

# LPEA JANUARY 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

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	98.00	✓
Reliability *	System Average Interruption Duration Index (SAIDI, minutes)	< 100.00	11.63	✓
	System Average Interruption Frequency Index (SAIFI, outages/member)	< 1.00	0.27	✓
Finance	Financial Health Score	>= 100.00	348.98	✓
	YTD Operating Margin (% of Revenue)	>= 3	8.5	✓
	Cash Reserves (% of Operating Costs)	12 - 20	6	!
	Debt Financing (% of Equity)	<= 100	61	✓
	Modified Debt Service Coverage (MDSC)	>= 1.35	3.52	✓
	Equity (%)	40 - 55	54	✓
Beneficial Electrification	BE Sales (kWh)	>= 28,000	40,768	✓
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.

# 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 January.
- ✓ Achieved 100% compliance in January.
- ✓ Staff met to review the framework of the safety handbook and prepared an initial table of contents.
- ✓ Staff hosted a member of the Department of Homeland Security to perform a Cybersecurity and Infrastructure Security Agency (CISA) Security Assessment at First Entry (SAFE) of the Durango and Pagosa Springs facilities. The SAFE assessment is not a pass or fail but a snapshot in time of current security posture. CISA provides options for consideration and we may consider the options as applicable.

## TARGET: EXPERIENCE NO CYBER INCIDENTS THAT DISRUPT BUSINESS PROCESSES

- ✓ No cyber incidents in January.



Students from Silver Spruce Academy participated in a safety demonstration at LPEA headquarters.



# KEEP THE LIGHTS ON

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

- ✓ Crews changed 42 reject poles and installed 4 raptor protections. The lack of winter weather in January allowed crews to catch up on maintenance.

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

- ✓ Began developing an unmanned aerial vehicle (UAV) program to enhance our overhead line inspections, vegetation management, and fire mitigation efforts.
- ✓ Tested out a new mobile satellite internet solution.

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

- ✓ Crews made progress on the Animas Valley transmission rebuild. The project is nearing completion and should be ready to energize in early March. There are two short spans at the beginning and end of the job, and a transmission switch needs to be added near Trimble Springs substation.

## 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 January.
- ✓ Crews responded to 81 outages. Three outages were considered major events with two due to switching errors and one due to failed underground equipment.

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# 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

- ✓ Monitored developments from the Trump Administration, leveraging our connections with the United States Department of Agriculture (USDA), National Rural Electric Cooperative Association (NRECA), and consultants in Washington, D.C., to stay informed on the progress of the Powering Affordable Clean Energy (PACE) project.

## TARGET: COMPLETE ENERGY TRANSITION

- ✓ Completed the settlement agreement with Tri-State defining aspects of our relationship with Tri-State post-departure. This included the finalization of two Power Purchase Agreements (PPAs) which will represent 30% of our energy resource mix through December 31, 2033.
- ✓ Greg Howes joined our team to fulfill the role of Power Supply Project Manager. Greg hit the ground running and immediately focused on solidifying transmission arrangements, reviewing potential PPA opportunities, and registering LPEA in the marketplace.



Chris Hansen and Greg Howes.



# BE A TRUSTED COMMUNITY PARTNER

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## TARGET: ACHIEVE IMPROVEMENT IN OVERALL MEMBER SATISFACTION

- ✓ Members completed 33 after-call surveys (1.2% of callers) in January with an impressive overall satisfaction score of 1.2 on a scale of 1-3 (1 being satisfied and 3 being unsatisfied).

## TARGET: STRENGTHEN COMMUNICATION WITH MEMBERS THROUGH MULTIPLE CHANNELS

- ✓ Hosted a member webinar to kick off the communications on our new Resolve to Electrify campaign.
- ✓ Continued to pilot our online chat feature, with 11 members using it in January.

## 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 Hansen engaged with our local communities by attending a number of relevant meetings and events, including:
  - The Green Business Roundtable meeting held at the Powerhouse Science Center.
  - The Hawk Tank kick-off event hosted by Fort Lewis College, with Elizabeth Howe.
  - The Southwest Colorado Economic Outlook event hosted by the Economic Development Alliance of La Plata County.
  - Presented at the Archuleta County Commission meeting and met with county staff.

- ✓ Wrapped up the Giving Tree Campaign, collecting a total of \$3,601.49, benefiting 109 members this winter.

- ✓ Kevin Camp, Carrie Hugus, and Trent Webber hosted Silver Spruce Academy Career Day with a focus on lineworker careers and electrical safety.

- ✓ Carrie Hugus presented scholarship opportunities at the Bayfield Scholarship Fair.

- ✓ Jon Kenney provided a training for heat pump contractors about LPEA's Quality Installer program for 2025. Quality Installer rebates from Tri-State have increased for 2025 and LPEA expects more participation this year.

- ✓ Jon Kenney partnered with the Four Corners Office for Resource Efficiency (4CORE) to host a beneficial electrification (BE) education event.

- ✓ Drew Timmerman, Ben Malone, Jonathan Zick, Monica Vick and Carrie Hugus attended the Fort Lewis College's Artificial Intelligence (AI) workshops at the FLC Center for Innovation.

## TARGET: IDENTIFY THE EVOLVING NEEDS OF THE MEMBERSHIP

- ✓ Published the findings of the 2024 Focus Group sessions and shared these results with the membership.
- ✓ Chris Hansen attended the Pagosa Springs Town Council meeting and met with Pagosa town staff.

# MAINTAIN STRONG FINANCIAL HEALTH

## KEY PERFORMANCE INDICATORS:

### TARGET: OPERATING MARGIN AT 3%

✓ 8.5% YTD - This goal was met for January.

### TARGET: CASH RESERVES AT 12-20%

! 6% YTD - Semi-Annual and Quarterly debt payment, payment of Tri-State NITS deposit, and continued effective capital project execution left this KPI neutral.

### TARGET: EQUITY PERCENTAGE IS 40-55%

✓ 54% - This goal was met for January.

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

✓ 61% - This goal was met for January.

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

✓ 3.52 YTD - This goal was met for January.

## 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

✓ Made progress on a long-term capital plan.

✓ Cost of service study (COSS) was completed in January.



Close-up of Chris Hansen at the 2025 NRECA CEO Close-Up in Florida.



# 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 Hansen positioned LPEA as an industry leader for future partnerships through participation in a number of relevant events and meetings, including:
  - The CEO Close-Up hosted by the National Rural Electric Cooperative Association (NRECA).
  - The Western Power Players conference hosted by the Institute for Western Energy.
  - The Colorado Rural Electric Association (CREA) legislative roundtable discussion.
  - Participation in a State of Colorado Policy Advocacy discussion about Regional Transmission Offices (RTOs) and Transmission Initiatives.
  - A panel on energy policy for Co-op Innovation Network (CIN).
  - Spoke to students at the University of Colorado-Denver Business School.

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

- ✓ Continued to make progress on pole attachments.

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

- ✓ Joined the Southwest Colorado Good Jobs in Clean Energy Coalition (the Coalition). The Coalition has been assembled to compete for the Department of Energy's (DOE) American Made Good Jobs in Clean Energy prize competition. The goal of the Coalition is to facilitate the development of a formal school-to-work talent pipeline for clean energy and climate jobs serving the southwestern corner of Colorado.

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

- ✓ Launched our Resolve to Electrify program that includes new Battery Energy Storage System (BESS) rebates, increased electric vehicle rebates and expanded home electrification incentives.
- ✓ Dan Harms attended the Institute of Electrical and Electronics Engineers (IEEE) Edge Technologies conference to learn about emerging technologies - many of which leveraged AI.





LPEA 