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INTRODUCTION

Members of the Panel, my name is Joel Bladow. I currently serve as Tri-State Generation and Transmission Association Inc.'s Senior Vice President of Transmission. I appreciate having the opportunity to make comments today regarding whether or not we have the tools to build and operate the transmission required to meet the needs of the 21st Century.

Tri-State is a not-for-profit wholesale electric cooperative based in Colorado. Our mission is to provide affordable and reliable, cost-based wholesale electricity to our 44 not-for-profit member systems (electric cooperatives and public power districts) in an environmentally responsible manner. Our members serve 1.5 million predominantly rural consumers over 200,000 square miles of territory in Colorado, Wyoming, Nebraska and New Mexico. Given the vast expanse of our service territory from the Montana border to the Mexican border, it should not be surprising to learn that we wholly or jointly own more than 5,300 miles of transmission.

In 2013, Tri-State sold approximately 18.6 million megawatt-hours of electricity with our peak demand coming in July at 2,666 megawatts. 32% of the power we generated or purchased was used to meet residential load, 55% was meeting commercial and industrial load, 8% meeting irrigation load and the remaining 5% met miscellaneous load needs. This power is sold to some of the most poverty stricken counties in New Mexico and southern Colorado, to the irrigated plains of Colorado, to some of the most affluent communities in the Telluride ski valley. Our member-systems that serve these consumers have a density that ranges from as low as one consumer per mile to as many as 13 consumers per mile. Even with this diverse set of membership needs, we still strive to deliver electricity at costs competitive with for profit utilities by concentrating on efficiencies and cost instead of shareholder profits.

To meet each of our member systems' unique load demands, Tri-State generates, or purchases power produced from a diverse blend of resources including coal, natural gas, hydropower, solar, and wind. In 2013, 23% of our members' energy requirements were served by renewable generation.

In addition to the larger scale projects that Tri-State develops, our Board of Directors has established policies to encourage local renewable energy projects on our Member systems.

Under these policies our members have added, or are scheduled to add, another 42 megawatts of distributed renewable generation resources.

TRANSMISSION SYSTEM

As I mentioned, Tri-State wholly or jointly owns more than 5,348 miles of transmission and 219 substations and switching stations across a four state area. All but a few miles of this transmission is at 115-kV or higher and is considered part of the Bulk Electric System (BES). Last, Tri-State is one of the few utilities with Member load in both the western and eastern interconnections. As such, we maintain a DC Tie in Stegall, Nebraska joining the Eastern and Western interconnections.

The question posed for the participants of this panel was*: "Can We Build and Operate the Appropriate Amount [of Transmission] for future needs"?* My answer would be: it depends. It depends on such things as NIMBYism, whether we can streamline permitting processes and whether we can all agree on what needs to be built, who operates it, and who pays for it.

MEETING OUR REGION'S NEEDS

To meet future load growth needs and ensure reliability, Tri-State has a number of Transmission projects underway. The following is a brief summary of a few of our major projects:

San Juan Basin – Tri-State is in the planning stages of building a 230-kV transmission line from the Farmington area in northwest New Mexico to Ignacio, Colorado. This line and supporting electrical facilities are needed to provide the power delivery infrastructure for the San Juan Basin that will relieve transmission constraints, serve new loads and offer economic development through renewable energy opportunities.

Montrose-Nucla-Cahone -- Tri-State is in the planning stages of rebuilding our 60-year-old Montrose-Nucla-Cahone 115kV transmission line in southwestern Colorado. The rebuilding will upgrade the line to 230kV enhancing reliability and load serving capabilities in the region.

Burlington-Wray -- Tri-State is in the planning stages of building a new 230-kV transmission line between existing substations near Burlington and Wray, CO. The project area for the approximately 72-mile-long line includes portions of Yuma and Kit Carson counties on the eastern plains of Colorado. This line would relieve area transmission constraints, improve system reliability, allow full dispatch of existing local generation, enable more economical and reliable load serving and support potential renewable energy development in the region.

One project I would have liked to have completed is our proposed transmission line in the San Luis Valley of Colorado. The original project was a joint effort with Xcel Energy and would have served two purposes: 1) to enhance reliability in the San Luis Valley and; 2) to tap the solar energy potential in the valley. Unfortunately, a small portion of this line would have run over the Trinchera Ranch. Given the legal impediments posed by Trinchera Ranch's wealthy owner,

Tri-State and Xcel abandoned the East-West route of this line. Tri-State proposed another route – running North-South through Taos County, NM – which was essentially eliminated by President Obama's proclamation of the Rio Grande Del Norte National Monument in the same area. Tri-State is now analyzing other options to shore up reliability in the San Luis Valley.

CONCLUSION

In all of the projects Tri- State has under development, a key factor has been developing broad support for the multiple benefits each project provides. There is no magic formula or policy that sweeps all the permitting and multiple land use issues aside so it can be done quickly. This will be the same going forward – it will take time and a lot of work to justify the need and cost associated with new transmission lines. In the end, the ultimate consumers will be footing the bill, not the developers or policy advocates.

There's no shortage of transmission that could be built to improve the grids' reliability and meet the needs of the changing generating mix. However, as I said earlier, as to how much will be built depends upon who benefits, who pays, and who will be impacted.

Poverty Map by County in the U.S.