

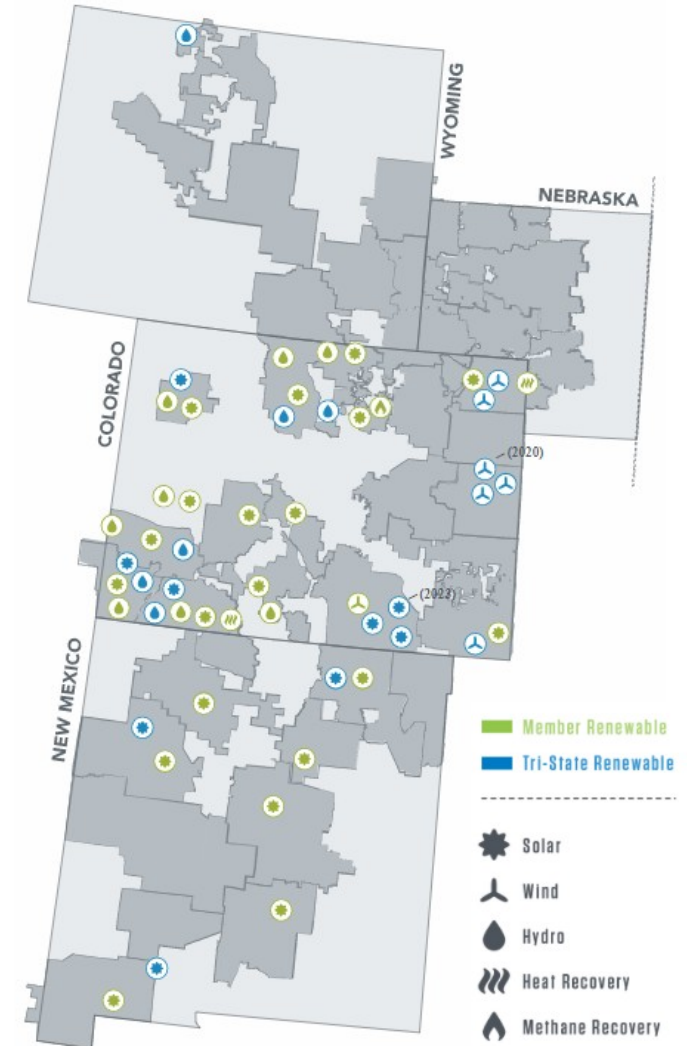
What's ahead for Colorado's rural energy transition

DUANE HIGHLEY



Who we are

- Co-op association of 45 members
- Board of Directors comprised of representatives from all utility members
- We're member-driven, not profit-driven





Where we're focused

Tri-State is making strides toward being the best and most competitive option for our members

- Maintain high reliability
- Focus on reducing rates
- Develop member flexibility
- Increase clean energy



RELIABLE



AFFORDABLE



FLEXIBLE



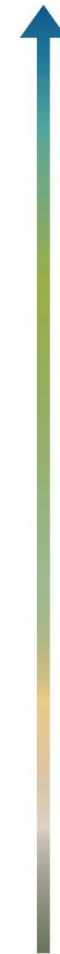
RESPONSIBLE



Where we're focused

TRI-STATE INTEGRATED STRATEGY MAP: TO BE RECOGNIZED AS THE BEST AND MOST COMPETITIVE OPTION FOR OUR MEMBERS

MEMBER NEEDS	Provide members with reliable power	Keep member rates affordable and competitive	Develop opportunities for member flexibility	Increase clean energy delivered to members
KEY GOALS	Maintain 99.995% reliability rate for members	Reduce Class A wholesale rate to <\$70/MWh by the end of 2023	Enable members to self-generate >15% of TS total load by 2030	70% of energy supplied system-wide to our members will be clean energy by 2030
STRATEGIC PRIORITIES	RELIABILITY	AFFORDABILITY	FLEXIBILITY	RESPONSIBILITY
	Ensure adequate power supply to meet member load and meet reserve requirements	Significantly reduce annual operating expenses from 2020 levels	Implement policies supporting member self-supply up to 300MW system-wide by 2023 through Partial Requirements	Significantly reduce CO ₂ emissions and increase clean energy
	Invest in transmission system improvements to limit outages and reduce outage time	Develop new or expand existing revenue streams in addition to Class A member revenue	Assist members with developing local renewable projects including solar	Implement an effective beneficial electrification and energy efficiency program
	Optimize life of facilities by continuing robust maintenance program	Promote efforts that result in member growth and economic development	Develop flexible programs and services based on member interest	Responsibly transition employees, communities and the environment during facility retirement
ASSOCIATION PRIORITIES	<ul style="list-style-type: none"> + Participate in an RTO or other organized market function + Increase regulatory certainty at the state and federal level 		<ul style="list-style-type: none"> + Maintain financial strength and meet all financial goals + Focus on members and continually evaluate satisfaction 	
EMPLOYEE FOCUS	<ul style="list-style-type: none"> + Align our activities with our mission of serving our members and their priorities + Build an engaged, diverse and inclusive workforce through leadership, organizational expectations, and opportunities for today and the future 		<ul style="list-style-type: none"> + Embrace the cooperative culture in our business model and our interactions with one another and our partners + Build a culture where all employees are empowered to bring forward new ideas, pursue cost effective solutions and deliver the best value to members 	
OUR VALUES	<ul style="list-style-type: none"> + Progress through action – look forward, innovate and embrace change + Cooperative collaboration – bring together diverse perspectives and lead through adversity with compassion + Responsive engagement – listen to understand, grow and serve 		<ul style="list-style-type: none"> + Accountability through transparency – build trust and deliver on our promises + Prioritize safety – foster the continued prioritization and development of our safety culture 	
OUR MISSION	To provide member systems a reliable, affordable and responsible supply of electricity in accordance with the cooperative principles			





Reliable

Reliability is always job #1

Challenges to reliability

- Even during the pandemic, reliable service has not faltered
- While not experiencing CA's or TX's reliability issues, we face similar challenges
- Evaluating clean alternatives to replace baseload generation, including potential blue/green hydrogen pilots

Managing reliability together

- We help our members manage and recover from wildfire and wind events



RELIABLE



Affordable

- Reducing rates 2% in 2021 and another 2% in 2022
- Evaluating all options for opportunities to further reduce rates:
 - Reduce costs
 - Increase margins from other sources
 - Sale of assets
 - Promote economic development in members' areas



AFFORDABLE



Flexible

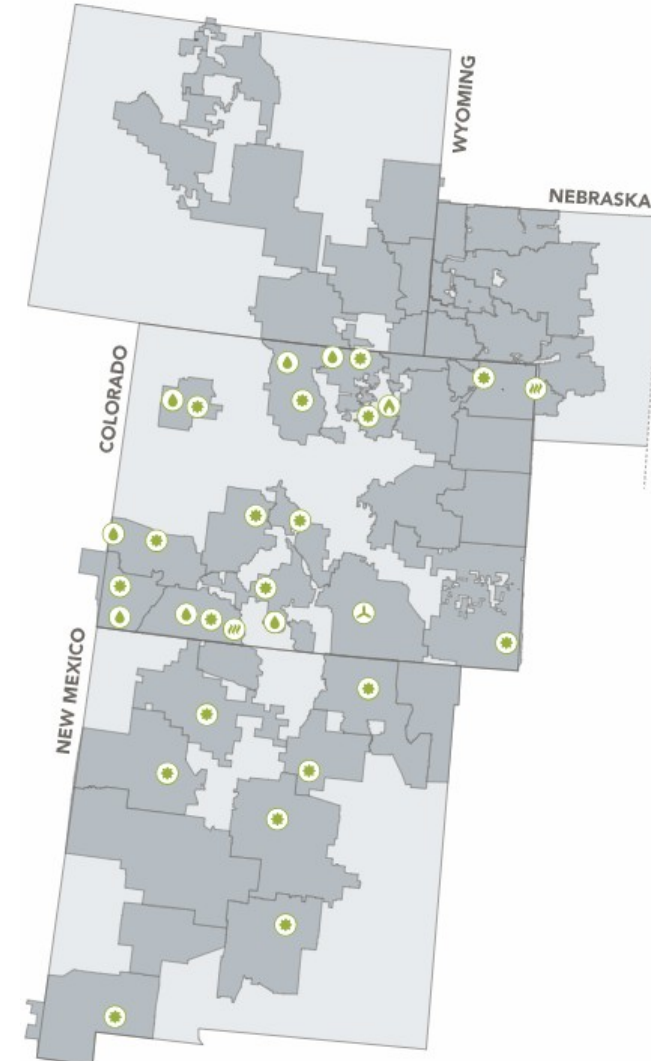
Existing member self-supply policies include:

- Local generation of 5%
- Community solar of 2% or 2MW
- Partial requirements membership totaling 10% of Tri-State's total load (300MW)



FLEXIBLE

Over 130MW of
local projects





Responsible



RESPONSIBLE



BY 2024, 50% OF THE ELECTRICITY OUR MEMBERS USE WILL COME FROM CLEAN ENERGY



ELIMINATING ALL EMISSIONS FROM OUR COAL PLANTS IN CO AND NM BY 2030



MORE LOCAL RENEWABLES FOR MEMBERS THROUGH CONTRACT FLEXIBILITY



EXPANDING ELECTRIC VEHICLE INFRASTRUCTURE AND BENEFICIAL ELECTRIFICATION



WORKING WITH COMMUNITIES AND EMPLOYEES AFFECTED BY ENERGY TRANSITIONS



WORKING TOGETHER TO ACCOMPLISH MORE



Tri-State's Electric Resource Plan preferred scenario

- ✓ 80% reduction in emissions associated with wholesale sales in Colorado by 2030
- ✓ 1,850MW of new renewables and 200MW of storage



2020 REP progress highlights



Increase clean energy

- **New goal:** 70% clean energy system-wide to members by 2030



Extend clean grid benefits

- Over 1,000 test drives in our member EV Test Experience



Reduce emissions

- **New goal:** 80% reduction in emissions from wholesale electricity sales in CO by 2030



Support our communities

- Signed 200MW solar at Escalante Station, and 145MW solar at Colowyo Mine



Increase member flexibility

- FERC accepted the membership's partial requirements contract option



Create a brighter future

- **New goal:** reduce wholesale rates by 8% by the end of 2023

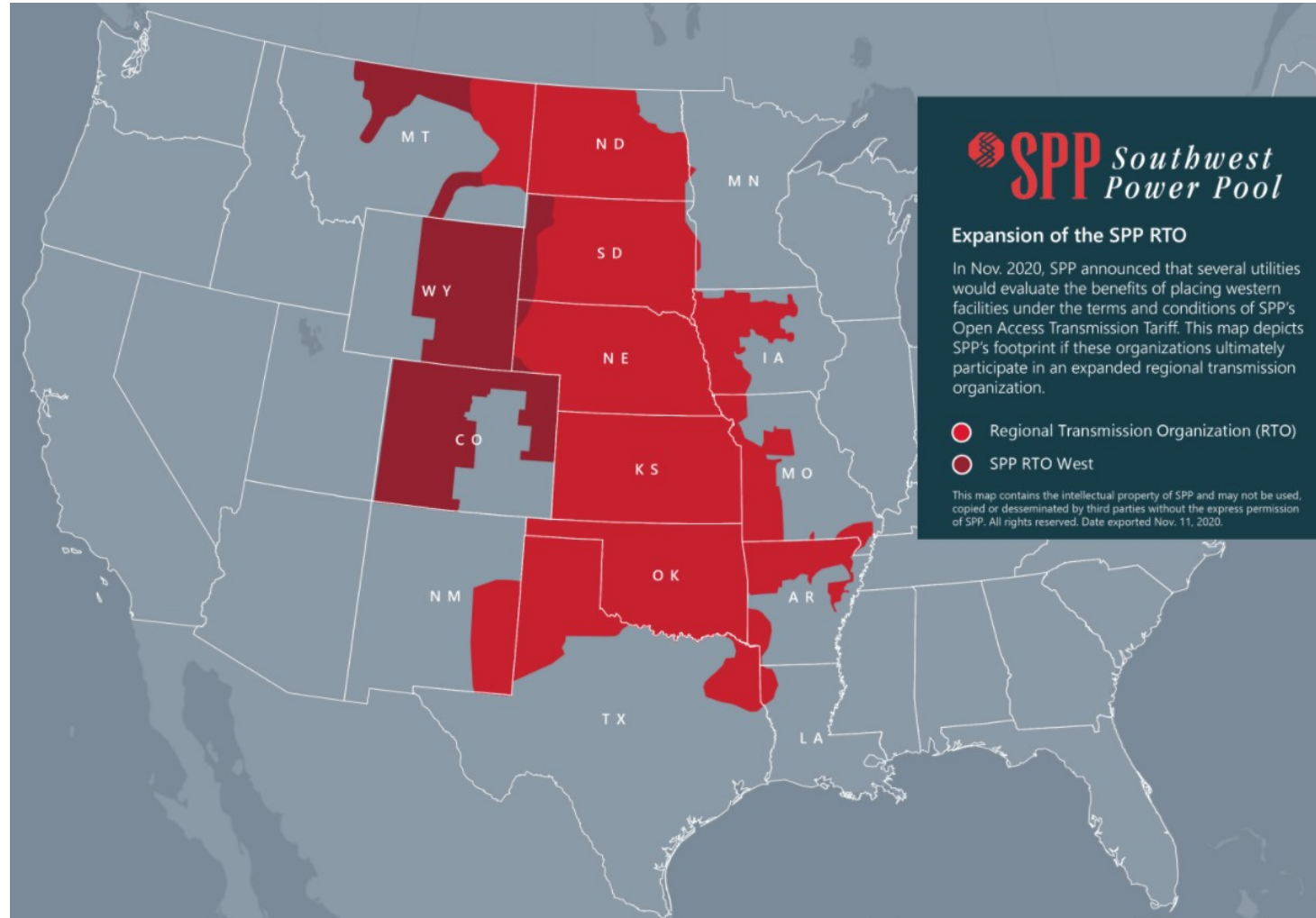


Looking to the future



Create a brighter future

- In 2020, SPP became the first RTO in the nation to have wind as its #1 fuel source
- Tri-State and other regional utilities evaluating joining SPP's RTO






There's more to come



Support our communities

- Community leadership is key
- Working together to support those initiatives and goals
 - NM elected officials
 - CO Office of Just Transition
 - CSU Center for the New Energy Economy
 - Federal support
 - Advocate engagement



A landscape photograph featuring a long, straight dirt road that recedes into the distance. The road is flanked by green grass and yellow fields. In the background, there are trees and a sky with a prominent rainbow arching across it. The overall scene is bathed in the warm, golden light of a sunset or sunrise.

**Whatever the future
holds, we'll power it.**

Cooperative power. Transformed.

