



## **2010 ELECTRIC RESOURCE PLANNING PUBLIC PARTICIPATION PROCESS**

### **SUMMARY OF JULY 1, 2010 PUBLIC PARTICIPATION MEETING**

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Tri-State Generation and Transmission Association's (Tri-State) fifth public participation meeting was held on July 1, 2010 at the association's headquarters building in Westminster, Colo. The meeting was noticed, and the agenda for the meeting was posted via the Web. In addition, persons on the formal participants' list were individually noticed by e-mail.

The purpose the fifth meeting was for Tri-State to receive responses and comments from the public regarding the results of the first ten scenarios that were presented at the 4th meeting, which was held on June 10, 2010. In addition, at the fifth meeting, Tri-State presented the results of seven additional scenarios that were consistent with many of the suggestions received during the public participation process.

The first segment of the July 1 meeting was devoted to public comment. The first commenter was Leslie Glustrom, representing Clean Energy Action. Ms. Glustrom's comments were focused on Tri-State's future coal prices. Throughout the public process, Ms. Glustrom has maintained that coal is becoming much more costly to mine and, consequently, will be more expensive to use in generating electricity. She believes Tri-State's coal price forecast is too low. She explained that Xcel Energy's price forecasts historically have been too low.

Tri-State staff members responded that it has double checked its coal price forecast with its fuels group and it is confident in its forecast. Additionally, Tri-State clarified that it is different from Xcel Energy in several respects – one of the major differences is that Tri-State owns some of its own coal reserves.

The next commenter was Jennifer McDiarmid, representing Western Resource Advocates. Her first comments were directed at the presentation style. She suggested that it may be useful to group together and present the scenario modeling results of the Business As Usual, Basic Default Scenario, and Western Resource Advocates Data Cases. Next, Ms. McDiarmid suggested that, in the future, Tri-State should consider modeling a relationship between market prices and the combined cost of coal generation plus a cost of carbon. This would be similar to the "spark spread" relationship between the cost of gas-fired generation and market prices. Ms. McDiarmid also asked about the depth of the market in which Tri-State buys and sells power. Tri-State's Rob Wolaver responded that the size of the modeled combined-cycle units was such that excess generation could be sold into the market; however, this was certainly an assumption. Ms. McDiarmid also asked about the renewable integration costs, and whether there was a difference between the costs of integrating wind and other types of renewables. Tri-State staff members responded that there was no difference in the modeling for wind and solar. Finally, with reference to slides 81-83 in the June 10 presentation, Ms. McDiarmid asked why the

emissions graphs started at different levels in 2010 for various scenarios. Tri-State's Kevin Cox responded that the differences stemmed from the fact that Tri-State was buying different resources under the various scenarios due to differences in pricing and market availability and that the level of purchases reduced the levels of emissions.

The next commenter was Bruce Driver from Western Resource Advocates. Mr. Driver referenced a press release dated June 30, 2010, in which it was reported that the Kansas Department of Health and Environment is soliciting comments regarding the proposed 895 megawatt generating unit near Holcomb, Kansas. Mr. Driver asked how the consideration of the Holcomb unit squared with Tri-State's scenario modeling, in which only one scenario built a coal unit. Tri-State's Ken Reif responded that Sunflower and Tri-State are continuing to pursue a permit to keep the option of the facility open. Mr. Reif stressed that the permitting and development process takes a long time and that Tri-State expected continuing legal challenges to a new plant. Tri-State also reiterated that its scenario modeling uses generic resource costs that are not related to specific resource options – none of Tri-State's scenarios specifically model the Holcomb unit or a purchase from Holcomb.

Following the questions from the public participants, Mr. Cox presented the results of the seven additional scenarios.

One of the scenarios presented expanded renewable purchases under Tri-State's policy 115. There was a request that Tri-State provide a copy of policy 115 to the public participants. Tri-State declined to make the policy available, but suggested that interested parties could work with their local cooperatives for more detailed information.

There was some discussion regarding modeling of the Colorado Governor's Climate Action Plan. Morey Wolfson of the Governor's Energy Office pointed out that the Climate Action Plan calls for a 20% reduction in CO<sub>2</sub> below the 1995 baseline by 2020 and a further reduction to 80% below the baseline by 2050. Mr. Wolfson asked how Tri-State modeled the reductions beyond 2020. Mr. Cox indicated that the Climate Action Plan was modeled to maintain the 20% reduction through the planning horizon.

Mr. Wolfson also asked about the cost of solar trough (including storage) versus solar tower (including storage) renewable technology. He indicated that the cost of the solar tower may be lower than the trough. He urged Tri-State to relook at costs. Mr. Cox stated that Tri-State will continue to look at cost trends, but the scenarios will use the cost of solar troughs.

Mark Detsky, representing the Colorado Independent Energy Association, stated CIEA's appreciation that the basic modeling included the full development of transmission for all scenarios. Mr. Detsky intimated that CIEA had requested information regarding available transmission capacity regarding each of the scenarios. Also there were outstanding questions regarding the underlying transmission investment and build-out before any scenario runs. Mr. Cox indicated that some of these questions were addressed in the meeting notes from the June 10 meeting.

Prior to the end of the meeting, Tri-State restated that the next meeting to be held on July 15 will be to present the results of modeling the last five Scenarios. A final public participation meeting will be held

sometime in the fall to provide an overview of the Draft final report when it is released for public comment.

The meeting was adjourned around 10:30 a.m.