



TRI-STATE

# RESILIENCE

Whatever the future holds, **WE'LL POWER IT.**



RESILIENCE

# 2023 INVESTOR PRESENTATION

Tri-State Generation and Transmission Association, Inc.

Forward-looking statements detail our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, or intentions relating to acquisitions, closure of facilities, business trends and other information that is not historical information.

When used in this presentation, the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes” and “forecasts” or future or conditional verbs, such as “will,” “should,” “could” or “may,” and variations of such words or similar expressions, are intended to identify forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described from time to time in our filings with the Securities and Exchange Commission.

All forward-looking statements, including, without limitation, management’s examination of historical operating trends and data, are based upon our current expectations and various assumptions.

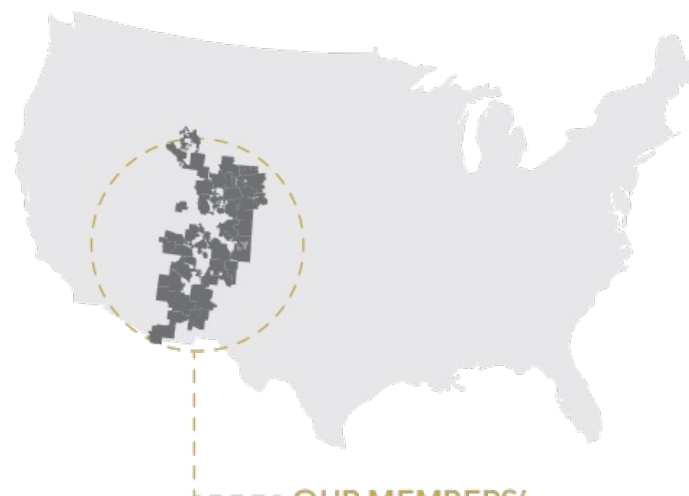
Our expectations and beliefs are expressed in good faith, and we believe there is a reasonable basis for them. However, we cannot provide certainty that management’s expectations and beliefs will be achieved. There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this presentation.



# POWER TODAY, POTENTIAL TOMORROW



- We are Tri-State, a not-for-profit wholesale power supplier with 45 members, including 42 electric cooperatives and public power districts across the Western United States. Together, we provide power to more than one million energy consumers in Colorado, Nebraska, New Mexico and Wyoming.
- We believe that reliable power is the lifeblood of the rural West and is critical to the future of our communities. That's why we've made it our mission to supply reliable, affordable, responsibly-generated power to the farms, ranches, resorts and small towns that our members serve.
- Tri-State became FERC jurisdictional in September 2019. FERC provides a forum for all members, regardless of state or size, to have a voice and be considered by the regulator in rate matters.



## OUR MEMBERS' SERVICE TERRITORY

- **42 Utility Members**  
Tri-State's member systems span areas in Colorado, Nebraska, New Mexico and Wyoming.
- **200,000 Square Miles**  
With our members, we serve over a million consumers across an area greater than California.
- Our members are the sole state-certified providers of electric service to retail customers within their designated service territories.

# 2030 RESILIENCY TARGETS

TODAY	2030
RELIABLE →	RELIABLE AND RESILIENT
MAJORITY FOSSIL →	MAJORITY RENEWABLE (WITH DISPATCHABLE BASELOAD)
COST BASED →	COMPETITIVE, FORMULAIC RATE
CONSTRAINED TRANSMISSION →	EXPANDED TRANSMISSION
LIMITED MARKET →	FULL DAY-AHEAD MARKET

# STRATEGY MAP

Member Needs	Reliability & Resiliency		Affordability	Flexibility	Responsibility
Mission	To provide our member systems a reliable, affordable and responsible supply of electricity in accordance with cooperative principles.				
Values	Safety		Integrity	Teamwork	Service
Strategic Goals	Operational	<b>Reliable &amp; Resilient System</b> Maintain members' top priority of a reliable and resilient system while implementing our transition.	<b>Business Competitiveness</b> Provide the best long-term options for our members through competitive pricing, rates and cost management.	<b>Cooperative Innovation</b> Create new growth opportunities by expanding the cooperative energy ecosystem to optimize coordination between member systems and their consumers.	
	Organizational	<b>Employer of Choice</b> Be a safe workplace and employer of choice by attracting and retaining an engaged, diverse and inclusive workforce that aligns with and supports the organization's success.	<b>Member Satisfaction</b> Engage our members to collaboratively develop trust and deliver the greatest value.	<b>Regulatory Management</b> Anticipate and manage regulatory, legislative, legal, and political impacts by engaging employees, members and external stakeholders.	

# RESPONSIBLE ENERGY PLAN

In January 2020, we announced our Responsible Energy Plan to pursue a clean energy transition. The plan is designed to help us expand renewable generation and reduce greenhouse gas emissions while ensuring reliable, affordable and responsible electricity for our member cooperatives and public power districts, and for the communities they serve.

Goals for our energy transition include:

- Eliminating all emissions from our coal-fired generating facilities in Colorado and New Mexico by 2030
- In 2025, 50 percent of the electricity our Utility Members use is expected to come from clean energy sources
- More local renewables for Utility Members through contract flexibility
- Promoting participation in a regional transmission organization
- Expanding electric vehicle infrastructure, electrification, efficiency, and other energy services







# RESPONSIBLE ENERGY PLAN

We eliminated CO<sub>2</sub> emissions from Tri-State-owned Escalante Generating Station in New Mexico in 2020. In Colorado, by 2030, we are targeting a 100% reduction in CO<sub>2</sub> emissions from Tri-State-owned coal generation, a 90% reduction in CO<sub>2</sub> emissions across generation we own or operate, and an 80% reduction in CO<sub>2</sub> emissions associated with state wholesale electricity sales. At the same time, we will have brought more than 1,000 MW of new wind and solar resources online between 2021 and 2025, with plans to add additional resources through 2030 pending modeling of resource acquisition needs and approvals from the Colorado PUC. Our current goal is to supply our members with 70% clean energy system-wide by 2030.

Closures include:

Rifle Station  
in 2022

Craig Unit 1  
in 2025

Craig Unit 2  
in 2028

Craig Unit 3  
by 2030

We're providing retraining and transition support for employees affected by these changes. We are also working with impacted communities, as well as state and federal government entities to find meaningful economic development opportunities to support a just transition.

The Colorado PUC approved Tri-State's Phase I 2020 Electric Resource Plan and settlement agreement. Under the settlement, Tri-State agreed to reduce greenhouse gas emissions related to its wholesale electricity sales in Colorado (relative to 2005 baseline) as follows: 26% in 2025, 36% in 2026, 46% in 2027, and 80% in 2030. Tri-State's Phase II 2020 Electric Resource Plan preferred bid portfolio, with a new wind project coming online in 2026 is awaiting Colorado PUC approval, expected in May 2023.





# RESPONSIBLE ENERGY PLAN — 2022 PROGRESS HIGHLIGHTS



## Increase clean energy

Over a third of energy our members used came from clean sources, and we set a renewable penetration record of 66%



## Reduce emissions

Established our glidepath to reduce emissions associated with wholesale electricity sales in Colorado relative to a 2005 baseline by 26% in 2025, 36% in 2026, 46% in 2027, and 80% by 2030



## Increase member flexibility

Allocated 97 MW of 'open season' self-supply capacity to three additional members interested in taking a more active role in providing power in their communities, with a total allocation of 300 MW to six members



## Extend clean grid benefits

Launched an energy innovations team to develop pathways for consumers to reduce their energy burden and emissions, with a focus on efficient electrification that reduces barriers to energy transition participation



## Support our communities

In partnership with state and local leaders, Tri-State is in the process of hiring a facilitator to guide discussions to explore community assistance opportunities for the City of Craig and Moffatt County, in preparation for the retirement of Craig Station by 2030



## Create a brighter future

Collaborated with federal and state government, cooperative, eNGO and other stakeholders to develop cooperative clean energy provisions in the Inflation Reduction Act, resulting in over \$15B in funding options and direct pay tax credits

# OUR MEMBERS

- COLORADO**  
**EM** Empire Electric Association, Inc., Cortez  
**GC** Gunnison County Electric Association, Inc., Gunnison  
**HL** Highline Electric Association, Holyoke  
**KC** K.C. Electric Association, Inc., Hugo  
**LP** La Plata Electric Association, Inc., Durango  
**MC** Morgan County Rural Electric Association, Fort Morgan  
**MP** Mountain Parks Electric, Inc., Granby  
**MV** Mountain View Electric Association, Inc., Limon  
**PV** Poudre Valley Rural Electric Association, Inc., Fort Collins  
**SI** San Isabel Electric Association, Inc., Pueblo West  
**SV** San Luis Valley Rural Electric Cooperative, Inc., Monte Vista  
**SM** San Miguel Power Association, Inc., Nucla  
**SC** Sangre de Cristo Electric Association, Inc., Buena Vista  
**SE** Southeast Colorado Power Association, La Junta  
**UN** United Power, Inc., Brighton  
**WR** White River Electric Association, Inc., Meeker  
**YW** Y-W Electric Association, Inc., Akron

- NEBRASKA**  
**CR** Chimney Rock Public Power District, Bayard  
**MW** Midwest Electric Cooperative Corporation, Grant  
**NW** Northwest Rural Public Power District, Hay Springs  
**PH** Panhandle Rural Electric Membership Association, Alliance  
**RS** Roosevelt Public Power District, Scottsbluff  
**WB** Wheat Belt Public Power District, Sidney

- NEW MEXICO**  
**CN** Central New Mexico Electric Cooperative, Inc., Mountainair  
**CO** Columbus Electric Cooperative, Inc., Deming  
**CD** Continental Divide Electric Cooperative, Inc., Grants  
**JM** Jemez Mountains Electric Cooperative, Inc., Española  
**MO** Mora-San Miguel Electric Cooperative, Inc., Mora  
**NR** Northern Rio Arriba Electric Cooperative, Inc., Chama  
**OC** Otero County Electric Cooperative, Inc., Cloudcroft  
**SR** Sierra Electric Cooperative, Inc., Elephant Butte  
**SO** Socorro Electric Cooperative, Inc., Socorro  
**SW** Southwestern Electric Cooperative, Inc., Clayton  
**SP** Springer Electric Cooperative, Inc., Springer

- WYOMING**  
**BH** Big Horn Rural Electric Company, Basin  
**CB** Carbon Power & Light, Inc., Saratoga  
**GL** Garland Light & Power Company, Powell  
**HP** High Plains Power, Inc., Riverton  
**HW** High West Energy, Inc., Pine Bluffs  
**NB** Niobrara Electric Association, Inc., Lusk  
**WL** Wheatland Rural Electric Association, Wheatland  
**WY** Wyrulec Company, Torrington

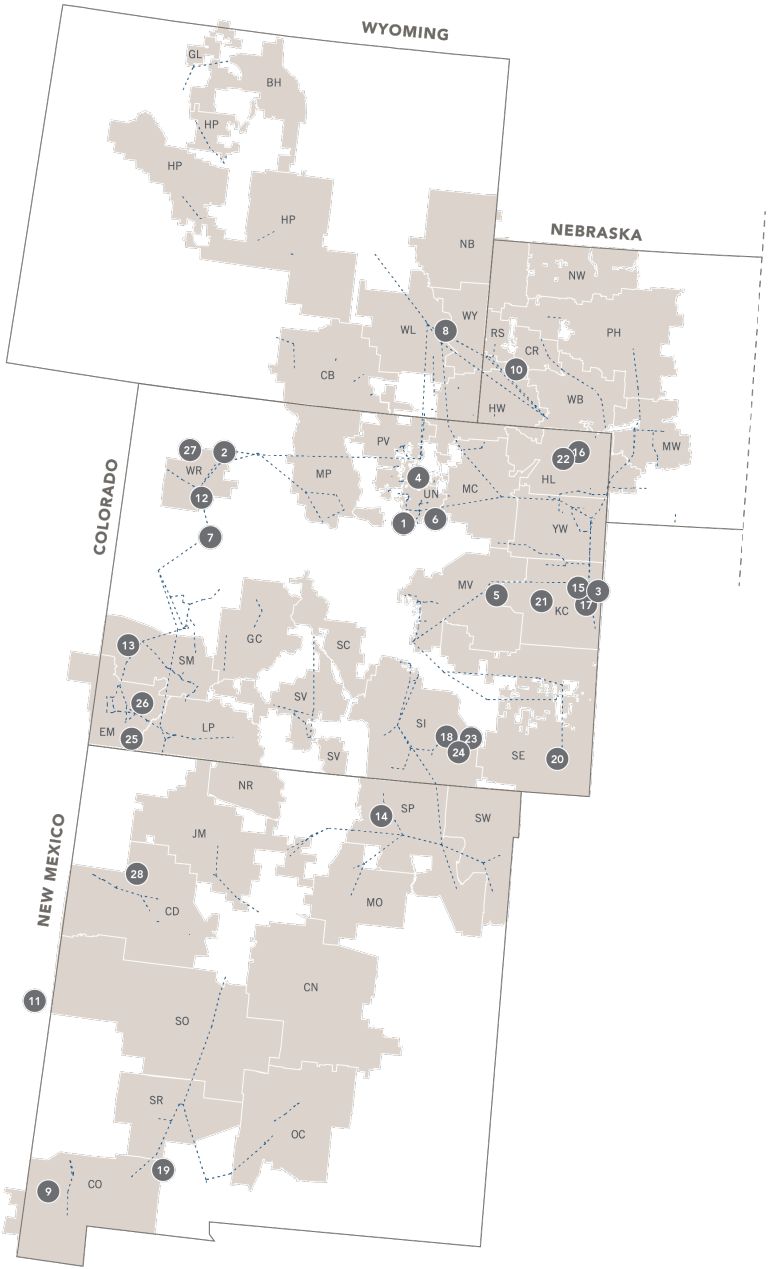
- NON-UTILITY MEMBERS**  
Ellgen Ranch Company  
MIECO, Inc.  
Olson's Greenhouses of Colorado, LLC

# OUR RESOURCES

- Headquarters and Operations Center**  
Westminster, CO
- Craig Station**  
Craig, CO
- Burlington Station**  
Burlington, CO
- J.M. Shafer Generating Station**  
Fort Lupton, CO
- Limon Generating Station**  
Limon, CO
- Frank R. Knutson Generating Station**  
Brighton, CO
- Rifle Generating Station (retired in 2022)**  
Rifle, CO
- Laramie River Station**  
Wheatland, WY
- Pyramid Generating Station**  
Lordsburg, NM
- David A. Hamil DC Tie**  
Stegall, NE
- Springerville Generating Station**  
Springerville, AZ
- Colowyo Mine**  
Meeker, CO
- New Horizon Mine (in full reclamation)**  
Nucla, CO
- Cimarron Solar – Colfax County, NM**

\*Generation projects will be operational by the end of 2024  
Tri-State also receives power from several small hydropower projects and under long-term contracts with the Western Area Power Administration and Basin Electric Power Cooperative.

- Kit Carson Windpower**  
Kit Carson County, CO
- Colorado Highlands Wind**  
Logan County, CO
- Carousel Wind**  
Kit Carson County, CO
- San Isabel Solar**  
Las Animas County, CO
- Alta Luna Solar**  
Luna County, NM
- Twin Buttes II Wind**  
Prowers County, CO
- Crossing Trails Wind**  
Kit Carson & Cheyenne Counties, CO
- Niyol Wind – Logan County, CO**
- Spanish Peaks Solar (2024)**  
Las Animas County, CO
- Spanish Peaks II Solar (2024)**  
Las Animas County, CO
- Coyote Gulch Solar (2025)**  
Montezuma County, CO
- Dolores Canyon Solar (2024)**  
Dolores County, CO
- Axial Basin Solar (2024)**  
Moffat County, CO
- Escalante Solar (2024)**  
McKinley County, NM



# A DIVERSE & RELIABLE GENERATION PORTFOLIO

How we generate and purchase power is important to our members.

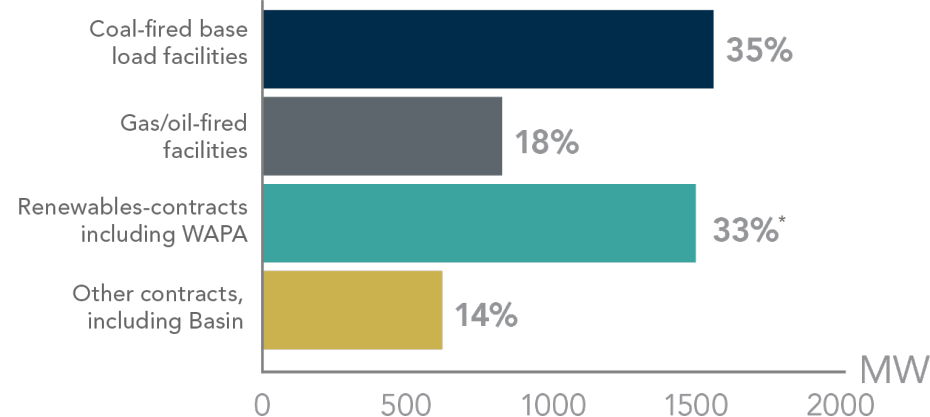
Tri-State is able to meet our members' needs by deploying clean energy resources via our long-term purchase power contracts, an efficient fleet of owned generation resources and market purchases.

Our diverse generation portfolio leverages the West's plentiful natural resources to generate reliable and affordable electricity for our membership. We manage risks and costs of power generation by utilizing clean energy resources, including hydropower, wind and solar. We back that up with our efficient base load-serving coal generating units, intermediate load-serving natural gas combined-cycle generating units, and peak load-serving natural gas and oil combustion turbines.

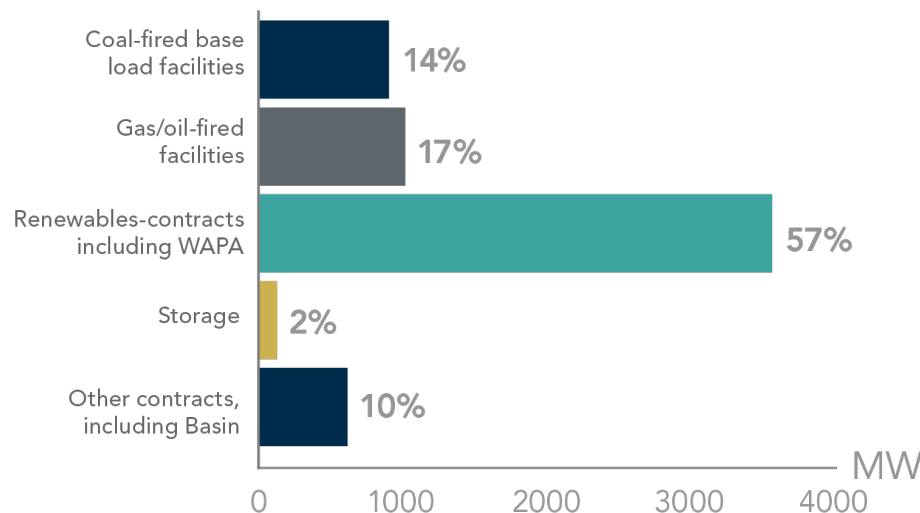
To manage the costs of energy production, we use coal from Tri-State-owned mines and contract for other coal supplies through our cooperative network. In addition, several of our gas plants are dual fuel and allow for alternative fuel options, protecting us from market price volatility.

**2022 Generation Portfolio Capacity**

(as of Dec. 31, 2022)



**Projected Generation Portfolio Capacity for 2030**





# OUR TRANSMISSION LINES SPAN THE WEST

Reliable electricity hinges on our multi-state transmission network. It carries electricity from our generation resources to our members' distribution systems or to energy markets for sale. Our transmission network includes lines, substations, telecommunications, maintenance centers and field offices.

Keeping the lights on for our members' consumers means our transmission system must be maintained and invested in regularly. Because we own most of our transmission network, we can more quickly add facilities and delivery points to serve our members' growing energy loads.

Tri-State eastern interconnection member load has been in the SPP RTO since 2014, with Tri-State signing the SPP Membership Agreement in 2015. Regarding Tri-State's system in the western interconnection, Tri-State joined SPP's Western Energy Imbalance Service (WEIS) Market on February 1, 2021. In addition, Tri-State also expanded its participation in the CAISO Western Energy Imbalance Market (WEIM) real-time energy market into New Mexico on April 1, 2021. With other balancing authorities joining the WEIS in early spring 2023, all of Tri-State's remaining load and generation entered organized markets. 100% of Tri-State's generation and member load is currently in organized markets.

422

BULK SUBSTATIONS

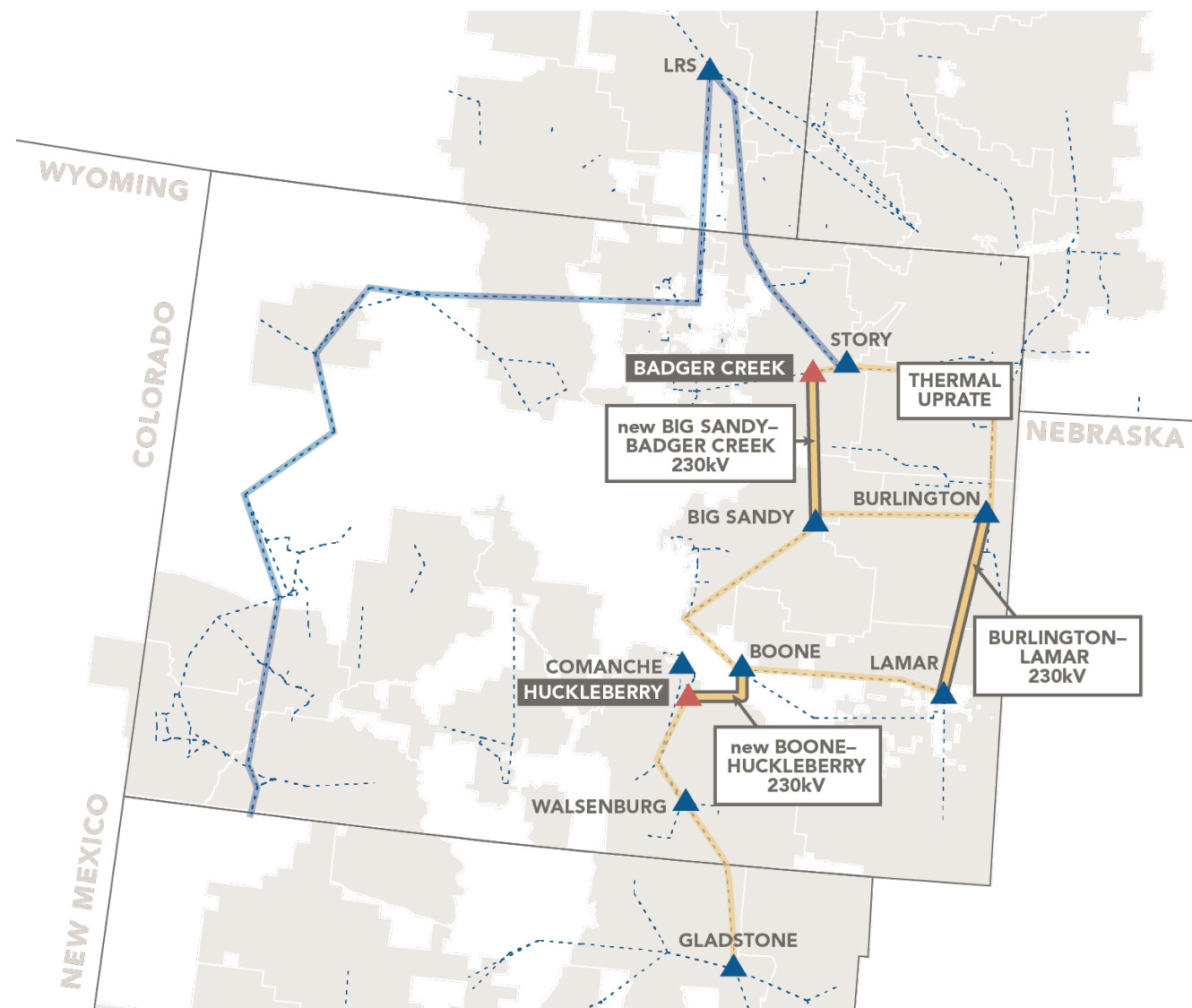
5,849

MILES OF LINE



# WE CONTINUE TO IMPROVE OUR TRANSMISSION NETWORK

- The Colorado Public Utility Commission has approved our request to add three new transmission lines in eastern Colorado
- Allows Tri-State to add capacity and expand to areas highly suitable for renewable generation projects
- The improvements will strengthen the system, allowing over 700 MW of new renewable generation to be incorporated into our system
- These upgrades and improvements will be focused on high capacity 230 kV lines
- The total project capex is expected to be more than \$175 million over the next 5+ years





# LONG-TERM WHOLESALE POWER CONTRACTS CREATE A STABLE AND PREDICTABLE REVENUE STREAM

## Wholesale power contracts

- 42 member contracts extend to 2050

## Contract obligations

- Contracts obligate Tri-State members to pay all of Tri-State's costs and expenses, including debt service, associated with owning and operating its power supply business

## Contract flexibility

- Each member system has the option to provide up to 5% of its energy requirements from generation it owns or controls
- In addition, Tri-State has allocated 300 MW for members to self-supply up to 50% of their load. This allocation was granted to six members who participated in the application process





# 2022 TRI-STATE NUMBERS

Tri-State’s financial position provides the association with the continued ability to meet the future needs of the member distribution systems and their member-owners.

## Energy sales

18.6M MWh Total Energy Sold



Pursuant to our master indenture, we are required to meet two main financial covenants: a Debt Service Ratio (DSR) of 1.10 and an Equity to Capitalization Ratio (ECR) of at least 18%.

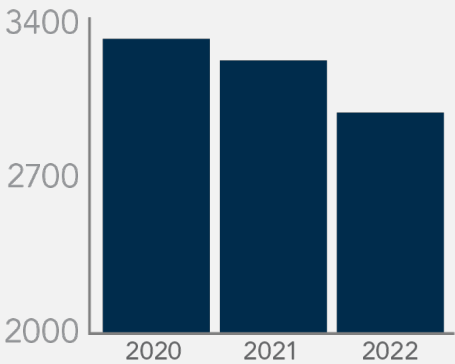
INDENTURE DSR FOR 2022 WAS  
**1.16**

INDENTURE ECR FOR 2022 WAS  
**25.54%**

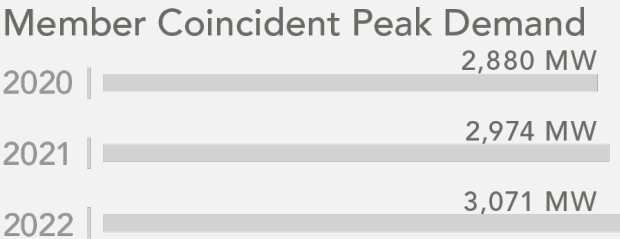
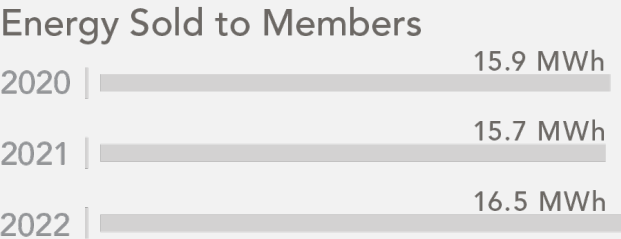
**\$1.5B**  
OPERATING REVENUE

**\$62.6M**  
SAVED BY MEMBERS  
THROUGH WHOLESALE  
RATE REDUCTIONS

**\$4.9B**  
TOTAL ASSETS



\*Total long-term debt continues to decline year-over-year

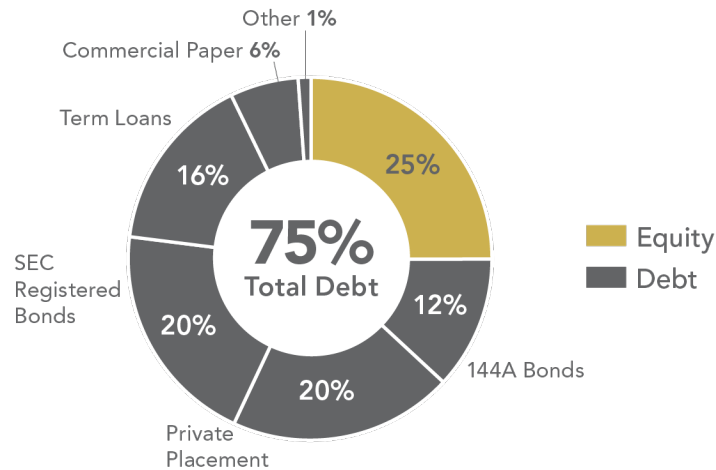


# TOTAL CAPITALIZATION

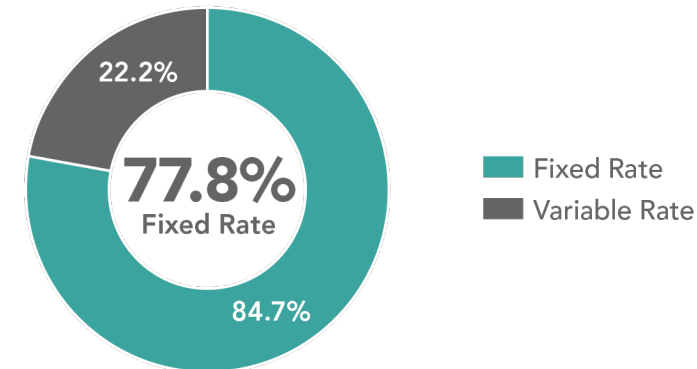
(as of 12/31/2022)

Tri-State obtains capital through a variety of sources, including both public and private debt markets and margins. Additionally, we maintain equity at a level that provides for a healthy overall capital mix. We also manage interest rate risk by maintaining an appropriate balance between fixed rate and variable rate debt. Our overall liquidity is comprised of our \$520M revolving credit facility, which supports a \$500M commercial paper program, and cash on hand which equated to \$102M as of December 31, 2022.

**Total debt and equity**



**Fixed vs. Variable rate debt**

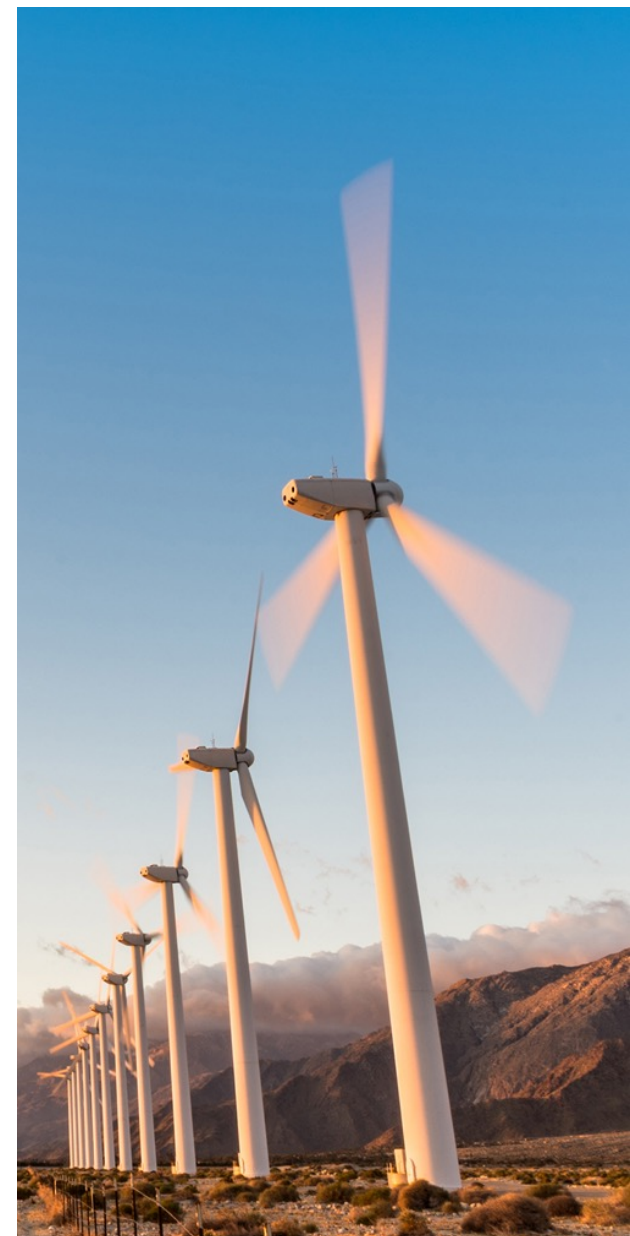


# LOOK FORWARD

Tri-State anticipates financing through a variety of sources, giving us flexibility around how we structure our debt portfolio in relation to interest rate risk, maturity profile and amortization structure.

With our commitment to the cooperative business model and to serving our member systems, Tri-State stands apart from other utilities. Our liquidity, healthy sales growth and readiness to meet future obligations and challenges highlight our strong financial position.

- Private placement
- SEC registered bonds
- CoBank
- CFC
- Credit facility
- Commercial paper





# TRANSITIONING TO FERC AND OUR EVOLVING MEMBERSHIP

## Transition to FERC

- Single rate regulator benefits members as Tri-State increases member flexibility, renewables
- FERC rate regulation aligns Tri-State with rate regulation of other wholesale power providers
- Tri-State became fully rate regulated by FERC in 2019
- Tri-State works constructively with state leaders to comply with resource planning, renewable energy and environmental compliance
- Formulary rate is scheduled to be filed with FERC in the summer of 2023 and we expect the formula rate to become effective on January 1, 2024

For more information regarding the dynamic process of our FERC transition please contact our investor relations team.

[investorrelations@tristategt.org](mailto:investorrelations@tristategt.org)

# OUR DIFFERENT IS BETTER

## **We are a member-owned cooperative**

This means we are not driven by profits; we're driven by the communities we serve. Unlike investor-owned utilities (IOUs), we have:

- No EPS targets
- No high dividend payout ratios
- No EPS-driven M&A activity

## **Our equity levels**

Our equity is comprised solely of patronage capital, similar to retained earnings of a for-profit company. We don't have paid-in capital on common stock.

## **A valuable service**

Cooperatives took up the work of bringing electricity to rural communities when other power providers would not, working together to share the costs and risks of generating and transmitting electricity to deliver the benefits of this critical service. Even today, cooperatives serve far fewer consumers per mile than other types of utilities, but the value of membership is greater than ever.

## **Long-term wholesale power contracts**

Contracts obligate our member systems to pay all of our costs and expenses, including debt service, associated with owning and operating our power supply business. Over the last few years, we have worked with our members to create more flexibility in our contracts to better serve the growing diversity of members.



**We are among the largest generation and transmission cooperatives in the country in terms of total assets, annual operating revenue, miles of transmission line owned, energy generation and sales.**

As a cooperative, everything we do is member-driven and member-focused. Our board of directors is made up of representatives from each of our 42 member systems, and with their guidance and governance, we continue to work with our member systems to serve the needs of communities and consumers across the West.

# TRI-STATE CREDIT STRENGTHS

- A large and growing portfolio of renewable energy backed by diverse dispatchable baseload, long term contracts for federal hydro power, and an intermediate and peak load fleet to provide affordable, reliable and responsible power
- Extensive transmission network, which enables Tri-State to improve reliability and add resources in the future
- Long-term wholesale power contracts for at least 95% of each member system's energy requirements to 2050 with 42 of our members
- Safety record remains better than the national average
- Tri-State is located in a diverse region with significant wind and solar resources available
- Operating expenses have remained flat over the past five years
- Cost cutting initiatives are being pursued to sustain rate reductions

For investor inquiries, please contact us at [investorrelations@tristategt.org](mailto:investorrelations@tristategt.org)







**TRI-STATE**

WHATEVER THE FUTURE HOLDS

**WE'LL POWER IT.**