

LA PLATA ELECTRIC ASSOCIATION, INC.  
Committee of the Whole Minutes of Meeting  
Monday, August 17, 2020  
Webinar <https://www.lpea.coop/board-directors>

**I. CALL TO ORDER**

The Committee of the Whole meeting of La Plata Electric Association, Inc. was held Monday, August 17, 2019 via webinar. President Bassett called the meeting to order at 1:06 p.m., with the following directors present:

Britt Bassett, President	Joe Lewandowski	Holly Metzler
Dan Huntington, Secretary	Bob Lynch, Vice President	Kirsten Skeeahan
Rachel Landis	Kohler McInnis	Jack Turner
John Lee	Sue McWilliams	Tim Wheeler, Treasurer

**LPEA STAFF**

Karl Ramsey, Vice President of Finance  
Dan Harms, Vice President of Grid Solutions  
C. E. Charistopoulos, Executive Assistant

**BOARD ATTORNEY**

Shay Denning, LPEA General Counsel

**EXCUSED ABSENCE** Jessica Matlock, Chief Executive Officer

**GUESTS**

Webinar attendees included Guinn Unger and Peter Rusin

**APPROVAL OF AGENDA**

President Bassett addressed the August 17, 2020 Committee of the Whole meeting agenda.

**Motion:** Director Landis moved to approve the August 17, 2020 Committee of the Whole meeting agenda as presented. Motion seconded and carried without dissent.

**POWER SUPPLY DISCUSSION**

President Bassett gave an informational presentation on LPEA's efforts to investigate alternative power supply options through the work of LPEA's 2018 Long Term Strategies Committee (LTSC) and the 2018-2019 Power Supply Committee (PSC).

In January of 2018 the LTSC looked closely at Tri-State's governance and long-term debt; compared Tri-State's average projected rates through 2050 against Palo Verde's actual rates and Energy Strategies' on-peak rate projections; and studied the implications of becoming involved with transmission reliability under NERC standards of compliance; and LPEA's external transmission connections under a Tri-State exit scenario. In August of 2018, the LTSC concluded its scope of work and the board approved the

formation of a Power Supply Committee to conduct further studies utilizing outside expertise at the recommendation of the LTSC.

In August of 2018, the PSC worked with an independent consultant to determine the financial bounds for the value of LPEA's wholesale energy supply contract with Tri-State (Enchantment Energy Consulting and Rio Energy); and another independent consultant (Energy Strategies) to conduct an analysis of the wholesale power markets including delivery points, cost of power at these delivery points, transmission costs to deliver power to LPEA from the delivery point, reliability of delivered power, and ancillary services and costs. In April of 2019, the PSC concluded its scope of work and the consultants presented their final reports to the board. The PSC made several recommendations to the board; most notably, the need to issue RFPs to obtain indicative pricing for alternative power supply, and to create a detailed spreadsheet model to evaluate the financial effects of an exit from Tri-State.

President Bassett discussed the roles of balancing authorities, independent system operators, the Southwest Power Pool, and the Western Energy Imbalance Market; wholesale power forecasts from Energy Strategies as well as, LPEA's expert witness in the recent PUC case, and data from Tri-State's 2019 Long Term Financial Forecast; and exit charge financing methods used by Kit Carson Electric Cooperative and Delta Montrose Electric Association, and the use of bank loans. The PSC concluded that if LPEA could afford a full or partial buyout of the Tri-State wholesale energy service contract, energy independence would benefit the community economically, and the mission statement and strategic goal for power supply could be fulfilled.

VP, Grid Solutions, Harms presented the staff spreadsheet model of full buyout data consisting of 12 variables that can demonstrate the cashflow comparison of Tri-State's baseline contract compared to a full buyout over the next 30 years; an actual buyout cash flow was not presented as LPEA has not yet received an approved buyout formula or fee from Tri-State to use in the model; and discussed the value of services provided by Tri-State and the cost of replacing those services.

Discussions ensued; President Bassett, VP, Grid Solutions, Harms, and VP, Finance, Ramsey took questions.

### **ADJOURN**

There being no further business, the LPEA Committee of the Whole meeting adjourned at 5:07 p.m.

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



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Britt Bassett, President

  
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Dan Huntington, Secretary