

LPEA DECEMBER 2025 DIVISION DASHBOARD



Cindy “Cid” Straight completed 50 years at LPEA in December, an accomplishment of a lifetime.





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

Appendix

Attribute	Metric	Goal	Actual	Status
Safety	Average Safety Meeting Attendance (%)	> = 80.00	94.75	✓
	Lost-time Incidents	0	0	✓
Reliability ¹	System Average Interruption Duration Index (SAIDI, minutes)	< 100.00	67.15	✓
	System Average Interruption Frequency Index (SAIFI, outages/member)	< 1.00	0.91	✓
Finance	Financial Health Score	> = 100.00	256.71	✓
	YTD Operating Margin (% of Revenue)	> = 3%	6	✓
	Cash Reserves (% of Operating Costs)	12 - 20	8.80	!
	Debt Financing (% of Equity)	< = 100	55	✓
	Modified Debt Service Coverage (MDSC)	> = 1.35	3.00	✓
	Equity (%)	40 - 55%	57	!
Beneficial Electrification	BE Sales (kWh)	> = 232,000	226,815	!
Information Technology	Average Critical System Uptime (%)	> = 99.9	99.97	✓

✓ 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 date range for this chart is 01/01/2025 - 12/31/2025.



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 December.
- ✓ Achieved 100% regulatory safety compliance in December.
- ✓ Two near misses were reported, which is a strong indicator of a healthy and proactive safety culture.

TARGET: EXPERIENCE NO CYBER INCIDENTS THAT DISRUPT BUSINESS PROCESSES

- ✓ No cyber incidents in December.



Four Corners Material Training participated in an arc demo to learn more about how outages occur.



KEEP THE LIGHTS ON

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

- ✓ Chris attended the Colorado Rural Electric Association (CREA) wildfire and political action committee.
- ✓ Installed a utility grade electric fence in the Sunnyside substation to assist in preventing wildlife from accessing critical equipment.

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

- ✓ Completed drone inspections of 100 poles in the Lemon Reservoir area, identifying one emergency issue and three high-priority issues now being addressed to reduce outage risk and wildfire potential.

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

- ✓ Secured Archuleta County approval for a conditional-use permit and height variance for the Trujillo Substation. Construction is scheduled to begin in 2026, with completion targeted for Q1 2027.
- ✓ Completed 75% of the 2025 capital projects budget work, as of the end of December.

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

- ✓ Exceeded SAIDI and SAIFI goals for December.
- ✓ Crews responded to 23 unplanned outages, mainly due to aged infrastructure.
- ✓ Replaced 18 poles, installed 18 raptor protections, and tree crews trimmed three substation circuits in the Riverview and Grandview areas.
- ✓ Replaced 1.52 miles of brittle copper single phase line and upgraded the conductor and poles to three phase along Navajo River Road.

SOURCE CLEAN, LOCAL, LOWEST REASONABLE COST POWER

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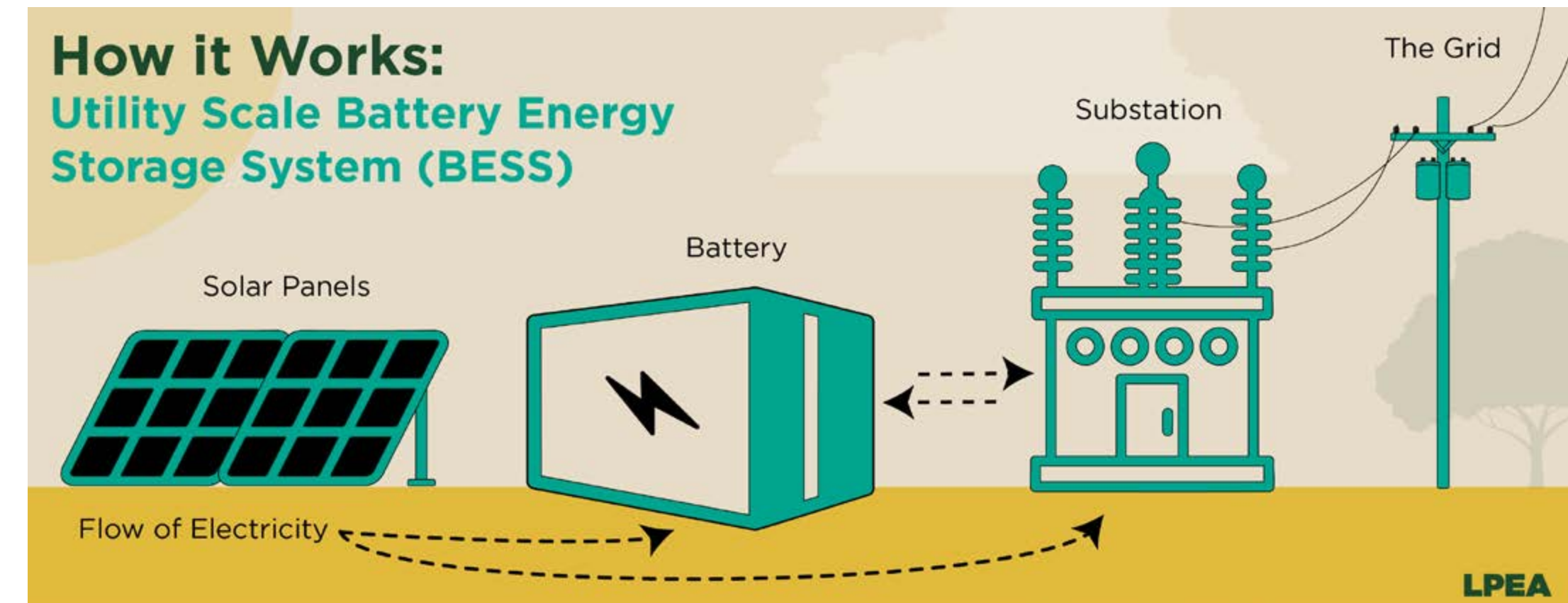
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TARGET: ADVANCE LOCAL CLEAN POWER PROJECTS BY SECURING NEW RENEWABLE ENERGY GENERATION OPPORTUNITIES, COLLABORATING WITH STAKEHOLDERS, AND ENSURING PROJECT FEASIBILITY

- ✓ Participated in the La Plata County Board of County Commissioners meeting regarding the development of land use code for Battery Energy Storage Systems (BESS), during which the moratorium was extended until January 21.

TARGET: COMPLETE ENERGY TRANSITION

- ✓ Completed installation of seven revenue-grade substation meters and deployed utility meter data collection software, ensuring accurate and auditable wholesale power measurements to support financial settlement, regulatory compliance, and data-driven oversight throughout the power supply transition.
- ✓ Collaborated with Tri-State to ensure Renewable Energy Certificates (RECs) are accurately maintained in Western Renewable Energy Generation Information System (WREGIS), enabling regulatory compliance, preventing double counting, and supporting transparent participation in voluntary renewable energy markets.





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THE ROAD AHEAD



MARCH - DECEMBER 2025

APRIL 1 2026 - DECEMBER 2027

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

- ✓ Compiled and reviewed the NRECA Member Satisfaction Survey results.

TARGET: STRENGTHEN COMMUNICATION WITH MEMBERS THROUGH MULTIPLE CHANNELS

- ✓ Evaluated pilot podcast results and launched a new segment recapping the monthly Watt's Up newsletter. The podcast was renamed to Southwest Power Stories, additional segments were formalized, and full implementation is planned for 2026.

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

- ✓ Staff attended the Four Corners AI Conference at Fort Lewis College and engaged with community members to explore opportunities for leveraging artificial intelligence in the region.
- ✓ Hosted the biannual solar installer meeting with representatives from five local solar installation companies. The meeting provided an opportunity to recognize recent accomplishments, share key updates, and gather feedback to inform immediate process improvements and longer-term considerations.

- ✓ Engaged the local building and design community at the "Let's TACO 'bout Heat Pumps" event through an LPEA presentation and heat pump demonstration. The coPIRG-sponsored event attracted approximately 25 attendees.
- ✓ Notified members of the opening of the 2026 Board candidate application period via a membership-wide mailer and the December Watt's Up.
- ✓ Concluded the winter fundraising program, Power It Forward (formerly Giving Tree), in December, raising \$5,612 and distributing \$5,055 to 58 local families in need.
- ✓ Opened the application period for the 2026 scholarship program.

TARGET: IDENTIFY THE EVOLVING NEEDS OF THE MEMBERSHIP

- ✓ Added an income-qualified option to our 2026 rebate program that interlaces with the Colorado Home Energy Rebate (HEAR) Program, helping to lower overall energy costs and lower upfront costs to install high-efficiency, all-electric appliances.
- ✓ Advanced work to modernize rebate processing, improving efficiency and reducing the burden on members.
- ✓ Published online heat pump water heater quiz for member decision support.



MAINTAIN STRONG FINANCIAL HEALTH

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KEY PERFORMANCE INDICATORS:

TARGET: OPERATING MARGIN AT 3%

✓ 6.0% YTD - This goal was met for December.

TARGET: CASH RESERVES AT 12-20%

! 8.80% YTD - The month end cash position improved in December and for year end.

TARGET: EQUITY PERCENTAGE IS 40-55%

! 57% - This goal exceeded the target range for the year in anticipation of greater borrowing in 2026.

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

✓ 55% - This goal was met for December.

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

✓ 3.00 YTD - This goal was met for December.

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

✓ Advanced CFC loan process through filing of restated mortgages with La Plata and Archuleta Counties.





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

- ✓ Continued work on a system impact study for the proposed 5MW Battery Energy Storage System (BESS) at the Shenandoah substation with results expected to conclude in January 2026.

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

- ✓ Entered a pole-attachment agreement with a regional fiber company.
- ✓ Received roughly 400 pole-attachment applications in the month of December.

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

- ✓ Initiated the application process with the American Council for an Energy-Efficient Economy (ACEEE) for grant funding to identify multifamily property ownership and existing infrastructure, supporting targeted energy efficiency outreach.
- ✓ Supported a grant for a community partner for construction code and tools to support all-electric builds.

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

- ✓ Initiated development of the Interconnection Queue Management System (IQMS) with a formal kickoff involving contractors and the U.S. Department of Energy, followed by a collaborative working session with SEPA, Sandia National Laboratories, and other IQMS award recipients. This effort advances a robust solution for LPEA while supporting cross-utility knowledge sharing and best-practice exchange.

