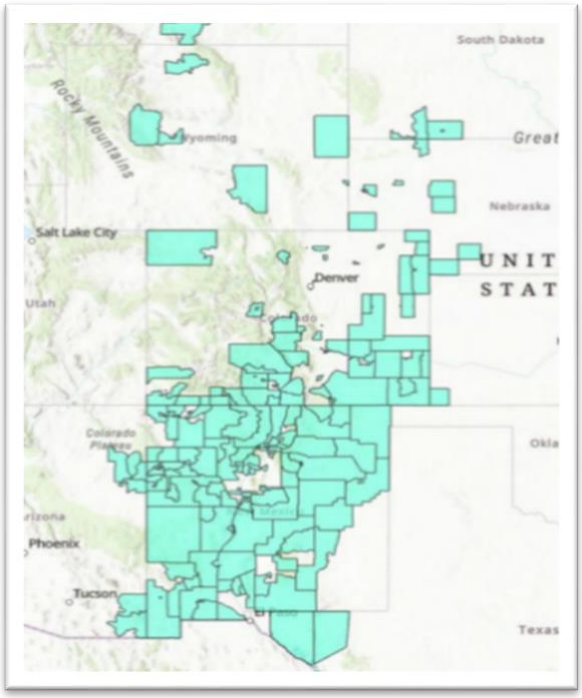
Community Benefits Plan: Job Quality and Equity

Tri-State's **clean energy transition** decreases reliance on fossil fuel and facilitates the transition towards cleaner power generation. Tri-State's recent focus includes new renewable options along with providing electric cooperatives' consumers access to easily participate in local programs backed by Tri-State. Tri-State is leading the energy transition for the four states it serves via local, state, federal, and member collaboration and coordination. Tri-State's ambitious Cooperative Energy Ecosystem (CEE) provides a streamlined program that centralizes the energy opportunities to easily provide consumption of consumer and member energy programs locally.

Revenues for the CEE Will Flow Directly to the Areas That Are Being Served

The **Cooperative Energy Ecosystem (CEE)** is an ambitious project that would save 114GWH of energy per year from **2025 through 2040. The local economies of our electric cooperatives would see a total benefit of $24.3 million dollars** due to the increase in home weatherization, energy audits, mechanical system upgrades, commercial and industrial efficiency improvements, increased community solar, and installed EV charging**.** The CEE **is** how we will reduce the energy burden on these rural communities, increase green jobs, increase consumption of renewable energy, and improve the overall grid efficiency in conjunction with our participating rural electric cooperative members.



The benefits to our communities cannot be ignored. Especially since much of our service territory includes disadvantaged communities that have been affected by climate disasters, health burdens, and peak energy prices. Tri-States' member systems serve a total of 18 sovereign tribal nations, including 29 chapters of the Navajo Nation. The CEJST Tool (Climate and Economic Justice Screening Tool | U.S. Climate Resilience Toolkit) [1] shows Tri-State's areas that are adversely affected by health burdens, climate change, and economic shifts leading to high unemployment and no or limited access to capital. With small tax bases, many of these communities struggle to provide basic services and are hampered in their economic development efforts by their distance from major commerce centers and transportation corridors, lack of sufficient workforce and housing, tenuous broadband/telecom connections, and limited local amenities.

[1] https://toolkit.climate.gov/tool/climate-and-economic-justice-screening-tool

Demographic data details Tri-State and its members' collective service territory: Approximately 385,000 people served by our distribution systems or member systems and approximately 25% of the total population of Tri-State's service territory are classified as "disadvantaged":

- 12% of consumers in the service territory are in the 90th percentile nationally for energy burden.
- 51% of consumers in the service territory are above 50% for energy burden.
- 42% of households in the service territory are in a census tract that is living below the Federal Poverty Line.
- 14% of households in the service territory are identified as living below the federal poverty line.

1. Community and Labor Engagement: How Tri-State Conducts Engagement in the Community to Address Affected Stakeholders

b(4) [redacted] This public-private partnership advises, oversees, and integrates the work of the Colorado talent development network to meet the needs of employers and workers. CWDC advises the Colorado Governor on employment, training, and workforce development to meet Colorado's energy goals. Tri-State employs a respectful, safe, and welcoming work atmosphere where all employees can have their unique ideas and experiences recognized. **Part of this initiative is focused on labor engagements and coordinated state efforts. Tri-State works with more than 15 local, state, and community** leaders across 4 states to collaborate on energy transition issues and opportunities. For example, Tri-State has an **active labor agreement negotiated with IBEW Local 111.** Under the labor agreement, there are two apprenticeship boards consisting of equal representation by workers and management. This Board reviews and approves apprenticeship standards and training and the progression of apprentices through each step**. Tri-State and its Union participate with equal representation on a Labor Management Committee that reviews safety standards** and addresses other workers' matters related to operations. As the transition to clean energy progresses, Tri-State took an active role in a negotiated letter of agreement with union leaders to assist with transitioning employees after the pending closure of the Craig Station power plant, in Craig, CO. Tri-State's power plant retirements are phased through the end of 2029. This allows for the distribution of the workforce and limits adverse impacts over time.

The Colorado Office of Just Transition (OJT) works together with b(4) [redacted] **who participates on the board to develop transition initiatives** and equity options for affected area employees. These include training, tuition reimbursement, job placement, and compensation opportunities to deal with gaps in employment.

2. Investing in America: Tri-State is Increasing Clean Energy Enterprise Creation and Contracting

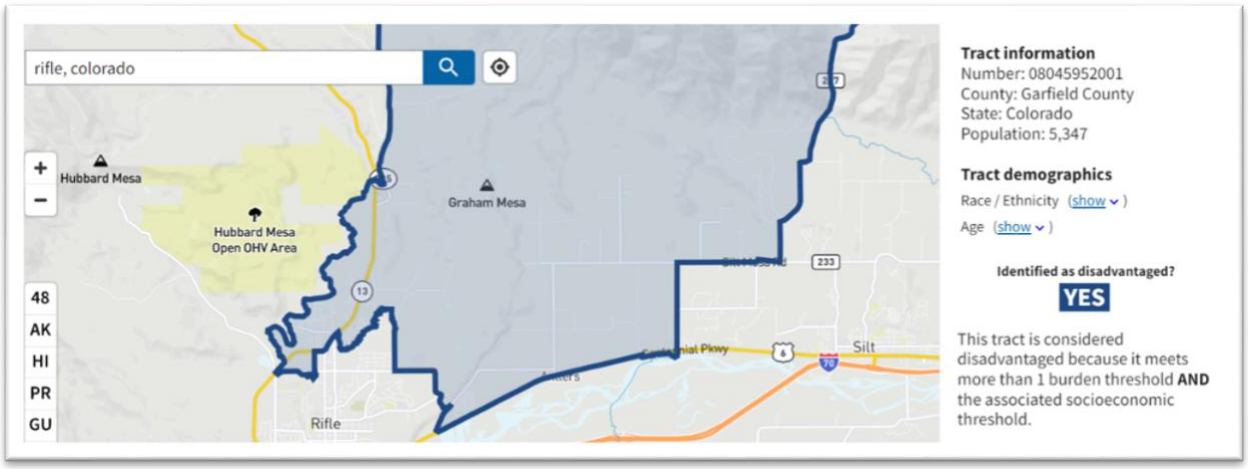
Tri-State paid out over $10 million in employee assistance while transitioning the Escalante Generating Station in New Mexico in 2020. Employee assistance included severance packages, relocation, financial planning, job hunting, and tuition reimbursement for affected employees. Tri-State in conjunction with the **New Mexico Legislature** created an **economic development district to support transition initiatives** in the region of the state most impacted by the power plant's retirement. **Tri-State then contributed a total of $5 million** to the new district and to local economic development organizations to help generate new economic opportunities in the region. Tri-State contracted for a 200MW new solar project at the Escalante Station site, estimated to deliver $200M in economic benefits to the area. This includes **adding 350 trades and 20-30 supervisor construction jobs, and 4-6 permanent** operations and maintenance jobs. The new solar project will also reduce the energy burden on Cibola and McKinley counties and contribute to New Mexico's renewable energy goals. By 2025, Tri-State will bring over 1,000 MW of utility-scale wind and solar projects online, doubling our system to over 2,000 MW of clean energy. Below is a list of renewable projects being planned for Tri-State's generation portfolio, including the Escalante and Moffat County solar installations:

Coyote Gulch Solar (2024) Montezuma County, Colorado 140MW	Spanish Peaks Solar (2024) Las Animas County, Colorado 100MW	Dolores Canyon Solar (2024) Dolores County, Colorado 110MW
Axial Basin Solar (2024) Moffat County, Colorado 145MW	Escalante Solar (2024) McKinley County, New Mexico 200MW	Spanish Peaks II Solar (2024) Las Animas County, Colorado 40MW

Increase Clean Energy Jobs, Job Pipeline and Job Training for Individuals in DACs

Craig and Moffat County, Colorado will continue to see financial and local workforce initiatives as the area transitions from a coal community to a region with a more diverse economic base. Like the situation in New Mexico, Tri-State has signed a power purchase agreement for a new solar project in Moffat County that will provide high-paying jobs. Tri-State hired a facilitator to guide discussions in exploring community assistance opportunities for the City of Craig and Moffatt County in northwest Colorado in preparation for the staggered retirement of Craig Station's three coal-fired units between 2025 and 2029. In 2022, Tri-State hosted a Clean Energy Innovator Fellowship from the DOE's OCED program[2] which is focused on addressing energy inequities in rural areas of the Rocky Mountain West. Tri-State is a founding partner of the Wyoming Integrated Test Center, which provides space for researchers to test Carbon Capture, Utilization and Sequestration (CCUS) technologies using 20 MW of actual coal-derived fuel gas at Dry Fork Station in Gillette, Wyoming.

[2] https://www.energy.gov/eere/clean-energy-innovator-fellowship



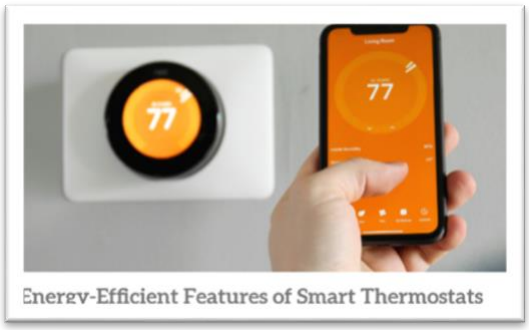
The employees at the Rifle Generation Station are in a rural DAC area according to the Climate and Economic Justices Screening (CEJS). Employees were offered other positions and training to become part of the new energy transition.

3. Diversity, Equity, Inclusion, and Accessibility Equitable Access to Wealth-Building Opportunities: How Tri-State Will Decrease Energy Burdens in Disadvantaged Communities (DACs) with CEE

Tri-State envisions being the aggregator of the CEE for demand response, energy efficiency, beneficial electrification, low-cost funding, and integration of cost-effective distributed energy resources. The CEE's programs can be accessed through each member system's secure portal. This customizable portal focuses on managing clean energy programs by using members' energy data collected by the Distributed Energy Resources (DER) and a new DERMS solution. This portal is the main repository to help members systems and consumers with energy programs.

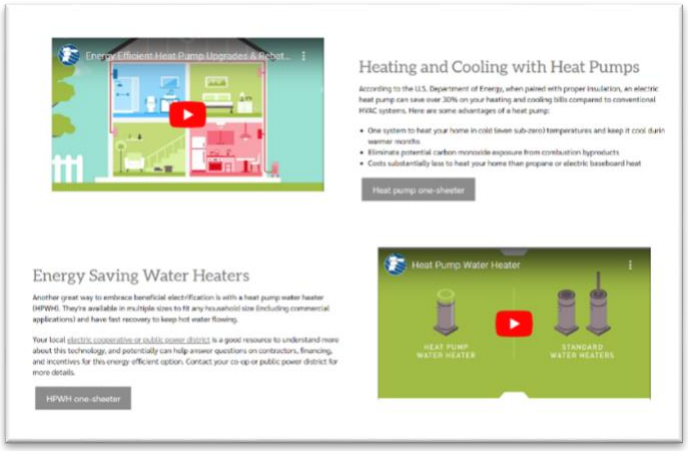
Energy Home Improvement Credits and **Residential Tax Credits** are increasing for residential homeowners via the Inflation Reduction Act. However, many Americans are unaware of how to take advantage of these programs. **These tax credits will be invested locally by the taxpayer**. Distribution systems will play a significant role in fulfilling the demand via education of the programs, identifying businesses to fulfill orders for services such as the installation of battery storage, EVs, heat pumps, water heaters, and other energy saving systems. For example, residential battery storage can **reduce expensive energy peaks and limit exorbitant consumer bills during climate events.** High adoption rates of residential storage are expected with the cooperatives that serve Colorado, given the high penetration of residential solar already in Colorado. Tri-State's approach will be to leverage the GRIP program funding to offer a **partial rebate** to residential members interested in in-home storage. This increases **"energy democracy,"** including community ownership in disadvantaged communities. Currently, cooperatives such as San Isabel Electric Association have seen 4% of their membership incorporate solar into their homes. Given these adoption rates, Tri-State will forecast an

additional deployment of **3,000-4,000 residential storage systems** of 15-20kWh capacity based on GRIP funding.



Tri-State's CEE system can educate and engage consumers regarding incentives and consumable programs like Energy-Efficient Smart Thermostats. With the additional benefit of the enhanced tools**,** Tri-State believes it can **add 20,000 smart thermostats to its system**. Tax incentives for new water heaters and heat pumps can also contribute to increasing energy resiliency. Based on a current penetration of **34% electric water heating,** Tri-State believes that there is a readily achievable **20MW of load control** available through these conventional tools.

How to Increase Access to Low-Cost Capital and Energy Democracy in DACs



Tri-State provides educational tools, videos, and content for end user consumption. Tri-States' Rural Energy Savings Program (RESP) provides relending programs to implement energy efficiency, electrification, and demand respond measures to qualified consumers within our four-state territory. This relending will be facilitated through two overlapping programs, an On-bill Repayment (OBR) and Demand Response Credit (DRC) program. Tri-State's territory includes the service areas of its **42 member systems or distribution systems**. Tri-State has selected the **Colorado Clean Energy Fund (CCEF) – Colorado's statewide, nonprofit "Green Bank"** – to help develop, standardize, scale, and administer the on-bill repayment program (OBR).

Tri-State will provide **low interest financing** for qualified low-income consumers to purchase **energy efficient water heaters and heat pumps**. The distribution system doesn't have to take on additional risk to fund these capital requirements, which will help increase the consumption of these local projects. This provides a **win-win for the local electric distributor, the local installer, and low-income consumer.** The consumer's savings from energy costs can then be used to **pay back the low-cost loan.** By providing different **energy efficient tax savings, more minority areas can easily take advantage of these low barrier opportunities** that would otherwise be out of reach. Local businesses can increase their hiring practices to support these energy initiatives, and the revenue would be invested locally. This reduces the energy burden for several rural Americans who would otherwise ignore these opportunities.

Tri-State's **Beneficial Electrification and Efficiency (BE&E) program** will be accessed through the CEE portal. The rebates will be measured before and after the roll-out of the CEE**.**
Specifically, over **10,000 electrification and efficiency rebates** are rolled out annually.
The goal would be to use OBR to increase our **impact by $5 million per year** over the next year. This goal is assigned to Tri-State's Energy Services Department, who report their impact annually to the board.

How the CEE Increases Parity in Clean Energy Technology Access and Adoption in DACs

Tri-State's members provide valuable services to over 223 Disadvantaged Communities (DACs) within the company's 200,000-square mile service territory. The services provided to these consumers are critical to the local community; however, most member cooperatives are understaffed and have limited resources to provide the additional community services that would typically be provided by larger, for-profit entities. The lack of resident density means that several services must be obtained out of the area. Tri-State provides high-quality, customizable marketing and educational materials to our members to increase consumer awareness about new energy programs. For example, Tri-State invested almost **$2 million to** extend the **public electric vehicle (EV) charging network** across members' service areas and is promoting EVs and EV solutions in rural areas. The CEE programs will help consumers save money and energy while cutting emissions through energy efficiency (EE), beneficial electrification (BE), and low-income funding initiatives. Since 2020, our EV infrastructure program has supported member installations of nearly 1,000 EV chargers, including 33 DC fast chargers.

A Designated Tri-State Team to Reduce Energy Burdens

Tri-State launched an **Energy Innovations Team** to develop pathways for consumers to **reduce their energy burden and emissions**, with a focus on efficient electrification that reduces barriers to energy transition participation. Our goals for this team are to work with **24 state and local stakeholders** to establish incremental **annual energy efficiency savings targets** for our Colorado member load of at **least 0.35% in 2023, 0.5% by 2024, 0.75% by 2025, and 1% by 2030.** Another goal is initiating development of a Demand Response platform and programs designed to control at least **4% of Colorado member peak load by 2025.** By enabling these programs to be easily fulfilled, State Energy offices and the Department of Energy initiatives to increase energy efficiency on the grid are realized.

4. **Contributing to the Justice40 Initiative Goal That 40% of the Overall Benefits of Certain Climate and Clean Energy Investments Flow to Disadvantaged Communities (DACs)**

Tri-State and its member cooperatives are cornerstone employers in dozens of disadvantaged rural communities with 10,000 inhabitants or less. By pooling resources through our cooperative family to develop larger, utility-scale renewable energy projects, our members can secure the most competitive prices for wind and solar energy. This allows small rural areas to increase parity in clean energy technology and increase adoption in disadvantaged areas. By closing fossil fuel facilities and providing more clean energy options, these utility-scale renewable projects deliver low-cost clean power and increase clean energy jobs for individuals in DAC areas. These are just some of the examples of addressing the Justice40 initiatives.

For example, we eliminated CO2 emissions from Tri-State-owned coal generation in New Mexico in 2020. In Colorado, by 2030, we are targeting **a 100% reduction in CO2 emissions from Tri-State-owned coal generation, a 90% reduction in CO2 emissions** across generation we own or operate, and an **80% reduction in CO2 emissions** associated with **wholesale electricity sales.** By 2030, our goal is for 70% of the electricity our members use system-wide to come from clean sources. Our efforts also include **retraining and transition support** for employees affected by facility retirements and working with impacted communities to find meaningful economic development opportunities.

How Will the CEE Increase Energy Resiliency in DACS

Providing enough affordable **clean energy to deal with climate events** can be obtained by working with members to manage distributed energy. Tri-State can increase regional support for resilience with clean energy on any scale in participating communities. **By using grid-edge connected devices** to further support decarbonization through electrification, the 4 different state energy offices can increase their grid efficiency goals. By creating a **bilateral program** that can actively manage the distributed renewable energy resources and use integrative tools to identify the DACs that would benefit the most from these services, we can better optimize the use of renewable energy and maximize its impact. The CCE system will be used for addressing system-wide transmission congestion and peak demand while empowering local distribution system operators to manage distributed energy resources in their communities. The CEE will efficiently manage all member demand response and electrification programs. It will provide a portal through which consumers can manage their resources and offer disaggregation of Advanced Metering Infrastructure (AMI) data to identify program effectiveness**.**

Tri-State can overlay **analytical predictive maps and identify "at risk" areas** that may be greatly affected by climate disasters. These programs can be "pushed" to consumers **to address energy reliability concerns and energy burden issues and decrease socio-economic losses** from unpredictable or increasingly harsh **weather events.** Tri-State is currently bringing online **1,000 MW of utility-scale wind and solar projects** and has **allocated over 200MW of capacity** for distribution-level renewables across multiple cooperative members. The CCE will house a DERMS

system that will manage these diverse resources in a succinct manner over Tri-State's 200,000 square mile territory.

The DERMS facilitates aggregation and integration of grid-edge devices, including a broad mix of behind-the-meter storage, solar, wind, electric vehicles, heat pumps, thermostats and traditional load management of water heaters, air conditioners, and other devices. Several Tri-State member cooperatives – Highline Electric Association, La Plata Electric Association, Midwest Electric Cooperative, Northwest Rural Public Power District, Panhandle Rural EC, Poudre Valley Rural Electric Association, and Sangre de Cristo Electric Association – have each **piloted demand response or energy management programs** with the initial goal of managing peak demand and evaluating the effectiveness of these programs.
Across these **seven members, they have deployed over 5,000 grid-edge devices** for load management. These assets are used to manage a wide range of loads, including water heaters, electric heat, irrigation, and more. In addition**, 19 of the member cooperatives** currently support distribution connected solar generation ranging from **0.5MW on smaller systems to over 15 MW** on other systems**. La Plata Electric's members added 2,100 kW of rooftop solar** at 271 locations in 2021. It is a flexible platform that will support a wide range of grid-edge communications platforms and be based on a modular approach to allow expansion in the future.

Tri-State's 24x7 transmission operators and resource planners will be able to call for the management of various renewable resources as well as the control of loads. Each of the Tri-State member cooperatives will have portals via the CCE where they can connect into the DERMS. This will allow visibility of their service area as well as the broad system. By giving the distribution system cooperatives insight into and control of the system in their area, those co-ops can manage the relationship with their consumers and see how those resources are leveraged. The distribution system operator adjusts for local issues and provides the most reliable collection of resources made available to the grid. The CCE tool will enhance the **consumer's journey to electrification, create additional member value with demand response, and create consumer access to affordable clean energy.**

The **Colorado Public Utilities Commission (CoPUC) and Tri-State** agree on goals related to increasing energy efficiency program results incrementally up to **1% of total Colorado kWh sales by 2030** and implementation of a demand response program that can control **4% of Tri-State's peak demand in Colorado.** With the implementation of the Cooperative Energy Ecosystem, we will see generation emissions per MWh decrease from **70 tons/MWh to $32 tons/MWh by 2040.**

The Energy Efficiency of the CEE in 2030 under Aggressive potential application equals a reduction 5.97% from baseline sales compared to 2.67% of Low potential. In 2040 Aggressive potential application increases to 11.18% versus 5.67% under Low potential, thus creating a compelling need to support this initiative.

Carbon Reduction, Air Quality, and the Environment Are Aligned with the Federal Initiatives to Decrease Environmental Exposure and Burden for Disadvantaged Communities

Tri-State has reduced our annual carbon emissions by more than one million tons over the past 10 years. These reductions are the equivalent of removing approximately 200,000 cars from the road. By 2030, 70% of the electricity used by Tri-State members will come from clean energy and all emissions will be eliminated from our coal plants in Colorado and New Mexico. The CEE will play a pivotal role in providing distribution systems the same ability to reduce carbon emissions.

The Colorado State Energy office continuously collaborates with Tri-State regarding clean energy jobs to meet their carbon goals. For example, Tri-State participated in Colorado's Carbon Capture Utilization and Storage (CCUS) Task Force. The Task Force developed options to facilitate the future deployment of CCUS technology in Colorado to help achieve the State's clean energy goals. The Governor of Colorado received a detailed implementation report that included legislative, technologies, and workforce initiatives to achieve a clean energy transition with zero or near zero carbon emissions. These innovative programs extend to DOE initiatives. For example, Tri-State participated in events facilitated by the Intermountain West Energy Sustainability & Transitions (I-WEST) initiative. Led by Los Alamos National Laboratory, I-WEST is focused on developing a regional technology roadmap to transition six states in the U.S. Intermountain West to a carbon-neutral and economically sustainable energy system within the next 15 years. The I-WEST initiative takes a place-based approach, which emphasizes the importance of regional objectives, concerns, and goals regarding energy transition.

Tri-State focuses on land reclamation by returning mined lands to an ecological condition that exceeds required revegetation success standards. An example is our now-retired New Horizon Mine, which is the only Colorado mine to successfully reestablish prime farmland. A crop growing on **reclaimed land is providing a profitable livelihood for the surface landowner in a rural community** of western Colorado. Tri-State also **employs water reuse and recycling methods** at our other generation stations. Tri-State's substantial allocation of **federal hydropower relies on Colorado and Missouri River Basin water** to generate affordable, renewable, and reliable power.

Our staff serves on several boards and committees, including the Colorado Water Conservation Board, the Colorado Water Congress and the Yampa-White-Green Basin Roundtable. As a **good neighbor, we conserve our water resources.** Tri-State utilizes water resources with efficient stewardship. For example, in 2021, Tri-State funded and participated in a study that analyzed **multi-benefit reservoir management scenarios in the**

Yampa Valley as part of a longer-term water security discussion. Tri-State made financial contributions and staff commitments to The **Yampa River Fund in 2020 and 2021**.

How Tri-State Is Advancing Diversity, Equity, Inclusion, and Accessibility and Creating Equitable Opportunities Within Tri-State

At Tri-State our employees are our most valuable resource. Employees receive access to over 1,000 classes on a Learning Management System (LMS) for all levels, including computer training, cybersecurity, professional development, management, and leadership. Our employees receive tuition reimbursement for trades training, certifications, and college credits. Tri-State offers a wide variety of educational materials **and training for electric distribution members' staff as well**. This includes **energy efficiency webinars**, a Digital Marketing Working Group and social media audits, and an **EV Ride and Drive program to promote electric vehicle education.** Tri-State doesn't construct many of these new renewable entities since they usually have power purchase agreements.

Tri-State's DEI programs focus internally on the team since we don't work directly with the public consumer. Tri-State's **Diversity, Equity, and Inclusion (DEI)** program supports our company values and fosters a culture of embracing **diverse perspectives to strengthen decision-making and promote an inclusive environment**. Tri-State actively encourages local minority business and free promotions to get qualified businesses to provide services to local rural consumers. Tri-State recognizes the importance of attracting and retaining the best employees to help us address the challenges and opportunities of this transition. Through our DEI program, our workforce is becoming more innovative, and productive.

Tri-State lives our values with measuring and tracking our efforts. For example, 15% of our total employee population consists of those who identify with 2 or more different minority groups. Tri-State consists of a total of **1,120 employees, of which 173 identify as a minority.**
Being in the energy sector, we continually encourage women to join as well**. Tri-State employs 213 females, of which 44 are identified as from a minority group and a total of 970 males of which 129 males identify as from a minority group.**

Minority Hiring by Year	Male	Female
2020	7	4
2021	15	4
2022	17	10
2023	8	4
Total	**47**	**22**

Tri-State **strives to be recognized as an employer of choice by** developing our workforce and establishing a "workplace for the future." Tri-State recruits from a list of 68 different disabled, veteran, and minority organizations to ensure opportunities are made available to the widest possible universe of applicants. Several levels of Tri-State management take an active role in creating opportunities for the community to learn more about our mission and how we are

transitioning to a clean energy future. For example, b(4) [redacted] This board promotes the exposure of high school students to energy careers, including opportunities in the field of renewable resources. This connection continues to the local community colleges and trade schools: For example, the **Mesa Hotline School** provides hands-on linemen training and Journeyman certification, and the Pueblo Community College and the Community College of Aurora also provide training opportunities for students.

b(4) [redacted]

b(4) [redacted] EDCC is a state-wide, non-profit organization dedicated to successful and responsible economic development across the state and to advocating for policies and programs that support a vibrant economy and enhance quality of life for all Coloradans.

These Tri-State employees are educating the organizations and the communities that they serve with spreading the renewable energy transition opportunities. Tri-State's CEE program coordinates these values with the members that they serve. The leadership that Tri-State demonstrates is being followed by many of the distribution system employees that they serve.