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TRI-STATE TO REEVALUATE LONG-TERM RESOURCE PLANNING

- *Uncertainty in energy policy and economy drives review*
- *Increased investments planned in efficiency, renewables, natural gas and new technology*
- *Governor Ritter thanks Tri-State for leadership in new energy economy*

Westminster, CO, April 9, 2009 – Tri-State Generation and Transmission Association’s board of directors announced at its annual meeting that the not-for-profit wholesale power supplier will reevaluate its long-term resource plans. Tri-State will identify the appropriate resources required to affordably and reliably meet the future needs of its 44 member rural electric distribution systems in Colorado, Nebraska, New Mexico and Wyoming.

In its near-term resource planning, Tri-State will continue to expand its energy efficiency programs, make investments in renewable energy and increase natural gas capacity to meet member system growth and diversify its resource portfolio. These efforts include:

- Developing a 30-megawatt, 500,000-panel solar photovoltaic power plant in northeastern New Mexico. Construction is scheduled to be complete by December 2010. Tri-State expects to announce additional renewable energy projects later this year.
- Incentivizing the development of local, community-based renewable energy projects, with the first project online this spring in northeastern Colorado.
- Contracting for 220 megawatts of natural gas-based capacity in eastern Colorado to meet members’ near-term power requirements and assist in the integration of renewable energy.
- Enhancing energy efficiency programs, including the addition of consumer incentives for purchasing certain ENERGY STAR-rated appliances and increased funding for new technology pilot projects, including “smart grid,” light-emitting diode (LED) commercial lighting and low temperature heat pumps.
- Investing in efficiency improvements across Tri-State’s generation and transmission facilities, with over \$30 million budgeted in 2009 for efficiency gains at the association’s power plants and reduction of system losses in transmission infrastructure.
- Commissioning a study of additional energy efficiency and demand response programs to be completed this year that could provide additional energy savings.

“Tri-State’s addition of natural gas generation will help us meet our members’ immediate need for energy while assisting with the integration of renewable resources into our system,” said Ken Anderson, Tri-State’s executive vice president and general manager. “Expanding our energy efficiency offerings will further help consumers manage their energy use.”

Tri-State will evaluate energy efficiency, renewable energy, natural gas, clean coal and nuclear technology as part of its long-term planning process. Tri-State’s power plant site for long-term development, located in southeast Colorado, could support a wide range of options, including natural gas, clean coal and nuclear technologies.

“The board of directors instructed staff to reevaluate and present options to meet our member systems’ needs in a reliable, affordable and environmentally-responsible manner,” said Hub Thompson, chairman of Tri-State’s board of directors. “The board will continue to assess changing energy and environmental policies as we pursue near-term opportunities and develop our long-term plans.”

Governor Ritter recognizes Tri-State leadership in advancing New Energy Economy

Colorado Governor Bill Ritter addressed Tri-State’s membership at its annual meeting on April 8 and thanked the association for its leadership in advancing Colorado's New Energy Economy.

"Since I've been governor, you've always demonstrated a desire to move ahead," said Gov. Ritter.

"You deserve a lot of credit for making efficiency, renewables and new technology investments a high priority as you look for new and better ways to provide affordable and reliable electricity to your rural customer-owners."

Uncertainty affects near-term prospects for new coal-based facilities

Ongoing uncertainty in state and federal policies, and the economy, has prompted Tri-State to reevaluate the long-term resource plan it announced in 2005 that included options for new coal-based generating units. As part of its reevaluation, the association will review how coal-based resources fit into its long-term resource plans.

“Significant changes in the regulatory climate and economy impact development projects and have disproportionately affected the near-term outlook for coal-based resources,” said Anderson. “Part of our reevaluation process will review how coal-based resources fit into our long-term resource plans.”

Energy policy uncertainty affected the association’s proposed coal-based generation project in Kansas when a construction permit was denied for a plant in 2007. “The delays in permitting the Kansas project make it unlikely to be available in the near-term. If a project is eventually permitted, it would remain an option for our long-term resource needs,” said Anderson.

New technology and transmission investments to continue

In addition to Tri-State’s ongoing participation in several coal-based carbon capture and sequestration demonstrations projects, the association has also partnered with the Electric Power Research Institute and other utilities on projects ranging from a hybrid solar/coal integration project in New Mexico to a proposed compressed-air energy storage project in Colorado.

“We will continue to make investments in research and development that preserve coal as an affordable, reliable and responsible resource option,” said Anderson. “We’re also pursuing innovations in energy efficiency, renewables and energy storage that bring value to rural electric consumers.”

Tri-State will move forward with its high-voltage transmission development plans to ensure reliability and support renewable energy integration. The association signed a memorandum of understanding with Xcel Energy in 2008 to collaborate on new transmission in southern and eastern Colorado.

Based in Denver, Tri-State supplies wholesale power throughout a 250,000-square-mile service territory to 18 electric cooperatives in Colorado, 12 in New Mexico, eight in Wyoming and six in western Nebraska. The 44 co-ops, in turn, provide electricity to nearly 593,000 meters – which translates to a population of approximately 1.4 million end-use consumers.

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