

LA PLATA ELECTRIC ASSOCIATION, INC.
Power Supply Committee Minutes of Meeting
Thursday, September 20, 2018
Durango, Colorado

I. CALL TO ORDER

The Power Supply Committee of the La Plata Electric Association Board of Directors was held Thursday, September 20, 2018 at the headquarters building in Durango, Colorado. Committee Chairman Bassett called the meeting to order at 8:59 a.m. The following Committee members were in attendance:

COMMITTEE MEMBERS:

Britt Bassett, Committee Chairman, Director
Kohler McInnis, Director
Tim Wheeler, Director
Jack Turner, CREA Liaison, Director
Mike Dreyspring, CEO
Dan Harms, Manager of Rates, Technology, and Energy via conference line

LPEA STAFF:

Shay Denning, General Counsel
C. E. Charistopoulos, Executive Assistant
Dennis Svanes, CFO
Ron Meier, Manager of Engineering and Member Relations
Nadine Ontiveros, Manage of HR

EXCUSED ABSENCE: None.

GUESTS: The following guests were in attendance: Guinn Unger, Bob Lynch, Susan Atkinson, Harry Riegler.

I. APPROVAL OF AGENDA

Committee Chairman Bassett addressed the September 20, 2018 Power Supply Committee (PSC) meeting agenda.

Motion: Director McInnis moved to approve the September 20, 2018 PSC meeting agenda. Motion seconded and carried without dissent.

II. EVACUATION PROTOCOL

CEO Dreyspring reviewed the emergency evacuation procedures.

III. APPROVAL OF SEPTEMBER 6, 2018 POWER SUPPLY COMMITTEE MEETING

MINUTES – Committee Chairman Bassett addressed the September 6, 2018 PSC meeting minutes.

Motion: CEO Dreyspring moved to approve the September 6, 2018 PSC meeting minutes. Motion seconded and carried without dissent.

IV. PRESENTATION ON WHOLESALE POWER MARKET BY GUZMAN ENERGY

Christopher Riley, President of Guzman Energy, and Jeffrey Heit, Managing Director and Head of Operations for Guzman Energy gave a presentation on their wholesale energy company and how LPEA might achieve energy independence and benefit financially through customized energy solutions available from the wholesale market. Riley and Heit discussed a case study of Kit Carson Electric Cooperative and took questions. This was the first of several discussions with alternative power suppliers that the PSC is committed to investigate.

V. COMMITTEE DISCUSSION AND POSSIBLE ACTION

REVIEW OF COMMITTEE OBJECTIVE STATEMENT – Committee Chairman Bassett discussed a draft of a formal statement of Committee objectives based on the September 6 presentation by CEO Dreyspring on the *Roadmap for Committee Work*. The Committee discussed and refined the document for adoption.

Motion: Director Wheeler moved to adopt the PSC Statement of Objectives. Motion seconded and carried without dissent.

Committee Chairman Bassett advised that the adopted PSC Statement of Objectives would be included in the October 4, 2018 PSC Board packet, accessible to all Directors.

STATUS OF NOTIFICATION LETTER TO TRI-STATE – CEO Dreyspring discussed a September 19, 2018 letter to Tri-State, notifying them of the formation by the LPEA Board of Directors of a Power Supply Committee (PSC); its focus on understanding the costs, risks, benefits, and opportunities pertaining to alternative power supply options in a more formal and robust manner; and its request to engage in the rate settlement process as agreed to by Tri-State in the preliminary agreement achieved with other cooperatives during the Colorado Public Utilities Commission, Proceeding No. 13F-0145E, in which Tri-State agreed to provide a letter, upon request, to any non-New Mexico member system allowing that member system authority to discuss potential alternative power arrangements with third-party suppliers. The letter of release by Tri-State is a means to alleviate concerns by third party power suppliers about the possibility of tortious interference being raised by Tri-State. LPEA expects to receive the executed letter of release from Tri-State in the next 14 days.

REVIEW OF RFP FOR WHOLESALE POWER MARKET ANALYSIS – Committee Chairman Bassett and the Committee discussed and refined the RFP for finalization. Discussion ensued on pursuing an RFP compared to an RFQ. Various revisions to the Wholesale Power Market RFP were suggested. The RFPs will serve to educate the Committee and Board prior to the consideration of an RFQ for alternative supply.

REVIEW OF RFP FOR VALUATION OF WHOLESALE CONTRACT – Committee Chairman Bassett, the Committee, and Attorney discussed and refined the contract valuation RFP.

Motion: Director Bassett moved to authorize the release of the RFP for Power Supply and the RFP for Valuation of Wholesale Contract, pending a final review and agreement via email by the PSC, prior to the October 4 PSC meeting. Motion seconded and carried without dissent.

RFP DISTRIBUTION – Committee Chairman Bassett and the Committee compiled a list of potential consultants to query for both RFPs. Upon final approval by the PSC, Staff will distribute RFPs as directed.

POSSIBLE SITE VISITS OR OTHER MEETINGS FOR COMMITTEE – Discussion ensued on future meeting proposals with Directors of other cooperatives. CEO Dreyspring will contact invitees to discuss common concerns and goals, and to share and exchange information under an NDA.

FUTURE MEETINGS – Committee Chairman Bassett advised that October PSC meetings will take place October 4 at 10:00 a.m. and October 18 at 1:00 p.m. at the LPEA Board room. PSC Budget Expenditures will be finalized at the October 4 PSC meeting and presented for approval at the October 17 LPEA Board of Directors Meeting.

VI. ATTORNEY UPDATE

Attorney Denning will draft an NDA for discussions between the PSC and other cooperatives as needed.

VII. EXECUTIVE SESSION

Motion: CEO Dreyspring moved to enter into Executive Session to report on Discussions with other cooperatives. Motion seconded and carried without dissent.

The Committee remained in executive Session from 12:37 p.m. to 12:51 p.m.

V. ADJOURN.

There being no further business, the Power Supply Committee of the La Plata Electric Association, Board of Directors meeting adjourned at 12:51 p.m.

Recorded by C.E. Charistopoulos, and approved by:

A handwritten signature in black ink, appearing to read "Britt Bassett". The signature is written in a cursive style with a large initial "B".

Britt Bassett, Committee Chairman