



TRI-STATE

May 31, 2022

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

RE: 2021 Renewable Energy Standard – Qualifying Wholesale Utility Compliance Report / Docket No. 22M-0014E

Dear Mr. Dean,

Pursuant to Section § 40-2-124(8)(g), C.R.S., this letter serves as Tri-State Generation and Transmission Association, Inc.'s (Tri-State), a qualifying wholesale utility, 2021 compliance report to the Colorado Public Utilities Commission.

A copy of this annual report can be found on the Tri-State corporate website at:
<https://tristate.coop/resource-planning>

Background

SB13-252 was signed into law on June 5, 2013, and codified at § 40-2-124 C.R.S.; among other modifications, the bill established a twenty percent (20%) Renewable Energy Standard (RES) for Qualifying Wholesale Utilities beginning in the year 2020 and continuing thereafter. The Commission adopted new rules, implementing SB13-252 in Docket No. 13R-0901E, adding a new subsection (f), specific to Qualifying Wholesale Utilities, to the existing Commission Rule 3662, which defines the requirements for annual compliance reports. The new rule mirrored the language of § 40-2-124(8)(g)(I) through (III) C.R.S and serves as guidance for the information provided in this annual report.

In the years prior to 2020, the only applicable reporting requirement for Tri-State was to describe what steps it had taken in the previous year toward achieving compliance beginning in 2020 and whether such progress was sufficient toward meeting future compliance obligations. Since 2014, Tri-State has filed a report each year, detailing its efforts - with the 2020 report filed in 2021 being the first report to quantify Tri-State's compliance with the RES as a Qualifying Wholesale Utility. Each subsection of the statute and corresponding Commission rules are addressed below.

Rule 3662(f)(I)-(III) / § 40-2-124(8)(g)(I)-(III) C.R.S.

Annual Reporting Requirements for Qualifying Wholesale Utilities

- (I) Describe the steps it took during the immediately preceding twelve months to comply with the electric resource standard.

Tri-State has been engaged in the Electric Resource Plan (ERP) process under docket 20A-0528E over the last twelve months with a comprehensive settlement agreement for Phase I being reached in early 2022. Tri-State plans to procure additional renewable resources that will be defined in the portfolio ultimately approved by the Commission in Phase II of this process.

In addition, two of the planned projects described in Tri-State's 2020 annual compliance report - the 104 MW Crossing Trails wind project and the 200 MW Niyol wind project - achieved commercial operation in 2021. Combined, these projects are expected to produce more than 1,300,000 megawatt-hours and associated environmental attributes for Tri-State per year.

(II) For the compliance years before 2020, describe whether it is making sufficient progress toward meeting the standard in 2020 or is likely to meet the 2020 standard early.

Tri-State filed its first RES annual report in May of 2014; it described the activities taken during 2013 toward compliance with the RES. A similar annual report was filed in the subsequent years prior to 2020 – each report affirming its progress toward meeting the standard in 2020.

(III) For the 2020 compliance year and each compliance year thereafter, describe whether it has achieved compliance with the RES and whether it anticipates continuing to do so.

Tri-State has achieved compliance with the RES for 2021 and, as described below, will be retiring sufficient Renewable Energy Credits (RECs) to satisfy compliance in accordance with the statute.

As mentioned above, Tri-State has been engaged in the ERP process since its filing on December 1, 2019. The Recommended Decision in Phase I was approved by operation of law on April 18, 2022. Subsequent to this approval, Tri-State issued a Request for Proposals (RFP) on May 18, 2022 for additional capacity and energy supply resources to be online prior to 2027. Responses to this RFP are due on July 5, 2022 and will serve as the basis for the portfolios to be presented to the Commission in the Phase II Implementation Report. Considering the additional renewable resources expected to be approved in Phase II and Tri-State's current ability to fulfill the Colorado RES, Tri-State fully anticipates being able to comply with the standard in the future.

The RES established in section § 40-2-124(8)(b), C.R.S. states, "Notwithstanding any other provision of law, each qualifying wholesale utility shall generate, or cause to be generated, at least twenty percent of the energy it provides to its Colorado members at wholesale from eligible energy resources in the year 2020 and thereafter." In 2021, Tri-State provided 10,415,094 MWh¹

¹ Commission Rule 3662(f)(l) mentions a RES of 20 percent of retail sales, however relying on the statute, Tri-State interprets the standard to apply to wholesale energy provided to our members at delivery points located in Colorado. This amount of energy is greater than the total Colorado member retail sales because it includes the member's own use and member resales and has not been reduced for member distribution losses. It is also uncertain as to what qualifies as a Colorado member. The headquarters of High West Energy is located in Pine Bluffs, Wyoming, and



of wholesale energy to delivery points in Colorado for its members. Twenty (20%) percent of this amount equates to 2,083,019 MWh or RECs from eligible energy resources required for compliance in the year 2021.

C.R.S. § 40-2-124(8)(c) further states, “A qualifying wholesale utility may count the energy generated or caused to be generated from eligible energy resources by its Colorado members or by the qualifying wholesale utility on behalf of its Colorado members pursuant to subparagraph (V) of paragraph (c) of subsection (1) ((1)((c)(V)) of this section toward compliance with the energy resource standard established in this subsection (8).” For 2021, 1,319,368 RECs will be retired on behalf of Colorado members for compliance with the RES. Thus, 763,651 additional RECs will be retired to meet the RES for Tri-State as a Qualifying Wholesale Utility to achieve the 20% compliance level. The following table details the sources, vintages, multipliers, and quantities of RECs to be retired for Tri-State’s compliance obligation.

Tri-State Renewable Retirements	Retirements (MWh)	Resource Multiplier	Retirements w/ Multiplier (RECs)	Resource Vintage
Boulder Canyon - Boulder Canyon	12,576	1.25	15,720	2016
Vallecito Hydro Electric Project	21,474	1.25	26,843	2016
Williams Fork Hydro Plant	9,190	1.25	11,487	2016
Garland Canal Power Plant	9,879	1.00	9,879	2016
Basin Waste Heat Recovery	29,291	1.25	36,614	2016
Basin Solar	40	1.00	40	2016
WAPA Small Hydro, < 30MW - LAP, CO	442,098	1.25	552,622	2017
WAPA Small Hydro, < 30MW - CRSP, CO	43,356	1.25	54,195	2017
Boulder Canyon - Boulder Canyon	12,580	1.25	15,725	2017
Vallecito Hydro Electric Project	27,273	1.25	34,091	2017
Williams Fork Hydro Plant	5,148	1.25	6,435	2017
Total	612,905		763,651	

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

Sincerely,

Timothy Woolley
Assistant General Counsel, Regulatory Affairs

Highline Electric Association is headquartered in Holyoke, Colorado. While headquartered in Wyoming, High West has retail customers in Colorado; Highline, while headquartered in Colorado, has retail customers in Nebraska. The reported value includes all Colorado sales and excludes any sales outside Colorado.