Focus Groups The Future of LPEA

SUMMARY REPORT JANUARY 7, 2025

SHAPING OUR FUTURE TOGETHER



PURPOSE & PROCESS



CONTEXT

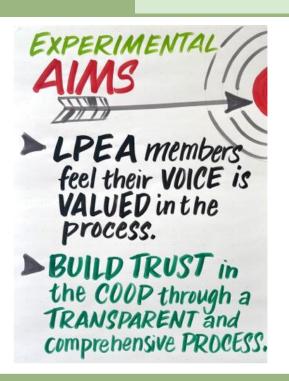


- To COLLECT STORIES and have DISCUSSIONS to better UNDERSTAND Member PERSPECTIVES.
- To collect and document DIVERSE LPEA Member PERSPECTIVES on the FUTURE of the COOP's energy supply.
- D To PROVIDE a PLATFORM for the LPEA members and are considered in the DECISION-MAKING PROCESS.

In October 2024, La Plata Electric Association (LPEA) conducted a series of focus groups, facilitated by the third-party <u>Sagebrush Ltd</u>, to gather member input on the future of the cooperative's power supply. These sessions were designed to:

- Focus Group Objectives:
 - Collect stories and have discussion to better understand member perspectives
 - Collect and document diverse LPEA member perspectives on the future of the LPEA's energy supply
 - Provide a platform for the LPEA members' are considered in the decision making process

PURPOSE



LPEA sought input for strategic and future-forward decisions of the CoOp.

- In addition to the Focus Group Objectives, the purpose of the focus groups also included the Experimental Aims:
 - LPEA members feel their voice is valued in the process.
 - Build trust in the CoOp through a transparent and comprehensive process.

PROCESS

The Sagebrush facilitation team designed the focus group process using Appreciative Inquiry and Technology of Participation facilitation methods.

These methods seek to actively include all voices in the room, make space for divergent opinions and perspectives, and focus on solutions rather than grievances.

The LPEA representative was included in the co-design process to ensure that the questions being asked were aligned with what the CoOp was seeking input on from their members and employees, and that the process and methods used were in alignment with the CoOp's values and goals.

Residential CoOp members and LPEA employees were invited to participate in the focus groups. In order to foster an open space for sharing perspectives, LPEA administrators were not present for the focus groups.

We hope that this summary report and questions you have will illuminate the feedback received during the focus group process.

Facilitators



Sandhya Atkinson

Founder and Lead Facilitator of <u>Sagebrush Ltd</u>, facilitating inclusive organizational transformation through shared vision, systems change and participatory development of interconnected and resilient teams and communities.



Adrea Bogle Certified Leadership Coach

and trained facilitator engaging in collaborative partnerships that support inclusive and effective teams and sustainability of initiatives and organizations in rural regions.



Heather Leavitt Martinez

A visual practitioner, Appreciative Inquiry facilitator and author living in Durango, Colorado. Heather's visual approach turns attendees into engaged participants.



85 YEARS!

"More Than Just Poles and Power Lines"



Sessions

LPEA organized five distinct focus group sessions to maximize member participation:

- Pagosa Springs
 - October 1st (12:00 2:00 pm) | 6 Participants
 - October 21st (5:00 7:00 pm) | 3 Participants
- Durango
 - October 3rd (12:00 2:00 pm) | 14 Participants
 - October 22nd (5:00 7:00 pm) | 6 Participants
- Virtual Session | 2 Participants
 - October 29th (5:00 7:00 pm)
- LPEA Employee Session | 10 Participants
 - December 5th (8:00am-10:00am)

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The varied times and locations were chosen to accommodate different member schedules and geographic locations within the service area, while the virtual option provided additional accessibility for those unable to attend in person.



Sagebrush

PARTICIPANT DEMOGRAPHIC INFORMATION

(Anonymous Survey)

Participant Overview

Demographics of Focus Group Participants



Total Participants: 41

Diverse representation in focus group.

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Completed Surveys: 37

High engagement in demographic data.

Response Rate: 90%

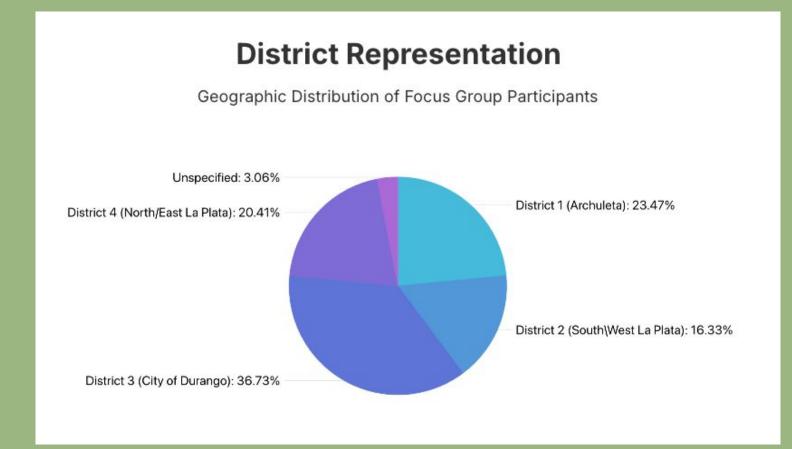
%

Strong participation from attendees.

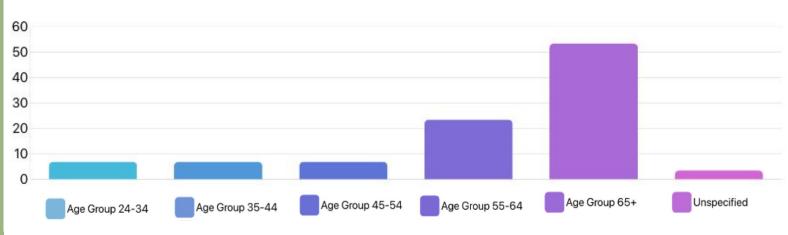


Demographic Insights: 100%

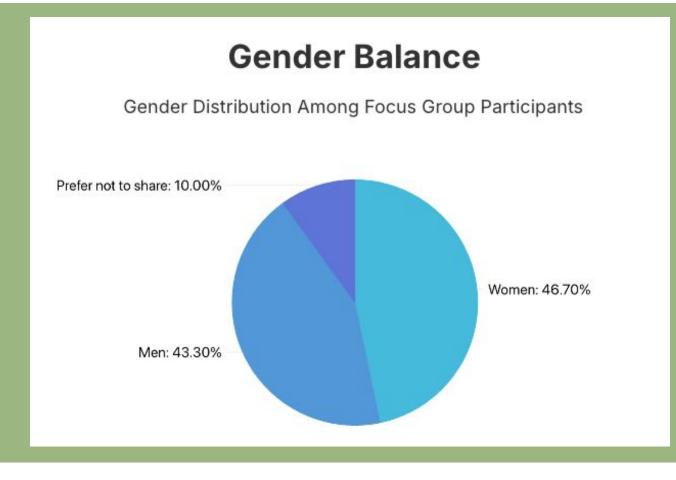
Comprehensive data collected from participants.



Age Distribution

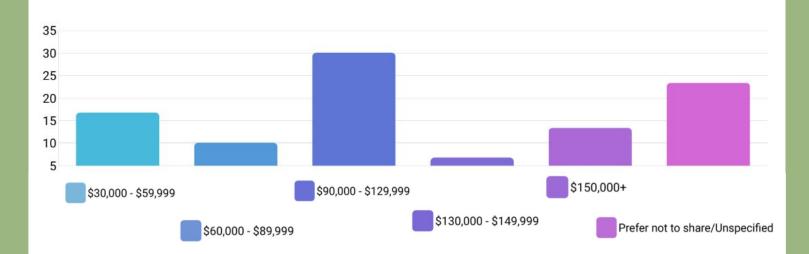


*Key Observation: Over 75% of participants were 55 or older, with the majority being 65+



Income Levels

Understanding Household Income Distribution



Agenda

- Welcome & Introductions
- Purpose
- Community Voice:
 - 1) Bridge to the Future
 - 2) Energy Supply Priority Factors
 - 3) Decision Making Factors
- Closing



SHAPING OUR FUTURE TOGETHER



BRIDGE TO THE FUTURE

(Video)



ACTIVITY STRUCTURE

The focus group viewed the video "LPEA Powers Forward with Mercuria: Paving the Way to Energy Independence."

Afterwards, facilitators engaged participants in a guided discussion to explore their insights and questions about the video's content.

Facilitators asked participants the following questions:

- What facts stood out to you from the video?
- How do you feel about this video?
- What questions of clarity do you have at this time?



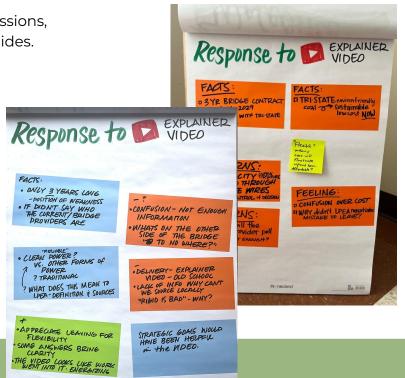
Then the full group was invited to share any themes they were hearing from the discussion. The facilitators documented the conversation feedback.

LPEA POWERS FORWARD VIDEO

Based on the video reflections across multiple sessions, the key points of feedback are on the following slides.

Purpose of Activity:

- To gather members' initial reactions and understanding of LPEA's transition plan through structured discussion of a key communications piece (the Mercuria video)
- To surface key concerns, questions, and areas of confusion early in the focus group session



 Lack of Complete Information Video was seen as oversimplified and doesn't tell the full story Need more details about the bridge period and power sources Unclear description of costs and financial implications Need better explanation of benefits of the new plan 	 Communication Issues Video presents an overly optimistic ("warm & fuzzy") picture Need more realistic messaging Leadership team needs unified messaging Better communication needed about reliability aspects 		
 Cost and Financial Issues The buyout cost (~\$100M vs budgeted \$6-8M) will increase rates Transparency needed around funding/budget Impact on members during bridge period Need to understand true cost implications for customers 	 Timing and Process Concerns about timing being "off" Need for more member input before decisions Questions about why LPEA didn't negotiate Questions about alignment with Tri-State's new 40% offering 		
 Infrastructure and Technical Concerns Questions about infrastructure ownership (LPEA vs Tri-State) Current reliance on coal (over 80%) Uncertainty about reliability with new sources Questions about grid capacity and maintenance 	CONCERNS		

POSITIVE NOTES & SUGGESTIONS

Positive Notes:

- Video helps clarify timeline
- Appreciation for explaining that "lights stay on"
- Recognition of attempt to communicate with members



Suggestions:

- Need more detailed information about Mercuria (bridge partner)
- More transparency around costs and decision-making
- Better explanation of how reliability will be maintained
- Clearer communication about implementation plans
- More member engagement in the process

2.

ENERGY SUPPLY PRIORITY FACTORS

(4 Factors)



ACTIVITY STRUCTURE

- 1. Introduction Phase
 - Facilitator modeled process using "Affordability" as example
 - Examples provided for Environmental Friendliness and Locally Generated Power
- 2. Individual Brainstorming
 - Participants write ideas on sticky notes
 - Focus on both benefits and concerns
 - Written feedback ensures all voices are captured
- 3. Group Discussion
 - Participants clustered around each factor's flipchart
 - Facilitators read notes aloud
 - Group identified emerging themes
 - Key quotes captured for each factor
 - Process repeated for all three factors

This structured approach allowed for both individual input and collective discussion, ensuring comprehensive feedback collection while maintaining focus on actionable insights for LPEA's transition planning.

4 FACTORS



Considering 4 factors of the portfolio design -

- Locally Generated
- Environmentally Friendly
- Affordability
- Reliability

Purpose of Activity:

- To collect structured feedback on three key factors affecting LPEA's energy portfolio decisions
- To understand both benefits and concerns for each factor
- To identify emerging themes from community perspective
- To ensure individual voices are heard before group discussion

LOCALLY GENERATED

Themes:

- High priority in some sessions, low in others
- Questions about what "local" really means in context of electricity
- Focus on economic impacts and community control

Benefits:

- Economic benefits (jobs, revenue, resources staying local)
- Local control over reliability and generation
- Community participation opportunities
- Reduced transmission challenges
- Educational opportunities (internships, trade training)
- Potential partnerships (tribal, oil & gas)
- Increased community resilience

Concerns:

- Technical complexity and training requirements
- Infrastructure and workforce costs
- Land availability and costs
- Transmission operator limitations
- Community resistance to facilities
- Scale limitations and efficiency
- Storage challenges
- Talent retention
- Liability and responsibility questions

ENVIRONMENTAL FRIENDLINESS | SUSTAINABILITY

Themes:

- Priority varies significantly across sessions
- Strong connection to community values
- Tension between environmental goals and practical implementation
- Need for better definition of what constitutes "environmentally friendly"

Benefits:

- Aligns with state/national regulations
- Supports community sustainability goals
- Potential cost savings from other utilities' experiences
- Climate crisis mitigation
- Reduced transmission costs
- Zero local emissions
- Long-term sustainability
- Nuclear power possibilities

Concerns:

- Infrastructure readiness
- High upgrade costs (\$250,000 per substation for solar)
- Manufacturing environmental impact
- Wildlife and habitat impacts
- Weather dependencies
- Bridge period environmental impact
- Technology lifecycle management
- Political resistance

AFFORDABILITY

Themes:

- Consistently high priority
- Critical concern for community impact
- Long-term vs short-term cost considerations
- Linked to reliability concerns

Benefits:

- Long-term cost potential
- Fixed pricing benefits
- Use of existing infrastructure
- Accessibility across income levels
- Conservation incentives

Concerns:

- Impact on long-time locals
- Current economic pressures
- High exit costs (\$100M)
- Interest rate environment
- Impact on fixed-income residents
- Price fluctuation risks
- Transparency needs
- Financing challenges

RELIABILITY

Themes:

- High priority but often seen as fundamental requirement
- Viewed as non-negotiable baseline
- Connected closely to affordability
- Current system seen as very reliable

Benefits:

- Current strong reliability
- Local natural gas potential
- Customer-focused approach
- Diverse energy portfolio potential

Concerns:

- Renewable energy fluctuations
- Infrastructure compatibility
- Weather dependencies
- Storage requirements
- Grid complexity
- Natural disaster vulnerabilities
- Economic impact of unreliability
- Backup system needs

PRIORITY

Participants were asked to identify the 2 factors that are of highest importance.

The highest area of priority for participants was environmentally friendly/sustainability followed very closely by affordability.

The demographic data should be considered when interpreting the areas of priority for participants.

- 1. Environmentally Friendly/Sustainability 22
- 2. Affordability 21
- 3. Reliability 14
- 4. Locally Generated 9



3.



DECISION MAKING FACTORS

(Empathy Map)

ACTIVITY STRUCTURE

- 1. Context Setting
 - Focus on bridge period expectations
 - Facilitators provide examples for each category
- 2. Three-Part Framework: Participants engaged in a variety of ways, including writing on sticky notes, discussing with someone sitting next to them, and sharing with the full group:
 - SEE & HEAR
 - Focus on tangible communications
 - Identify preferred communication methods
 - Gather specific information needs
 - FEEL
 - Explore desired emotional outcomes
 - Identify trust-building elements
 - Understand confidence factors
 - o DO
 - Identify potential member actions
 - Explore engagement opportunities
 - Define ways to support transition

ΕΜΡΑΤΗΥ ΜΑΡ

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See/Hear:

What needs to be communicated from LPEA that you can see/hear?

Feel:

How do you want to feel about the decisions LPEA makes?

Do, An Invitation/Call to Action:

What can you do to support LPEA during this time of transition?

Purpose of Activity:

- To understand member expectations during the bridge period
- To capture specific communication needs
- To identify emotional aspects of the transition
- To explore ways members can actively participate
- To create framework for member engagement strategy

ΕΜΡΑΤΗΥ ΜΑΡ

See/Hear (Desired Communication)

- More transparent information sharing
- Detailed timelines and processes
- Cost projections and comparisons
- Clear decision-making processes
- Integrated resource planning
- Specific power source plans
- Data-driven decisions
- Detailed financial analysis
- Consistent internal communication (bi-weekly/monthly)
- Internal updates before external communication
- Clear departmental plans and timelines

Summary

The feedback overwhelmingly focuses on the need for transparent, comprehensive communication from LPEA. Stakeholders want clear information about financial impacts, implementation plans, and technical details of the transition. There's a strong desire for regular updates, detailed timelines, and honest communication about both challenges and opportunities. The emphasis is on having access to concrete data, clear explanations of the decision-making process, and specific details about how changes will affect the community and service.

What needs to be communicated from LPEA that you can see/hear?

ΕΜΡΑΤΗΥ ΜΑΡ

Feel (Desired Emotional State)

- Confident in transparency
- Heard in decision-making
- Secure about reliability
- Adequately informed
- Trust in process
- Optimistic about future
- Part of the process
- Job security
- Supported with information and training
- Confidence in leadership
- Care for community impact

Summary

The emotional aspects center around trust, security, and inclusion in the process. Stakeholders want to feel confident in LPEA's leadership and decision-making, adequately informed about changes, and secure about both service reliability and cost implications. There's a strong desire to feel part of the process rather than just being informed about decisions. The feedback reflects a need to feel respected, heard, and considered in the planning process, while also feeling secure about the future of their power supply and its affordability.

ΕΜΡΑΤΗΥ ΜΑΡ

Do (Action Items)

- Participate more actively
- Stay informed
- Volunteer
- Engage in energy efficiency
- Correct misinformation
- Participate in future planning
- Communicate with neighbors
- Implement internal communication plan
- Disseminate information effectively
- Maintain positive attitude
- Stay actively engaged

Summary

The action-oriented feedback focuses on active engagement at both individual and community levels. Stakeholders express willingness to participate in the process through attending meetings, staying informed, sharing accurate information, and engaging in constructive dialogue. For employees, this extends to maintaining professionalism and positive attitudes while focusing on safe work delivery and effective communication. The emphasis is on proactive involvement rather than passive reception of changes, with a strong focus on community engagement and information sharing.

What can you do to support LPEA during this time of transition?





4.

SUMMARY



KEY INSIGHTS

The key insights highlight several critical areas for consideration:

- 1. **Significant perception of communication gaps exist**, with stakeholders seeking more detailed information about costs, timelines, and implementation plans.
- 2. **Financial concerns are paramount,** particularly regarding the higher-than-expected buyout costs and potential rate increases.
- 3. There's a notable demographic skew in the focus groups, with over 75% of participants being 55+ years old, suggesting a need to gather input from younger members.
- 4. Environmental friendliness emerged as the top priority factor (22/41 participants), followed closely by affordability (21/41), showing the community values both sustainability and cost management.
- 5. Employee-specific feedback indicates a need for better internal communication and clear training plans for the transition.

KEY INSIGHTS SUMMARY

Based on the focus group findings, LPEA faces several perceived critical challenges in their energy transition plan. While participants supported environmental goals, they expressed significant concerns about **transparency, costs, and implementation**. The buyout cost emerged as a major worry, particularly regarding rate impacts on fixed-income residents.

Communication emerged as a fundamental issue, with stakeholders finding LPEA's messaging oversimplified and requesting more detailed information about the bridge period, power sources, and financial implications, in a timely manner.

The focus groups also revealed a notable **demographic skew** (75% of participants were 55+ years old), suggesting a need for broader community engagement. Reliability remained a core concern, with participants seeking assurance about grid capacity and maintenance during the transition.

KEY INSIGHTS continued

Notably, Environmental Friendliness ranked as the top priority (22/41 participants), followed closely by Affordability (21/41), indicating community support for **sustainable solutions that remain cost-effective.**

Employee feedback highlighted the need for **better internal communication** and clear plans to support the transition.

Participants across groups noted **appreciation** for the feedback and information opportunities. While participants maintained an optimistic outlook overall, some doubted whether their contributions would ultimately influence LPEA's decisions.



PARKING LOT ITEMS

The following were posted on the 'parking lot' for consideration:

- Should reliability be a first priority or a factor for input
- Can we go back to Tri-State?
- Who owns the transmission lines?
- What is the delta and who pays ultimately?
- The values of the communities differ
- Focus group is too late timing is off
- Public questions/comments more opportunities
- Timeline for renewable energy
- Sunnyside reliability



SESSION CHECK-OUT



Thank you! Focus group summary report JANUARY 7, 2025

Sagebrush strongly recommends that the the entirety of this report is shared with the LPEA membership to support transparency in the process, and continue to build trust and accountability.

