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Responsible Energy Plan 2020 Progress Highlights

In January 2020, Tri-State released our association's clean energy transition plan: one that will expand renewable generation and reduce greenhouse gas emissions while ensuring reliable, affordable, responsible electricity for our members and their communities. With our Responsible Energy Plan (REP), Tri-State is implementing a clean energy transition while being responsible to our employees, our members, our communities, and our environment.

The REP is dynamic and will change as members' needs change, new technologies become available and market conditions evolve. Over the past year, Tri-State and our members have made great strides implementing the plan, which has allowed us to set new goals beyond those identified in January. Here we outline the progress we made in 2020 on our transition path.



Increase clean energy

By 2024, 50% of the electricity our members use will come from clean energy

By 2024, we will bring over 1,000MW of utility-scale wind and solar projects online, doubling our system to over 2,000MW. By 2030, our goal is that 70% of the energy supplied to members system-wide will be clean energy.

2020 PROGRESS

- We began receiving power from the first of our 1,000MW of new wind and solar projects, which will double our renewable resources by 2024.
- We set a goal that 70% of energy supplied to members system-wide will be clean energy by 2030.
- In our 2020 ERP preferred scenario, we identified an additional 1,850MW of renewables and 200MW of energy storage to increase our clean energy to roughly 4,000MW by 2030.*

*We filed our Electric Resource Plan (ERP) with the Colorado Public Utilities Commission (PUC) on December 1, 2020. The plan is subject to review and approval by the PUC, and is subject to change as technology, markets and regulatory conditions change over the implementation period.



Reduce emissions

Eliminating all emissions from our coal plants in CO and NM by 2030

We set ambitious goals for emission reductions. We set a goal to eliminate CO₂ emissions from coal generation in New Mexico by the end of 2020. By 2030 in Colorado, we are targeting a 100% reduction in CO₂ emissions from coal generation, 90% reduction in CO₂ emissions across generation we own or operate, and 80% reduction in CO₂ emissions associated with wholesale electricity sales.

2020 PROGRESS

- Our Escalante Station in NM came offline in August 2020 and began its transition to decommissioning.
- We determined the retirement date for Craig Station Unit 2 by the end of September 2028, with Unit 1 scheduled by the end of 2025 and Unit 3 by 2030.
- Our board approved an increase in our goal for CO₂ emission reductions associated with wholesale electricity sales in Colorado from 70% by 2030 to 80%, as filed in our 2020 ERP.



Increase member flexibility

More local renewables for members through contract flexibility

Our members worked together to develop a more flexible contract structure so they can self-supply more power than ever before.

2020 PROGRESS

- After a year of work, a contract committee of the membership finalized and delivered its recommendations to our board for a flexible partial requirements membership option through which interested members could request an allocation of 300MW of system-wide capacity to self-supply a greater portion of their load requirements.
- Our board approved the contract committee's recommendations and Tri-State has since filed the relevant policies for implementation of the partial requirements membership option with the Federal Energy Regulatory Commission (FERC), our rate regulator.
- FERC accepted our community solar policy, which adds flexibility for members interested in developing local solar projects up to the lesser of 4,600,000 kilowatt-hours or 2% of their loads.



Extend clean grid benefits

Expanding electric vehicle infrastructure and beneficial electrification

We're committing nearly \$2 million to extend the public electric vehicle (EV) charging network across members' service areas and are promoting EVs and EV solutions in rural areas. We're expanding programs to help consumers save money and energy while cutting emissions through energy efficiency (EE), beneficial electrification (BE) and other initiatives.

2020 PROGRESS

- We initiated a heat pump quality installation program to support building electrification and increase the market availability of heat pumps and qualified installers.
- With our rebate incentives, our members have installed 143 EV chargers in homes, businesses and public locations.
- Through our promotion of EVs, over 1,000 drivers from over 14 members have experienced our EV test fleet.
- We have continued to engage in and support the Beneficial Electrification League in Colorado and the development of new chapters in Nebraska, New Mexico and Wyoming.



Support our communities

Working with communities and employees affected by energy transitions

Tri-State's efforts include retraining and transition support for employees affected by facility retirements and working with impacted communities to find meaningful economic development opportunities. We also work with local, state and federal leaders to support a just transition from coal.

2020 PROGRESS

- We donated an additional \$500,000 in Montrose County, CO to support economic and community development following the 2019 retirement of Nucla Station.
- We supported Escalante Station employees with severance packages, assistance with education and financial planning, and supplemental funding for health benefits.
- We executed a \$200 million power purchase agreement for a 200MW solar plant on the Escalante Station property in Grants, NM.
- With partners, we brought an agriculture research project to Craig, CO to create new educational and economic opportunities.



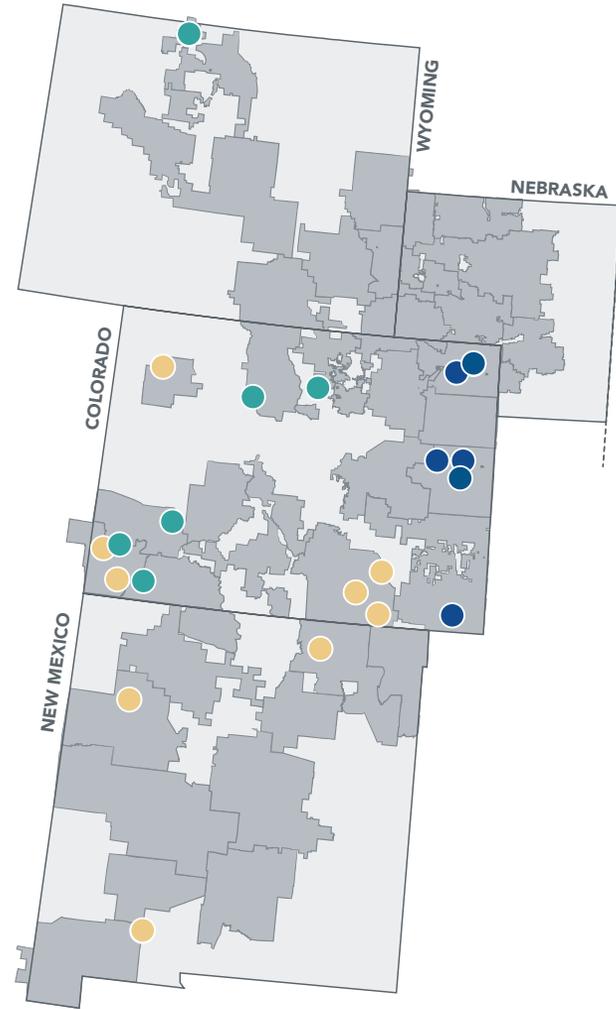
Create a brighter future

Working together to accomplish more

As we implement the REP, our goal is to maintain or reduce rates for members in all states. We are also promoting a western regional transmission organization (RTO) to efficiently and cost-effectively integrate more renewables into the grid, and are striving for 100% clean energy in Colorado by 2040.

2020 PROGRESS

- We clarified that FERC is the exclusive, independent regulator of Tri-State rates and contract termination payments, and provides a forum where all members have a voice and are considered equally in rate matters, regardless of state.
- We set a goal to reduce wholesale rates by 8% by the end of 2023.
- Tri-State and four regional utility partners signed letters of intent to evaluate participation in a western expansion of the Southwest Power Pool's RTO.



Solar*
 Wind*
 Hydro

*Includes operating and planned projects

COOPERATIVE POWER. TRANSFORMED.

As a cooperative, we know that if we work together, a bright future and clean grid are in reach, and we're taking bold steps today to realize this vision.

We're bringing over 1,000MW of renewables online by 2024:

- 2021: Crossing Trails Wind (CO), 104MW
- 2021: Niyol Wind (CO), 200MW
- 2022: Spanish Peaks Solar (CO), 100MW
- 2023: Spanish Peaks II Solar (CO), 40MW
- 2023: Dolores Canyon Solar (CO), 110MW
- 2023: Coyote Gulch Solar (CO), 140MW
- 2023: Axial Basin Solar (CO), 145MW
- 2023: Escalante Solar (NM), 200MW



TWIN BUTTES II – PROWERS COUNTY, CO



CIMARRON SOLAR – SPRINGER, NM



HUMPHREY'S DAM – CREEDE, CO