



*October 2020
Virtual Town Hall Series:*

LPEA's FUTURE POWER SUPPLY OPTIONS



LPEA

La Plata Electric Association, Inc.

A Touchstone Energy® Cooperative 

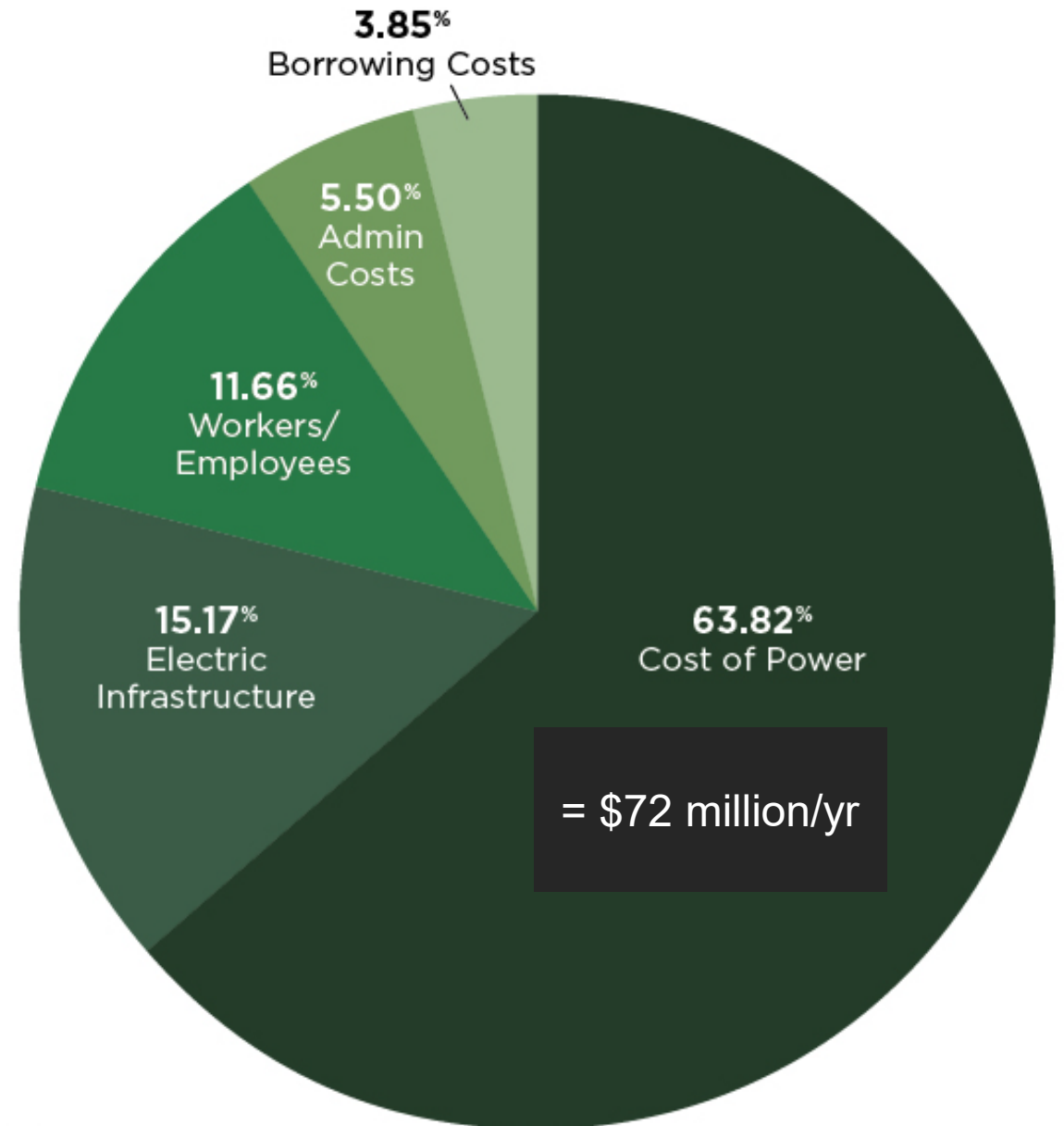


Why does it
matter where we
source our
power?

#1: Costs

63.82% of LPEA's annual budget is currently allocated to purchasing power from our wholesale power provider Tri-State Generation and Transmission.

Power costs are the #1 driver of rate increases



#2: Local Control

LPEA Vision Statement:

Shaping the future by building trustworthy community partnerships as an innovative, forward-thinking industry leader, delivering excellence in our member-owned cooperative.



#3: Sustainability

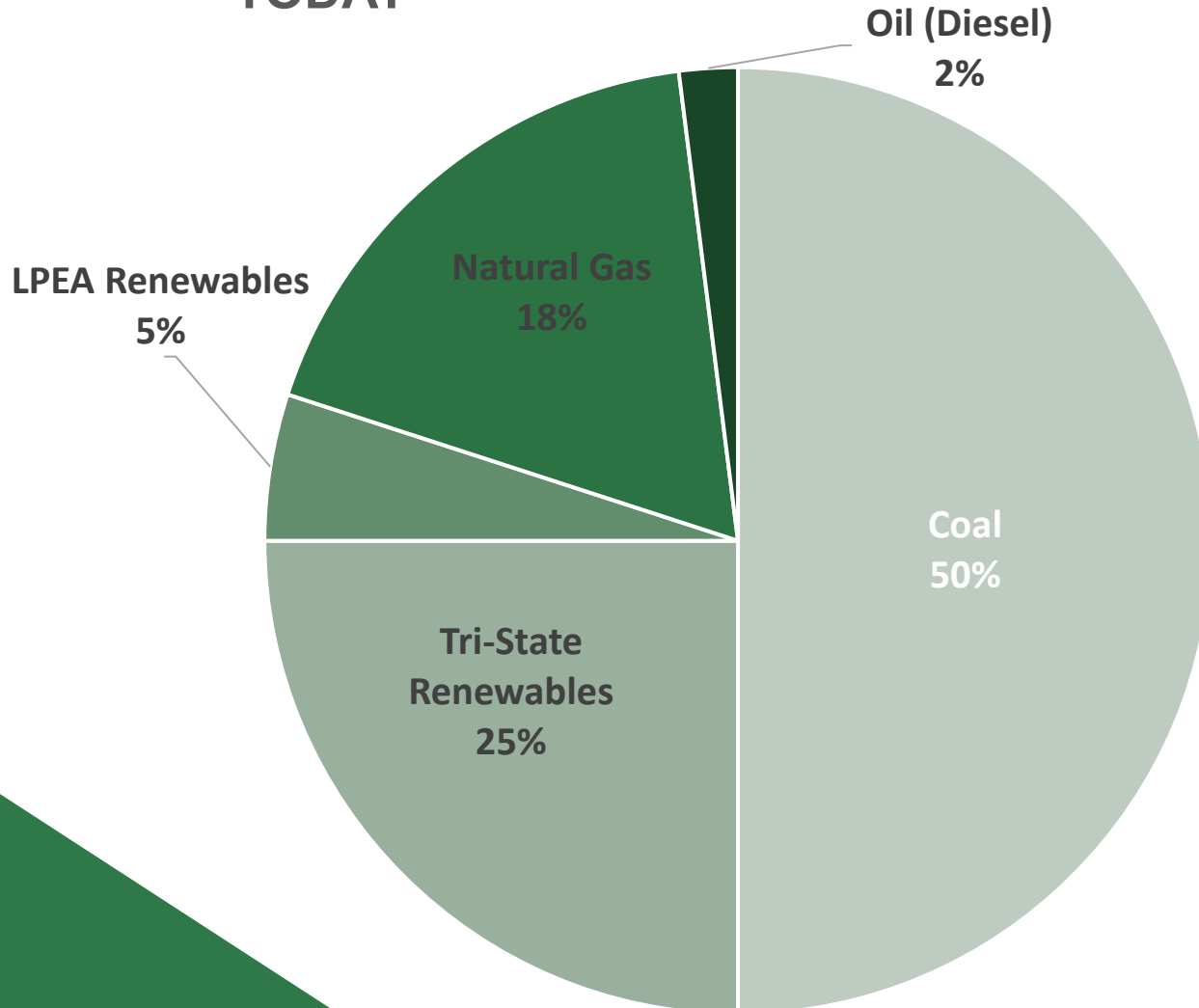
LPEA Strategic Goal:

LPEA will strive to reduce its carbon footprint by 50% from 2018 levels by year 2030 while keeping members' cost of electricity lower than 70% of its Colorado cooperative peers.

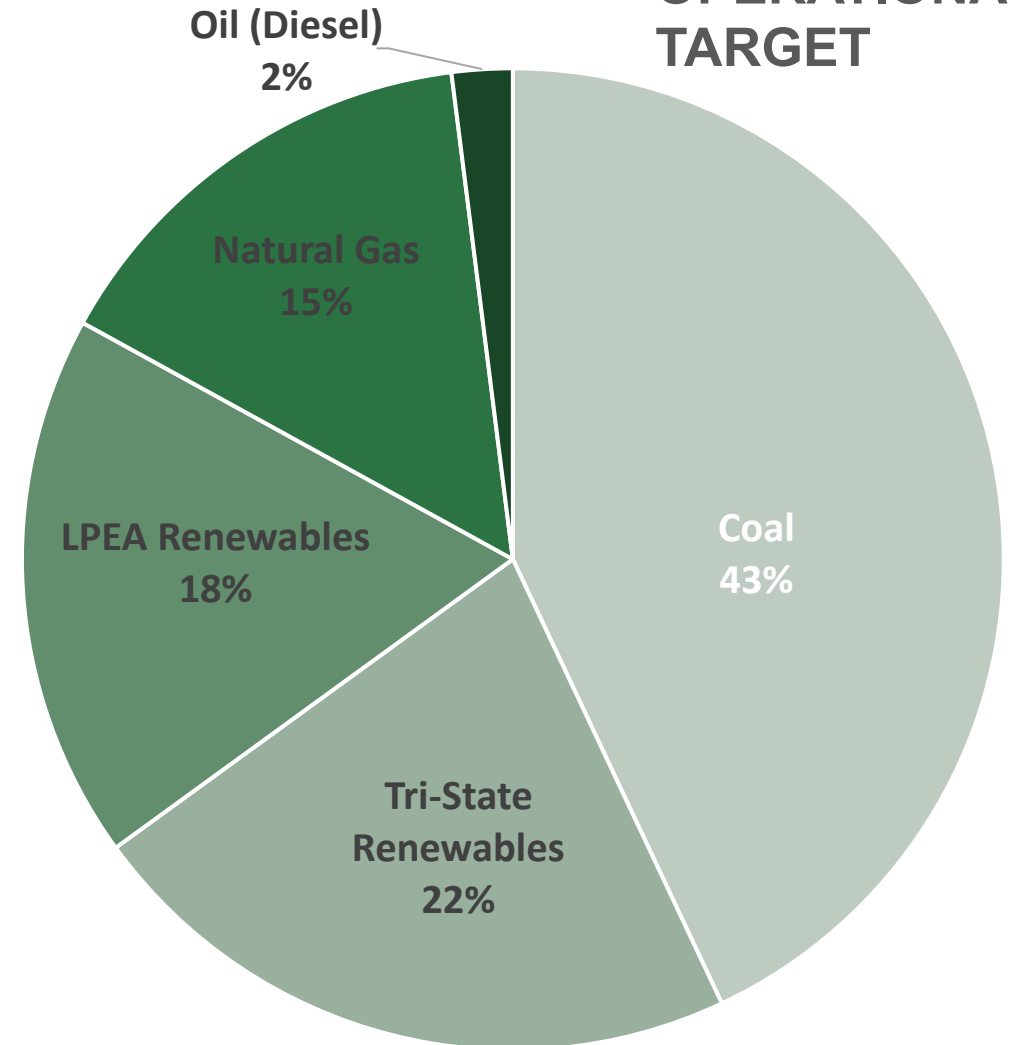



LPEA's Generation Mix

TODAY



**5-YEAR
OPERATIONAL
TARGET**

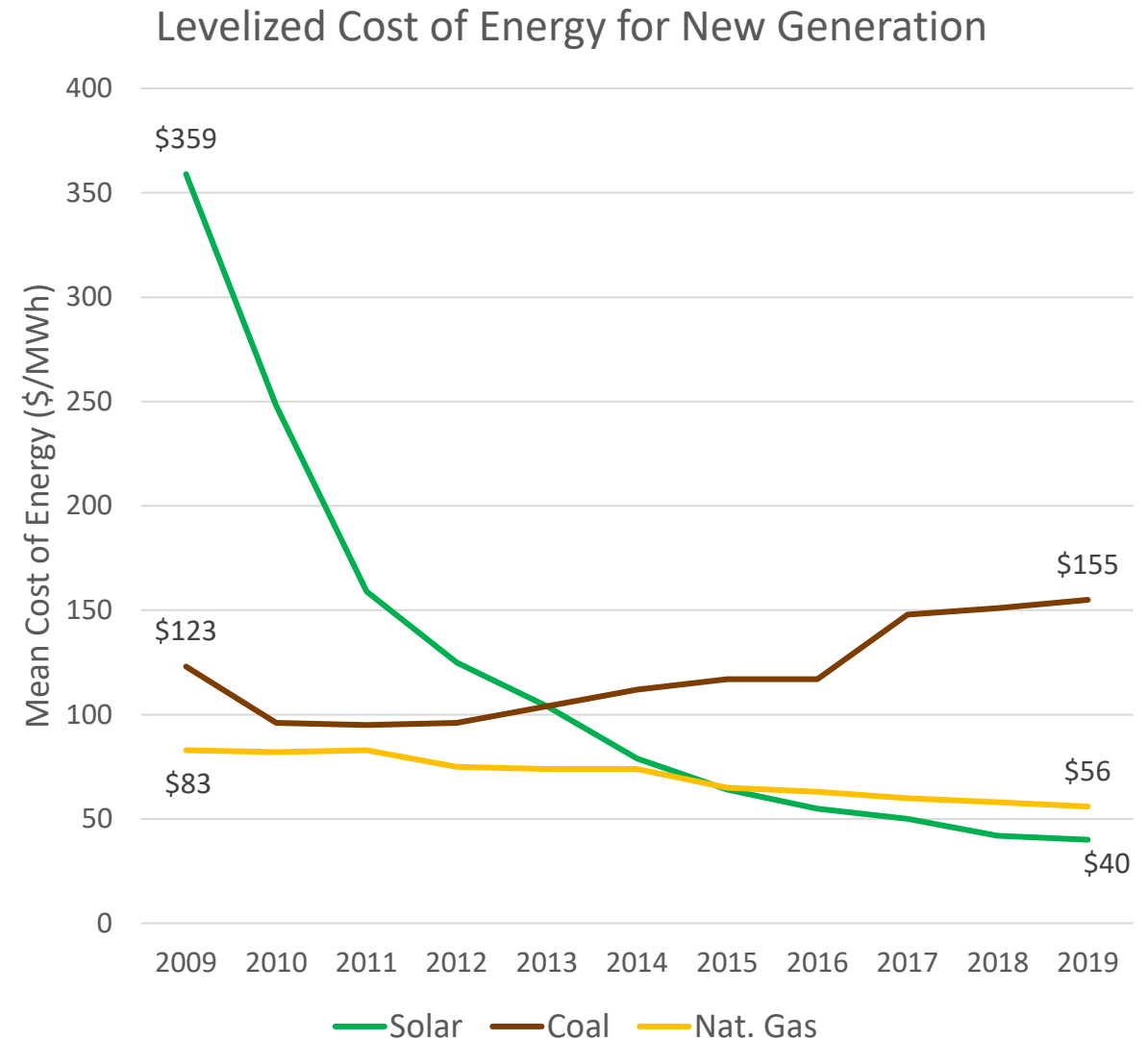


A photograph of a wind farm in a field of tall, golden-brown grain. Several wind turbines are visible, with the largest one in the foreground on the left. The sky is a vibrant orange and red, indicating a sunset or sunrise. A large black diagonal shape covers the right side of the image, containing white text.

But aren't
renewables more
expensive?

The declining cost of renewables

And predictions are that the costs will continue to decrease.

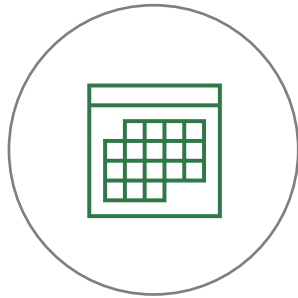




So what are our
power supply
options?

CURRENT:

Power supply contract with Tri-State G & T



LENGTH

Expires in 2050

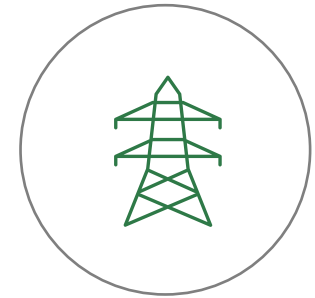
GOAL: Flexibility
of choice



LOCAL GENERATION

Limited to 5% of LPEA's
total energy use

GOAL: ADD 50 MW
to reach 18% of our total
energy use (operational
target)



ENERGY MIX

70% fossil-fuel based
30% renewables

GOAL: Reduce carbon
footprint by 50% from
2018 levels by 2030

FUTURE:

Board-requested 3-pronged strategy

#1 Pursue more flexibility in current contract

STATUS: Requesting expansion of existing policies beyond 5% local renewables limit

#2 Pursue a partial exit from current contract

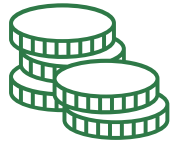
STATUS: Partial requirements parameters being established. Progress being made in recent meetings with Tri-State.

#3 Pursue a full exit from current contract

STATUS: LPEA requested buy out number from Tri-State but was denied. Now in CPUC and FERC litigation to obtain fair and equitable number.

Major drivers for this decision:

Cost of replacement power



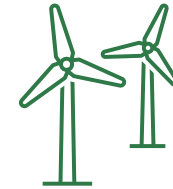
- Assessing market prices
- Received quotes

Transmission expense



- Analyzing transmission delivery

Cost of the buyout or buy down



- Pursuing buy out and buy down methodologies and costs

Next steps/dates:

Colorado Public Utilities Commission (CoPUC):

- November 5: CoPUC written order will be published

Federal Energy Regulatory Commission (FERC):

- December 9: Settlement conference

- Early 2021: Possibly bid for a portion of LPEA's power needs in Tri-State Open Season





Q & A