

**SUMMARY OF TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION INC'S SEVENTH PUBLIC PARTICIPATION MEETING HELD SEPTEMBER 17, 2010**

Tri-State held its seventh, and final, public participation meeting regarding the development of its 2010 Electric Resource Plan/Integrated Resource Plan at its Westminster, Colorado headquarters on September 17<sup>th</sup>. Participants who had signed up on the formal Public Participants List for this process were notified of the meeting by email. A notice of the meeting and agenda were posted on the Tri-State's website. Approximately 20 people attended the meeting in person or via the Webcast.

The meeting covered three areas: 1) a description of the process for the public to submit comments regarding Tri-State's Draft Final Report for the 2010 Electric Resource Plan, 2) a summary of the results of the final two scenarios that Tri-State modeled with respect to high coal costs, and 3) an overview of Tri-State's Draft Action Plan that is included in the Draft Final Report. The PowerPoint presentations made at the meeting are posted on Tri-State's website.

As discussed at the meeting, Tri-State released a complete draft of its 2010 Electric Resource Plan on the afternoon of September 17<sup>th</sup>. Tri-State will accept written public comments regarding its Draft Plan through Monday October 18, 2010. Written comments should be submitted electronically to [Resourceplanning@tristategt.org](mailto:Resourceplanning@tristategt.org). Tri-State will consider the public comments and may amend its plan in light of the recommendations it receives. All public comments will be included in an appendix to the Final Report. Tri-State will present a final draft of the report to its Board of Directors for its consideration and will file the Final Resource Plan with the Colorado Public Utilities Commission at the end of November, 2010. Tri-State will ask the CPUC to set a public information meeting for Tri-State to present and discuss the Final Resource Plan and the public participation process. Tri-State will submit the Final Resource Plan to the Western Area Power Administration in mid-February 2011. Tri-State will also convene a public participation meeting in the future when it begins its annual update process.

Using its established format and its Basic Default Scenario, Kevin Cox presented the results of two additional expansion plan scenarios that were recommended at the July 15, 2010 public meeting. In the first scenario, Tri-State escalated coal costs 5% each year. In the second scenario, Tri-State escalated coal costs 10% each year. For each of the scenarios, Tri-State provided the resulting net present value of revenue requirements, capital expansion plans, renewable expansion plans and resulting emissions profiles.

Rob Wolaver provided an overview of Tri-State's Draft Action Plan. The Draft Plan is premised on the conclusion that under the Median Load Forecast, and "business as usual" assumptions, no new resources are needed to satisfy capacity requirements until at least 2019. In addition, under the Colorado and New Mexico Renewable Portfolio Standards, additional renewable resources will be required by 2015 to satisfy renewable energy requirements. Mr. Wolaver discussed Tri-State's actions

with respect to Conventional Resources, Renewable Resources, Transmission, Demand Side Resources and Other Initiatives.

Following are questions and comments from the meeting participants:

- Q. Why does there appear to be an anomaly in the 2014-15 timeframe in terms of energy?
- A. It's most likely related to modeling quirks related to outage timing, etc.
- Q. What is the level of dispatch of the Tri-State's coal units under the 5% and 10% scenarios?
- A. The coal units are often taken down to operating minimums as more renewable energy comes on line.
- Q. Does Tri-State view the Renewable Portfolio Standard as a ceiling?
- A. No, it's really a floor. Tri-State needs to add at least the RPS requirements, but could add more based on economics. The final decision is up to the Board.
- Q. What are the advantages of going to 345kv transmission capacity instead of 230kv in Southeast Colorado?
- A. We know we can justify 230kv, based on our Members' needs. We would be able to bring in additional resources with more capacity, but someone needs to pay for it.
- Q. Where is Holcomb?
- A. In Kansas, but it is not shown on the presentation map.
- Q. What transmission is used to bring in generation from the new Dry Fork facility?
- A. The facility uses existing transmission.
- Q. Elaborate on transmission expansion between Big Sandy and Midway.
- A. This was described using the map.
- Q. Does the map include the Eastern Plains Transmission Project?
- A. Some of it.
- Q. Are the expansion projects shown on the transmission map capable of importing the capacity from the Holcomb project?
- A. No. There is not sufficient capacity.
- Q. What did Tri-State assume as the level of DSM in its preferred plan?

A. Tri-State is not proposing a preferred plan. Tri-State developed a couple dozen alternative expansion plans; but unlike other utilities, Tri-State is not required to select one as its “preferred plan.” Its Action Plan is informed by the overall analysis, but there is not a single scenario that is basis for Tri-State’s actions. Tri-State has doubled its budget for Energy Efficiency activities in 2011, but that is not designed to active any of the modeled DSM levels.

Q. Does Tri-State have end-user DSM programs?

A. Yes, Tri-State has rebate programs that are available to its Members, and through the Members to end users.

Q. What does Tri-State expect for coal prices?

A. Our base assumption is approximately a 2% increase over inflation.

Q. Will Tri-State share data regarding the output of the Cimarron solar farm?

A. The company will consider it.

Q. Is Tri-State working to develop geothermal resources?

A. Yes, it is working with some of its Members to evaluate these resource options, but it costs about \$1 million to drill an exploratory/development hole.

Q. If Tri-State develops/acquires resources to meet Member loads, how does it justify Holcomb?

A. Tri-State is not proposing or justifying any particular resources (including renewables) in this planning process.

Q. How much does it cost to preserve Holcomb as an option?

A. This proceeding is not about Holcomb or any other specific resource option and Tri-State will not answer specific question about specific options

Q. What is process for submitting comments and for future engagement?

A. Written comments should be submitted via the website. Future Action Plan updates will be noticed via the website.

Q. What has been learned in this process?

A. There haven’t been any real surprises. We’ve learned a lot internally about the model – its capabilities and limitations. We’ve discussed some of the additional analyses we will pursue.

There was a suggestion that Tri-State take comments from grass roots organizations seriously.

There was a suggestion that Tri-State develop its analysis regarding the nexus between future coal prices and carbon prices.

There was a question from a Web participant about the renewable credit multiplier that was available for solar generation in New Mexico. New Mexico has a three times multiplier.

Several participants thanked Tri-State for the content and quality of the public participation meetings.