



TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

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May 30, 2017

Mr. Doug Dean, Director
Colorado Public Utilities Commission
1560 Broadway
2nd Floor, Suite 250
Denver, CO 80202

RE: 2016 Renewable Energy Standard – Qualifying Wholesale Utility Compliance Report / Docket NO. 17M-0014E

Dear Mr. Dean,

Pursuant to Section 40-2-124(8)(g)(II), C.R.S., this letter serves as Tri-State Generation and Transmission Association, Inc.'s ("Tri-State") annual compliance report, as a qualifying wholesale utility, to the Colorado Public Utilities Commission.

A copy of this annual report can be found on the Tri-State corporate website via the link: [http://www.tristate.gt.org/content/resource-planning/2017 Annual Report to Colorado PUC on RES compliance.pdf](http://www.tristate.gt.org/content/resource-planning/2017%20Annual%20Report%20to%20Colorado%20PUC%20on%20RES%20compliance.pdf)

(I) In the last compliance year (2016), Tri-State continued to take measurable steps towards complying with the renewable energy standard ("RES") imposed on qualifying wholesale utilities in Senate Bill 13-252, which was subsequently incorporated into the above-referenced C.R.S. and became effective on July 1, 2013.

With the completion of construction of the 230 kV Burlington to Wray transmission line last June, at an approximate cost of \$40 million to Tri-State, the 150 MW Carousel Wind Farm located near Burlington, Colorado declared commercial operation and is expected to deliver over 650,000 megawatt-hours annually for Tri-State and its member cooperatives. Tri-State is party to a 25-year power purchase agreement ("PPA") for the energy and environmental attributes from this project.

In December, construction on the 30 MW San Isabel Solar Project, located in Las Animas County, Colorado was completed. This project is expected to generate almost 80,000 megawatt-hours per year and its output is being purchased by Tri-State for a 25-year term. Also in December of 2016, Tri-State renewed for a 10-year term, its purchase of the energy and environmental attributes from the Williams Fork Hydroelectric project located in Parshall, Colorado. The project is owned and operated by the Denver Water Board.

Further renewable project development on the Tri-State system has already occurred in 2017. A 25 MW solar project outside of Deming, New Mexico, known as the Alta Luna Solar Project, was completed in January. Similar to the San Isabel Solar Project, it is expected to generate approximately 80,000 megawatt-hours annually under a 25-year

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power purchase agreement with Tri-State. The 75 MW Twin Buttes II Wind Project, near Lamar, Colorado began construction in April of this year and is expected to be completed by the end of December. Tri-State will buy its output for 25 years and the project is expected to generate over 300,000 megawatt-hours a year.

In addition to the renewable energy projects described above, Tri-State's members were active in developing local renewable projects. The development of these projects is facilitated by Tri-State board policies for members wanting to serve a portion of their local loads through projects they own or whose output they purchase. In 2016, another 12 MW of these local renewable energy projects were commercialized by Tri-State member cooperatives, with many more planned in future years. In total, over 110 MW of member renewable and distributed generation projects are currently operating or under development.

(II) Given the progress described above and past reported accomplishments, Tri-State can report that it continues to make positive progress toward meeting RES targets. Based on 2016's efforts, commercialization of two more utility scale projects in 2017, and the projected addition of more member renewable projects over the next several years, we are confident in our ability to achieve full compliance by the required date set forth in the RES.

If you have any questions concerning this report, please do not hesitate to contact us.

Sincerely,

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