



FOUR-YEAR ANNIVERSARY OF EAST TROUBLESOME FIRE

RECENT GRANT AWARDS COULD BRING UP TO \$11 MILLION TO HELP FIRE MITIGATION EFFORTS

ABOUT THE EAST TROUBLESOME FIRE

What would become the second largest wildfire in the state's history, the East Troublesome Fire began on Oct. 14, 2020, in Grand County east of Troublesome Creek. On the evening of Oct. 21, high winds increased the rate of the fire to a state record-setting pace of 6,000 acres per hour. In the end, it took two lives, destroyed more than 400 houses and other structures, and burned 193,812 acres. The fire was human caused, and likely from a hunter or backcountry hiker, according to investigators.

MPE COORDINATES WITH FIRE COMMAND DURING EVENT

As the fire was spreading, MPE crews worked directly with Fire Command to shut off power in areas or leave power on where it was needed. MPE opened and grounded powerlines near where firemen were working for safety. Firemen escorted MPE crews so linemen could assess damage and begin making repairs even as firemen were still putting out hot spots. This type of coordination with area firefighters was not new, according to MPE Manager of Operations Adam Paulson, "but no one had ever dealt with such a large event in our service territory." Just this year, MPE finished the final repairs from the fire with the completion of the undergrounding of the Trail Creek Subdivision.

MPE FACILITATES REBUILD REBATE PROGRAM

MPE administered a rebate program to help homeowners whose property was damaged or destroyed by the fire through the Colorado Energy Office (CEO). Residents could utilize energy efficiency incentives to get rebates ranging from \$500 to \$25,000 in the rebuilding or rehabbing of their homes. There were 12 homeowners who utilized the program for a total investment from the CEO of \$130,850. Further, the MPE Clean Power Program (CPP) Committee chose to double the CPP rebate available to those who included solar as part of their rebuild.

INCREASED EMPHASIS ON SYSTEM HARDENING

"Before the fire, we really prioritized reliability and age of our infrastructure. After the fire, there was a sense of urgency to install smarter devices for greater control and system flexibility. In short, make our system smarter and quicker reacting," said Paulson. He added that in planning Work Plan projects, for which MPE usually invests between \$2-3 million annually to maintain its distribution system, a greater emphasis has been placed on identifying high fuel areas and high-risk lines that could be hardened by moving them underground or with insulated tree wire or carrier cables.

To aid in the rebuild and initial hardening efforts following the fire, MPE received FEMA funding that has paid more than \$6 million, with another estimated \$1.1 million possibly to come. MPE built back much of the damaged MPE facilities underground, including along Highway 125 and the Trail Creek Subdivision.

There are also new utility mitigation products available, such as trip savers, reclosures, and pole wraps, that have been implemented. MPE's Wildfire Mitigation Plan is also updated annually for best practices and includes guidelines and procedures for increasing system sensitivity settings during high fire danger periods.

The fire also has affected animal and bird migration patterns, resulting in more birds landing and nesting on power poles and lines. MPE has worked with Colorado Parks and Wildlife to install nesting platforms, and MPE continues to install bird guards on system equipment.

UP TO \$11 MILLION IN GRANTS TO SUPPORT MITIGATION

MPE was recently notified of three grant awards that could bring up to \$11 million to the co-op to support wildfire mitigation, grid monitoring, and grid hardening. In all, it could help fund up to 10 already identified Work Plan projects over the next couple of years.

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FLEXIBILITY

Under Tri-State, MPE had less flexibility to meet members' requests for local generation projects as there was a 5% carve-out cap.

This means that only 5% of MPE's total load could be purchased from a source other than Tri-State, including locally generated power or MPE-owned generation. The 5% carve-out left no room for additional local generation projects.

Under the new contract with Guzman Energy, MPE has the flexibility to purchase an additional 60,000 MWh from sources other than Guzman.

In addition to this new larger carve-out, all the current local generation will be grandfathered in, resulting in a nearly 25% carve-out. This is nearly five times the previous carve-out, giving MPE much greater flexibility.

GRANT FUNDING OPPORTUNITIES

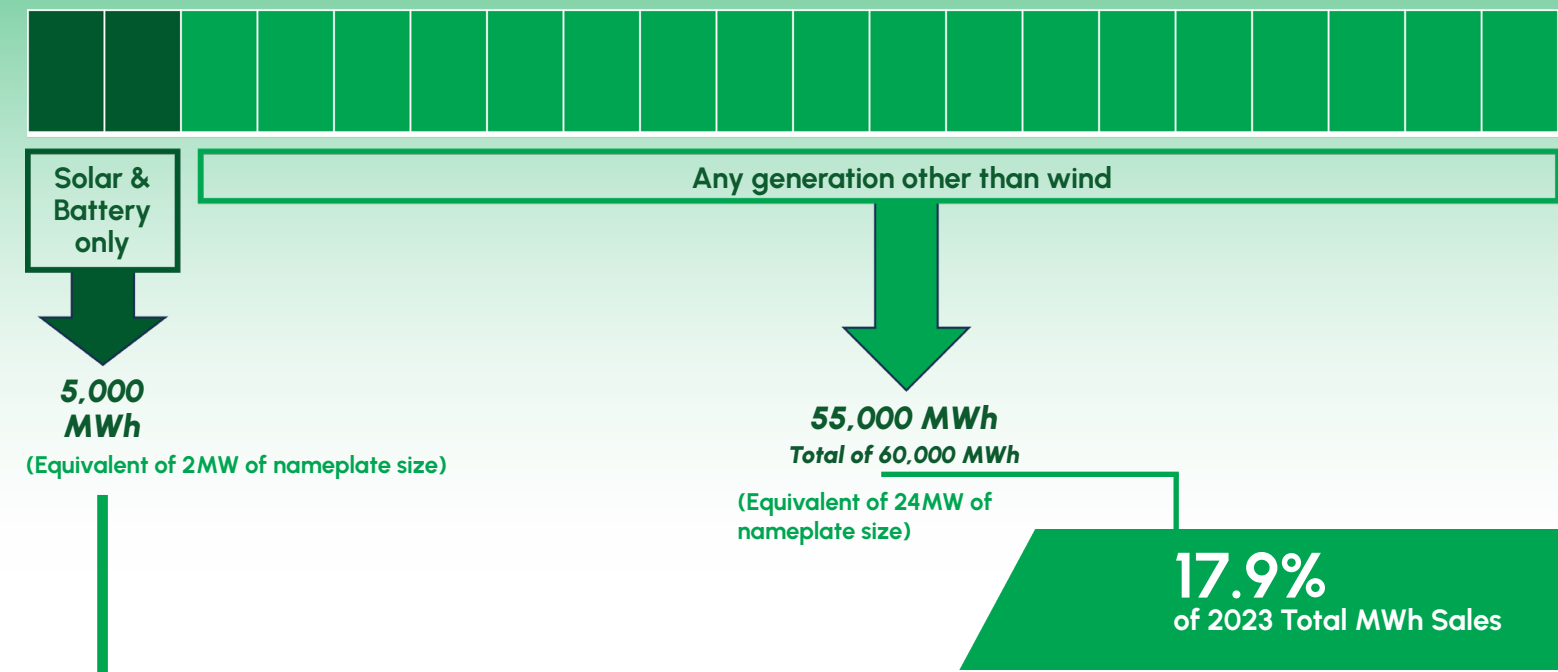
The flexibility for direct contracting under the Guzman power supply agreement also opens a plethora of grant-funded opportunities. This includes the New ERA program that, if awarded, could bring up to \$100 million to MPE for the power supply transition and possible projects to improve our grid's reliability and resiliency. These funding opportunities would not have been possible under the constraints of our Tri-State contract.

MANAGEMENT STRUCTURE

Another aspect of flexibility benefit from this power supply change involves management structure. MPE has a one-on-one relationship with Guzman and agreements/adjustments can be made quickly to adapt to the rapidly changing energy industry.

NET METERING – any generation with a nameplate capacity of up to 25 KW – will not be affected by the change to Guzman Energy. The buyback rate will continue to follow the avoided cost of power and will be communicated annually to participants.

Carve-out with Guzman in the 20-year Contract



PLAN FOR INITIAL CARVE-OUT OF 5,000 MWh

MPE plans to use a request for proposals (RFP) process for power purchase agreements (PPAs) to allocate the first 2 year's carve-out of 5,000 MWh. This will include three rounds of RFPs, as follows:

- ROUND 1**
Priority: Leveraging member grant applications and community impact
Size: Up to 1 MW (2,200 MWh) total; maximum single size of 500 KW
- ROUND 2**
Priority: Resiliency/Reliability/System Benefit - Preference given to projects based on societal and/or distribution system benefits
Size: Up to 1 MW (2,500 MWh) total
- ROUND 3**
Priority: Rate Relief for Low Income - Preference given to projects that directly benefit income-qualified or low-income communities
Size: Up to 2 MW total (5,000 MWh); ultimate size will depend on final results of rounds 1 and 2 and of community interest/subscriber rates

The Colorado Division of Homeland Security & Emergency Management and FEMA recently notified MPE that Phase 1 of 2 of a wildfire mitigation grant for \$777,585 had been approved. The project will help mitigate the possibility of fires starting due to electrical sparks, trees falling on power lines, and wildlife interference with power line equipment. Phase 2 will provide an additional \$8.9+ million, based on completion and close-out of Phase 1, for power line improvements.

MPE was also recently awarded a grant of \$347,767 for advanced grid monitoring and a grant for \$739,940 for grid hardening from the Colorado Energy Office and the Department of Energy. The grid monitoring funds will provide for a comprehensive aerial field survey for the 21,600 poles and more than 1,300 miles of MPE's distribution system using unmanned aircraft systems. It will identify vegetation threats and damage to pole structures and other equipment. Grid hardening funds will help MPE implement

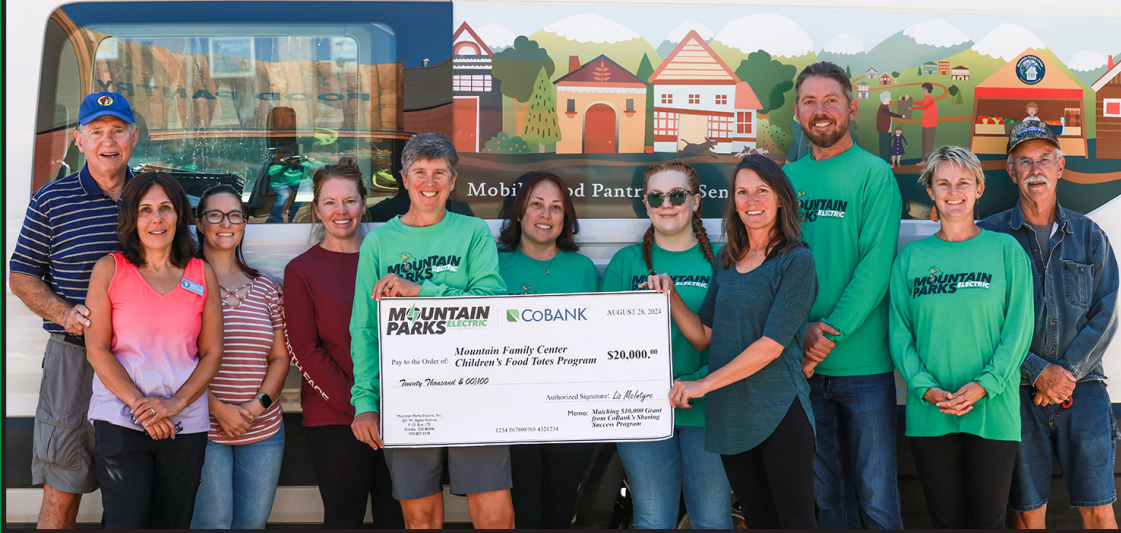


A mutual aid United Power crew joined MPE crews in rebuilding lines near Sun Valley, one of the hardest hit areas where the fire storm generated wind speeds over 110 miles per hour.

fire-resistant technologies and fire prevention systems; the relocating of power lines or the reconducting of lines with low-sag, advanced conductors; and the replacement of older overhead conductors and underground cables.

MPE IN THE COMMUNITY

DONATION FOR CHILDREN'S FOOD TOTES



MPE again provided a \$10,000 matching donation for CoBank's Sharing Success \$10,000 grant for Mountain Family Center's (MFC) Children's Totes Program. It provides food totes at several locations in Grand and Jackson counties to help address food insecurity. In 2023, MFC counted almost 12,200 food pantry visits, a 10% increase over 2022. MFC also distributed more than 30,000 weekly food totes last year. MFC typically serves just over 3,400 individuals, with 25% being children.

DONATION FOR BALLISTIC SHIELD



MPE recently donated \$4,885 to the Grand County Sheriff's Office and Middle Park Emergency Response Team for the purchase of a ballistic shield. "Ballistic shields help to not only protect our deputies and our officers, but also our citizens. The shields utilized by law enforcement to safely make entry into a residence, a business or a school can make all the difference in the world when seconds and minutes matter," wrote the sheriff's department in their donation request.