

LA PLATA ELECTRIC ASSOCIATION, INC.  
Long Range Strategic Issues Committee  
Minutes of Meeting  
Wednesday, January 31, 2018  
Durango, Colorado

**I. CALL TO ORDER AND APPROVAL OF AGENDA**

The Long Range Strategic Issues Committee of the La Plata Electric Association, Board of Directors. was held Wednesday, January 31, 2018 at the headquarters building in Durango, Colorado. Committee Chairman, Director Huntington called the meeting to order at 1:00 p.m. and addressed the agenda. There was consensus among the Committee that the agenda would stand as presented. The following were in attendance:

**DIRECTORS:**

Dan Huntington, Committee Chairman  
Britt Bassett  
Bob Lynch  
Guinn Unger

**LPEA STAFF:**

Mike Dreyspring, Chief Executive Officer  
Dan Harms, Manager of Rates, Technology and Energy Policy  
Ron Meier, Manager of Engineering and Member Relations  
C. E. Charistopoulos, Executive Assistant  
Shay Denning, LPEA General Counsel

**GUESTS:** The following guests signed in as attending: Larry Zauberis, Emily Bowie.

**II. COMMITTEE OBJECTIVES/GOALS TO BE PRESENTED TO LPEA BOARD OF DIRECTORS FOR APPROVAL**

Chairman Huntington directed attention to discussion of the *Statement of Functions of the Long-Term Strategies Committee, item IV.A, Duties and Responsibilities*, to address the establishment of a Mission and Vision Statement, and a list of tasks required of the first meeting. Director Bassett presented draft Vision and Mission Statements. Discussion ensued.

The Committee agreed to adopt the following Vision Statement:

*This committee will produce a report that will examine LPEA's financial and operational future based on several possible energy supply and distribution scenarios.*

The Committee agreed to adopt the following Mission Statement:

*To identify several possible energy scenarios and emerging trends that LPEA could pursue over the next 15 years. To provide organized prediction methodologies to illustrate how LPEA's financial and operational future might look under each of them.*

This committee is going to gather existing data and perform an examination of trends on the following items in this approximate priority order:

Load Forecast:

- Industrial, commercial, residential
- Examine population and demographic predictions
- Possible significant loss or gain of future loads

Current Supplier:

- Rate projection
- Generation mix
- Additional headroom in contract over 5%

Government Regulations:

- Consider Federal and State regulation changes that may have significant impact
- Elimination of tax credits
- Addition of carbon tax
- Allowance of virtual net metering

Net Metering:

- Predict Net Metering growth
- Consider upper limit

Wholesale Marketplace:

- Include research on current transmission costs
- RTO and power pool impact
- Research wholesale market place cost - past, current, future predictions

Electric Vehicles:

- Prevalence of charging stations
- Load on utility
- Demand control
- New revenue sources

Energy Storage:

- Prediction of costs, capital and capacity
- Availability
- Residential, commercial and utility scale impact
- Impact on demand
- Possible retro-fit impact
- Sweet spot analysis
- Arbitrage usage based on rates

Distributed Generation:

- QFs based on FERC rulings
- Demand and energy cost effects

Transmission effects  
Local economic development impacts  
Micro-grid and Self-generation:  
Possibility of industrial or commercial self-generation  
City of Durango FA expires in 2032

The finalized document of the Vision and Mission Statements, and the prioritized List of Tasks is attached to the end of this report as Exhibit A. The Committee discussed future reporting requirements to the Board of Directors and LPEA members.

### **III. COMMITTEE PLAN**

**TARGET COMPLETION DATE** – There was consensus among the Committee to establish May 16, 2018 as the completion date to present all findings and recommendations to the Board of Directors.

**NUMBER OF MEETINGS** – There was consensus among the Committee to establish six meetings to take place in the LPEA Board room on the following schedule: 1:00 p.m. on March 1; 9:00 a.m. on March 14 to coincide with a visit by Bryan Hannegan of Holy Cross Electric Association to the Durango Green Business Roundtable; 1:00 p.m. on March 29; 1:00 p.m. on April 12; 1:00 p.m. on May 5; and tentatively 1:00 p.m. on May 24.

**RESOURCE NEEDS** – There was consensus among the Committee on the following resource needs: minimal Staff resource needs, minimal to no legal resource needs, and significant research time needs by the individual Committee members.

### **IV. ADJOURN.**

There being no further business, the Long Range Strategic Issues Committee of the La Plata Electric Association, Board of Directors meeting adjourned at 3:01 p.m.

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

  
Dan Huntington, Committee Chairman

  
Britt Bassett, Committee Director



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Bob Lynch, Committee Director



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Guinn Unger, Committee Director

## LPEA Long Term Strategy Committee: Vision, Mission, and Tasks

### 1 Vision

This committee will produce a report that will examine LPEA's financial and operational future based on several possible energy supply and distribution scenarios.

### 2 Mission

To identify several possible energy scenarios and emerging trends that LPEA could pursue over the next 15 years. To provide organized prediction methodologies to illustrate how LPEA's financial and operational future might look under each of them.

### 3 Task List

This committee is going to gather existing data and perform an examination of trends on the following items in this approximate priority order:

- 3.1 Load Forecast
  - 3.1.1 Industrial, commercial, residential
  - 3.1.2 Examine population and demographic predictions
  - 3.1.3 Possible significant loss or gain of future loads
- 3.2 Current Supplier
  - 3.2.1 Rate projection
  - 3.2.2 Generation mix
  - 3.2.3 Additional headroom in contract over 5%
- 3.3 Government Regulations
  - 3.3.1 Consider Federal and State regulation changes that may have significant impact
  - 3.3.2 Elimination of tax credits
  - 3.3.3 Addition of carbon tax
  - 3.3.4 Allowance of virtual net metering
- 3.4 Net Metering
  - 3.4.1 Predict Net Metering growth
  - 3.4.2 Consider upper limit
- 3.5 Wholesale Marketplace
  - 3.5.1 Include research on current transmission costs
  - 3.5.2 RTO and power pool impact
  - 3.5.3 Research wholesale market place cost - past, current, future predictions
- 3.6 Electric Vehicles
  - 3.6.1 Prevalence of charging stations
  - 3.6.2 Load on utility
  - 3.6.3 Demand control
  - 3.6.4 New revenue sources
- 3.7 Energy Storage
  - 3.7.1 Prediction of costs, capital and capacity
  - 3.7.2 Availability
  - 3.7.3 Residential, commercial and utility scale impact
  - 3.7.4 Impact on demand
  - 3.7.5 Possible retro-fit impact
  - 3.7.6 Sweet spot analysis
  - 3.7.7 Arbitrage usage based on rates
- 3.8 Distributed Generation
  - 3.8.1 QFs based on FERC rulings
  - 3.8.2 Demand and energy cost effects
  - 3.8.3 Transmission effects
  - 3.8.4 Local economic development impacts
- 3.9 Micro-grid and Self-generation
  - 3.9.1 Possibility of industrial or commercial self-generation
  - 3.9.2 City of Durango FA expires in 2032

