

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO**

<b>DELTA-MONTROSE ELECTRIC ASSOCIATION,</b>	)	
	)	
	)	
<b>COMPLAINANT</b>	)	
	)	
<b>v.</b>	)	<b>PROCEEDING NO. 18F-0866E</b>
	)	
<b>TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.,</b>	)	
	)	
	)	
<b>RESPONDENT.</b>	)	

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**PARTIES' STATEMENT REGARDING SETTLEMENT**

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Delta-Montrose Electric Association (“DMEA”), Tri-State Generation and Transmission Association, Inc. (“Tri-State”), and the Colorado Energy Office (“CEO”) (collectively, the “Parties”), by and through their respective legal counsel, hereby provide the following statement concerning DMEA’s and Tri-State’s settlement of the claims in this proceeding.

1. Included herewith as Attachment 1 is a redacted, public version of the Parties’ executed and binding Settlement Agreement (the “Agreement”). The Agreement addresses, among other things, the financial terms of DMEA’s withdrawal as a Member of Tri-State, the disposition of certain transmission facilities, transmission service to DMEA prior to and after the date of DMEA’s withdrawal, dismissal of the district court and Colorado Public Utilities Commission (the “Commission”) proceedings related to DMEA’s withdrawal, and various other issues of importance to DMEA and Tri-State.

2. Tri-State believes the presently redacted information need not be made public at this time because such information is the product of the negotiated settlement of pending district court litigation and the instant Commission proceeding, and is intended to avoid other current and prospective disputes between Tri-State and DMEA. Furthermore, the amounts associated with transmission assets and patronage capital are unique to DMEA and the date of its withdrawal from Tri-State. As such, the redacted information is neither relevant to nor replicable in any possible future member withdrawal proceedings. Notwithstanding the foregoing, Tri-State will include the redacted information in its 8-K filings with the U.S. Securities and Exchange Commission (“SEC”) after DMEA’s withdrawal date of May 1, 2020.

3. Pursuant to the Commission’s Interim Decision No. C19-0610-I, an unredacted version of the Agreement is filed contemporaneously herewith as Highly Confidential Information. Such Highly Confidential treatment should survive the termination of this proceeding until such time as it becomes public information through Tri-State’s required SEC filings described above.

4. DMEA and Tri-State intend to execute a Final Withdrawal Agreement and any necessary implementing agreements as soon as practicable so as to facilitate DMEA’s withdrawal from Tri-State on or before May 1, 2020.

5. DMEA and Tri-State agree that settlement and dismissal of this proceeding on such terms is reasonable and in the public interest. Such settlement will enable DMEA to pursue timely its alternative power supply, local renewable generation, and other objectives as described in its Formal Complaint in this proceeding. This is particularly true given the time DMEA and Tri-State agree will be

necessary to implement DMEA's withdrawal and to put in place DMEA's alternative power supply arrangements. The settlement will also enable Tri-State, on behalf of and for the benefits of its remaining 42 Members in Colorado, Nebraska, New Mexico, and Wyoming, to direct its attention and resources to a transition to a cleaner energy portfolio that will reduce carbon emissions, comply with renewable energy standards and the Commission's resource planning jurisdiction pursuant to Colorado SB19-236, ensure reliable and affordable wholesale power supply, and provide increased flexibility for its members, all with the goal of lowering wholesale rates.

6. CEO has reviewed and supports the agreement reached by DMEA and Tri-State. CEO recognizes that the agreement is in the interest of the parties and resolves a range of issues that have been in dispute between DMEA and Tri-State. CEO also believes that the agreement will further policy interests of CEO and the State of Colorado. Pursuant to C.R.S. § 24-38.5-102, CEO works with communities to promote "clean and renewable energy," "energy efficiency technologies and practices," and "energy storage systems." DMEA has indicated that upon leaving Tri-State it intends to increase the percentage of renewable energy on its system. CEO is also tasked with helping to implement the "Governor's Road to 100% Renewable Energy by 2040 and Bold Climate Action," including reaching state-wide greenhouse gas emission reductions of 26% by 2025, 50% by 2030, and 90% by 2050 established with the passage of House Bill 19-1261. CEO believes that voluntary commitments, such as the one entered into in the agreement, serve as a cornerstone to reaching the goal of 100% renewable.

7. As set forth in the Agreement, Tri-State agrees that its status as a public utility under the Federal Power Act does not pre-empt Colorado PUC jurisdiction over Tri-State's resource planning process as described in SB19-236 and Tri-State shall not assert that FERC jurisdiction pre-empts such Colorado PUC jurisdiction.

Submitted this 19<sup>th</sup> day of July, 2019.

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