 2025 rate tariff changes.
- ✓ Hosted Coffee with Chris events, offering members the opportunity to ask questions and give feedback to leadership.



MAINTAIN STRONG FINANCIAL HEALTH

KEY PERFORMANCE INDICATORS:

TARGET: OPERATING MARGIN AT 3%

✓ 5.7% YTD - This goal was met for February.

TARGET: CASH RESERVES AT 12-20%

! 4% YTD - Utilizing cash to finance elevated capital spending levels to avoid higher borrowing costs.

TARGET: EQUITY PERCENTAGE IS 40-55%

✓ 54% - This goal was met for February.

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

✓ 60% - This goal was met for February.

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

✓ 2.75 YTD - This goal was met for February.

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

- ✓ Hosted potential lending institutions to prepare for the finalization of financing next year's contract termination payment (CTP).
- ✓ Continued to make progress on a long-term capital forecast.
- ✓ Continued to make progress in preparation for LPEA's first credit rating this summer.

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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 attended the Aspen Transmission Forum, where discussions focused on the regional transmission organization (RTO) and the opportunities it presents.
- ✓ Chris participated in the Colorado Rural Electric Association (CREA) Annual Meeting, engaging with industry leaders on key cooperative initiatives.

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

- ✓ Continued to make progress on pole attachments.
- ✓ Evaluated final mile 5G technology on transmission corridors.

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

- ✓ Submitted two applications for the Department of Energy's (DOE) Energy Improvements in Rural or Remote Areas:
 - Recognized as the primary applicant for the Iron Horse Geothermal Power Project (\$142M project, \$50M grant request).
 - Recognized as the sub-recipient on the Pagosa West Substation and Transmission Line Project (\$22M project, \$17.6M grant request).

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

- ✓ Selected a third party to facilitate LPEA's Request for Proposals (RFP) process where local and regional energy projects will be invited to submit an RFP to be part of LPEA's future energy portfolio.



CEO Chris Hansen speaks with members of the community at the "Coffee with Chris" series.

