

**RESPONSES TO RESOURCE PLANNING QUESTIONS SUBMITTED IN TRI-STATE'S PUBLIC PLANNING  
PROCESS**

**May 17, 2010**

**QUESTION NO. 1**

How does Tri-State deliver its generation from the host Balancing Authority (BA) into the BA where the load is located?

**RESPONSE:**

Tri-State schedules resources into Balancing Authorities (BAs) to establish a balanced hourly configuration of generation, purchases, system loads, losses and sales. The schedules vary by hour. The resources can include Tri-State generation, long-term purchased power, or short-term purchased power. Tri-State uses both third-party transmission and Tri-State-owned transmission to facilitate the scheduled power transfers.

**QUESTION NO. 2**

Into which Balancing Authority is the existing, and planned, wind generation delivered? Is it somehow delivered in a ratio share to all of Tri-State's load areas? Other?

**RESPONSE:**

Tri-State uses its entire resource portfolio to serve its Members' loads; it does not permanently source specific resources within each of the Balancing Authorities to meet the specific Member loads within that Balancing Authority. The Kit Carson wind generating plant will be located with the WAPA/WACM Balancing Authority. There are no immediate plans to schedule this generation out of WACM and into other Balancing Authorities. Future wind generating plants may be located in any of the Balancing Authorities where Tri-State has load.

**QUESTION NO. 3**

What is the rationale behind building a large-scale solar facility in the San Luis Valley and sending power over expensive transmission lines versus a more distributed approach where solar facilities are on a smaller scale near the customer minimizing the need for expensive transmission lines? Certainly, the economies of scale for a larger facility are more than offset by the savings from shorter transmission lines. This question is based upon the Tri-State's objective of being the lowest cost supplier of electrical power. Has this option been considered? New Mexico is currently considering a more distributed approach and it appears to make a lot of sense.

**RESPONSE:**

Tri-State is not pursuing a large-scale solar facility in the San Luis Valley. Xcel Energy has its own rationale for looking at such resource additions. There are various approaches to developing renewable resources including larger-scale (utility-scale) installations and smaller scale distributed installations. Many, but not all, utility-scale installations require transmission to move the power and electricity to load. Smaller scale installations may not require transmission, but may have a higher unit cost since there are no economies of scale. The rationale behind larger systems is to take advantage of economies of scale and to gain experience with the impact of utility-scale projects. In addition, larger-scale projects may be the most expeditious way of meeting renewable portfolio requirements. Mandated renewable portfolio standards do not necessarily result in least cost energy portfolios.