

TRI-STATE ENERGY

Final Colo. coal plant would close in plan

Wholesale power supplier seeking \$970M in federal funds to cut greenhouse emissions

BY JUDITH KOHLER

JKOHLER@DENVERPOST.COM

Colorado-based Tri-State Generation and Transmission Association is proposing an energy plan that will close two coal power plants and significantly boost the amount of renewable energy sources on its system.

Tri-State filed the new electric resource plan with state regulators Friday. The wholesale power supplier is seeking up to \$970 million in grants and loans through the U.S Department of Agriculture's Empowering Rural America program, aimed at helping rural communities make the transition to renewable energy.

Tri-State serves more than 40 rural electric associations in Colorado, Wyoming, New Mexico and Nebraska.

The utility has proposed to move up retirement of Unit 3 of its Craig coal-fired power plant to Jan. 1, 2028, from the end of 2029. With the closure of the plant in Craig, Tri-State won't have any coal resources in Colorado, spokesman Lee Boughey said.

The company has also proposed closing a unit of a coal plant near Springerville, Ariz., by 2031. Under the plan, Tri-State would add 1,250 megawatts of additional renewables and battery storage through 2031. One megawatt of solar or wind energy can supply electricity to several hundred homes.

Boughey said in an email that Tri-State currently has 1,497 megawatts of renewable energy sources. In 2022, 34% of the electricity used by members was from renewable sources. The utility expects that to rise to 70% by 2030.

The Colorado Public Utilities Commission is expected to consider the first phase of Tri-State's energy plan in 2024. The second phase will include seeking bids for projects and approval of a final portfolio of power resources.

Environmental groups and member electric associations have criticized Tri-State for not moving away from coal and to renewable energy quickly enough.

A few of Tri-State's members have bought out their contracts or explored leaving over disputes about rates and the desire to generate more of their electricity locally. However, Tri-State's newest energy plan is a win for people's health, the environment and members' wallets, the Sierra Club said. Tri-State estimates that its plan will cut members' costs by more than \$1.8 billion through 2043.

Sarah Clark, Colorado field manager for the Sierra Club, said in a statement that the organization is committed to working with Tri-State and others to support the communities in Moffat County and Arizona that will be affected by closing the coal plants.

Tri-State CEO Duane Highley said in a statement that the company will work with its local, state and federal partners and employees at the Craig coal plant during the transition.

Moffat County Commissioner Tony Bohrer told the Craig Press newspaper that the plant's earlier closing would negatively affect the area's jobs and tax base and that the county and city of Craig will voice their concerns during the regulatory hearings.

The other two units of the Craig coal plant will be closed in 2025 and 2028.

"Tri-State should be commended for proposing a transformational electric resource plan, which will reduce carbon pollution across the West and provide economic benefits for its member cooperatives," said Stacy Tellinghuisen with Western Resource Advocates, a Colorado-based conservation group.

Tellinghuisen said WRA encourages other utilities to take advantage of the federal funding "to replace expensive, polluting plants with cleaner resources."

Tri-State submitted a letter of interest in September to the USDA's New ERA program, which is part of the federal Inflation Reduction Act. Tri-State said the next step is an invitation to apply for the program, which it anticipates in the coming months.

Boughey said the federal money would help Tri-State accelerate the addition of renewables and closure of the Springerville plant. In the case of lesser funding, "we would reoptimize our approach to best utilize available funding," he said.

The \$9.7 billion program is the country's largest investment in rural electrification since the Rural Electrification Act of 1936, according to the USDA. The funding, which prioritizes cutting greenhouse-gas emissions, can be used for renewable energy and zero-emission systems and manage so-called stranded assets, such as coal plants closed ahead of schedule.

"Federal funding in support of our preferred plan would be transformational for Tri-State and our members," Highley said in a statement.