



TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

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May 31, 2018

Mr. Doug Dean, Director
Colorado Public Utilities Commission
1560 Broadway
2nd Floor, Suite 250
Denver, CO 80202

RE: 2017 Renewable Energy Standard – Qualifying Wholesale Utility Compliance Report / Docket No. 18M-0014E

Dear Mr. Dean,

Pursuant to Section §40-2-124(8)(g)(II), C.R.S., this letter serves as Tri-State Generation and Transmission Association, Inc.'s ("Tri-State") annual compliance report, as a qualifying wholesale utility, to the Colorado Public Utilities Commission.

A copy of this annual report can be found on the Tri-State corporate website at:
<http://www.tristategt.org/content/resource-planning/>

(I) In the last twelve months (beginning June 1, 2017), Tri-State has continued to take measurable steps towards complying with the renewable energy standard ("RES") imposed on qualifying wholesale utilities in Senate Bill 13-252, which was subsequently incorporated into the above-referenced C.R.S. and became effective on July 1, 2013.

One of the planned projects described in Tri-State's 2016 annual compliance report was the 75 MW Twin Buttes II Wind Project located in Prowers County in southeastern Colorado. This project achieved commercial operation on December 28, 2017 and is expected to produce over 300,000 megawatt-hours and associated environmental attributes per year. Tri-State has contracted to purchase the output from this facility for 25 years.

In addition, for the last five (5) years, Tri-State has maintained a power purchase agreement ("PPA") with the City of Boulder for the output and associated environmental attributes from the 5 MW Boulder Canyon Hydroelectric Project. This PPA was set to expire on June 6, 2018, and in anticipation of the expiration, the City of Boulder and Tri-State have negotiated a new PPA that not only extends the purchase of the Boulder Canyon Hydroelectric Project's output for another ten (10) years, but also includes Tri-State purchasing the output of four (4) additional projects totaling another 1.3 MW of City-owned small hydro projects for the same time period.

Looking ahead, Tri-State plans to issue a request for proposals ("RFP") for additional renewable resources later this year. It is anticipated project agreements resulting from this RFP should be approved by the Tri-State Board of Directors and executed by the end of 2018.

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Furthermore, the facilities specified by Tri-State in previously-filed annual reports, which include the Kit Carson, Colorado Highlands, and Carousel wind farms as well as the Cimarron, San Isabel and Alta Luna solar projects, all continue to perform well. These projects continue to generate renewable energy and renewable energy credits at or above initial estimates.

In conjunction with the utility-scale renewable energy projects described above, Tri-State's members continue to be active in developing local renewable and distributed generation projects. The development of these projects is facilitated by Tri-State board policies for members wanting to serve a portion of their local loads through projects they own or whose output they purchase. As of the date written above, 105 MW of these local renewable energy projects were in operation, with another 40 MW planned in future years.

(II) Given the progress described above, Tri-State can report that it continues to make positive progress toward meeting RES targets. Based on the successful commercialization of another utility scale project in 2017, issuing an RFP in 2018 and the projected addition of more distributed generation projects throughout our member system service territory over the next several years, we are confident in our ability to achieve full compliance by the required date set forth in the RES.

If you have any questions concerning this report, please do not hesitate to contact us.

Sincerely,

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