

Sue Mc Williams LPEA 2020 Election Questionnaire:

LPEA 2020 Election Questionnaire

Please give a brief list of your professional career and your educational background. (please answer in 100 words or fewer) :

I'm Sue McWilliams, a SW Colorado native. My education and background are in the electric utility industry, finance and business. My career includes 11 years at LPEA, 18 years in senior management for USDA's Rural Utility Services, and I have owned several successful businesses. I was a Director on LPEA's sister co-op, Empire Electric for 14 years, holding numerous local and State board positions. My in-depth knowledge and experience in the electric industry, common-sense leadership style, and attention to detail, enables me to meet new challenges and make balanced decisions on complex issues that are important to LPEA's diverse membership.

What is the primary reason you would like to serve on the La Plata Electric Association board of directors? (100 words or fewer):

Excessive spending, lack of transparency by the Board, a 9% increase in the 2019 General/Admin actual expenses from 2018 and 18% increase over 2017 expenses first caught my attention. Board expenses have increased from \$196,210 in 2017 to \$300,000+ in 2019 and the Board chose not to refund Tri-State capital credits. I'm concerned about the new "**peak demand charge**" from 4-9 p.m. that will adversely impact many families and small businesses. It penalizes members when they are most likely to need electricity and is charged in addition to the energy charge we now pay. The Board should needs to cut expenses.

LPEA is examining buying out its contract from Tri-State Generation & Transmission. Do you believe buying out the contract is the proper course to follow, please explain your position? (100 words or fewer)

I'm opposed to a Tri-State buyout. Tri-State, like LPEA is a co-op that members own and as such, return a portion of their net profit/margins back to members as capital credits. As part of Tri-State's "Responsible Energy Plan", they are closing down coal plants and aggressively increasing their renewable energy portfolio from 33% to 50% by 2024, and will be 100% renewable by 2040. The "Plan" includes a 120 MW solar project in LPEA's territory if they can purchase property. As a member of Tri-State's co-op family, LPEA has a voice at the table when discussing issues important to members.

At what point is buying out the contract too expensive to consider? (100 words or fewer).

While it's difficult to get accurate information from the Board on how much has already been spent; it's estimated to be about \$1 million dollars for attorneys, consultants and staff time, and still no details on how much the buy-out would cost or who would replace Tri-State for our wholesale electricity. From what I can glean, the Board has about \$600,000 in the 2020 budget to continue exploration and approved hiring an in-house attorney for this purpose. The Board has already spent more than enough of the members money on this venture without asking the opinion of the **full** membership.

Tri-State has recently allowed members to increase their local generation of energy from 5% to 7% or an additional 2 megawatts of electricity. One reason for seeking to buy out the Tri-State contract was the cap

of locally generated electricity, especially renewable generation, to 5%. Does Tri-State's move to allow up to 7% or 2 additional megawatts, provide sufficient flexibility to negate the need to buyout the Tri-State Contract? (Please answer in 100 words or fewer).

With Tri-State's Responsible Energy Plan, LPEA has abundant opportunities to produce more renewable electricity locally. The Board needs to stop spending member money in pursuing a Tri-State buy-out. In addition to the above listed 7%, Tri-State will be hosting an "open season" where co-op members can express their intent to transition to a partial requirements contract. Tri-State will allocate an aggregate 300 megawatts of system-wide member self-supply capacity. Under the new contract, "LPEA could self-supply up to 50% of their load requirements", however, LPEA would need to apply during the "open season" timeframe. (Reference: Tri-State 4/9/2020 news release)

Please answer the following hypothetical question with either a yes or no answer: LPEA has an opportunity to provide 100% of its electricity generation from renewable sources, but it must increase rates on average by 10%. Would you vote yes or no? Please check yes or no. And provide a one sentence explanation of your vote.

Yes.
 No.

Many of the LPEA members already struggle with bills and some have to make hard choices between providing food for their family or paying for electricity.