AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Discussion; Tri-State Energy Resource Plan

Action Requested: Discussion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Tri-State generation is the wholesale power provider for GCEA. They are newly required to produce an energy resource plan to the public utilities commission. The BoCC has an opportunity to comment to the PUC. The County's greenhouse gas reduction goals are directly affected by Tri-State's

Fiscal Impact:

Submitted by: John Cattles **Submitter's Email Address:** jcattles@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ◉ Required ○ Not Required

Comments:
ok db 8/15/19

Reveiwed by: Discharge Date: 8/15/2019 Certificate of Insurance Required Yes ○ No ◉

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 8/15/2019

○ Consent Agenda ◉ Regular Agenda ○ Worksession Time Allotted: 10 minutes

Agenda Date: 8/20/2019

Revised April 2015

Agenda Item Submittal

Department Responsible for Item*	Facilities & Grounds
Completion Deadline*	(This is the LAST possible date that you need the package back to your office.) 08/20/2019
Desired Agenda Date*	8/20/2019
Amount of Time Requested*	10 Minutes
Action Requested	(Please select one or select "Other" and enter in field below.) Discussion
Parties to the Agreement	
Term Begins	
Term Ends	
Grant Contract Number	
Agenda Item*	(50 Character Limit) – Example: Services Contract – ABC LLC. Discuss Tri-State Energy Resource Plan Use ONLY letters, numbers and hyphens
Summary*	Tri-State generation is the wholesale power provider for GCEA. They are newly required to produce an energy resource plan to the public utilities commission. The BoCC has an opportunity to comment to the PUC. The County's greenhouse gas reduction goals are directly affected by Tri-State's future energy mix and resulting emissions factor.
Fiscal Impact	
Comments to Reviewers	(Enter any comments you would like for the review committee.)
Submitted By*	John Cattles
Submitter's email address*	jcattles@gunnisoncounty.org

Upload any supporting Documents	(Please upload any necessary supporting documents.)
Warning:	Before you submit an item for the contract routing process, please obtain signatures from the other party, so that the Board and/or County Manager can sign and execute the document.

Memorandum

To: Gunnison County Board of County Commissioners
From: John Cattles, Sustainable Operations Director
RE: PUC docket number 19R-0408E, Tri-State Generation regulation

Background:

During this past legislative session additional authority was granted to the PUC to regulate Tri-State with the passage of SB19-236. Tri-State has since made moves to come under regulation of FERC. The PUC and FERC will each ultimately have a role; FERC primarily regulating rates and the PUC resource planning, however, each is affected by the other. The PUC has opened a docket: #19R-0408E which is intended to implement the legislation through rule making. The docket is scheduled for Oct. 15th, comments may be submitted up until Oct. 15th.

Gunnison County will not achieve its goal of 20% greenhouse gas emissions reduction without a substantial reduction in the emissions factor for the electricity used in the County. Tri-State Generation provides power for GCEA which serves about 65% of the electrical energy in the County and represents 71% of electricity related emissions in the valley and 50% of all building related emissions. Tri-State has made some positive strides recently; the Public Utility Commission (PUC) and a forthcoming stakeholder engagement effort lead by the Center for a New Energy Economy (CNEE) offers an opportunity to ensure plans meet State goals and the PUC may have an opportunity to enforce the implementation of plans.

Issues:

- Local objectives, even modest ones, are impossible without big changes in electric emissions factor.
- The inclusion of local projects will help support rural economies.
- Tri-State energy costs are higher than directly neighboring utilities while at the same time they are dirtier.
- Demand side management (DSM) programs are voluntary right now and should be considered in resource planning. Well designed DSM programs can incent efficiency and load reduction/shifting as well as limit risk to rate increases for the most vulnerable. (this is how programs like GV-HEAT are funded)
- Near term costs cannot be the sole factor in decision making unless the socialized cost of pollution, including greenhouse gases, is also included in analysis. Long-term cost analysis including externalized costs of emissions are necessary to protect future generations from excessive costs and impacts from emissions.
- The proposed rules by the PUC are thorough and comprehensive, they are intended to bring transparency to decision making that has been lacking in the past and will provide a venue for equitable comparison of resource options and analysis of the impacts.

I recommend a letter of support be written to the PUC regarding this rule making and its impact upon the ability of Gunnison County to achieve its goals as well as for the good of the citizens.