

## SETTLEMENT AGREEMENT

Tri-State Generation and Transmission Association, Inc. ("Tri-State") and Environment Colorado ("EC"), for good and sufficient consideration, agree as follows:

1. **Potentials Study:** Tri-State agrees to hire an third-party contractor to conduct a study of Demand Side Management/Energy Efficiency ("DSM-EE") potential on its system to be completed within 12 months (or longer if required by the selected study contractor, but not longer than 14 months) from the date this agreement is signed. The study will assess the technical, economic and practical potential for efficient electricity use and peak load reduction in the service area of co-ops supplied by Tri-State through 2020. Tri-State shall budget and spend between \$500,000-\$1,000,000 on the study. Environment Colorado may utilize Southwest Energy Efficiency Project (SWEET) and up to one additional non-governmental designee that is mutually acceptable to Tri-State and EC to assist EC in carrying out its role under this agreement. Tri-State shall consult with EC regarding Tri-State's selection of a contractor. EC may provide input to study parameters and design. Tri-State will send requests for proposals to the five potential contractors listed on the attached Appendix A and may send requests for proposals to other potential contractors that are mutually acceptable to Tri-State and EC. All potential contractors must have experience in conducting DSM-EE potential studies. EC may review and comment on the methodology, input assumptions and list of energy efficiency measures to be utilized in the study. As well, EC may comment on a preliminary draft of the study. Tri-State, EC, and the contractor will meet to discuss EC's comments on the preliminary draft of the study. The final document will be released as a public report and will be made available on the Tri-State web site.
  
2. **Annual Reporting:** Tri-State agrees to prepare annual reports in the first quarter on DSM-EE activities, expenditures and results for three years starting with a report on 2009 DSM-EE efforts to be completed in the first quarter of 2010. EC may review and comment on an initial draft of the report on 2009 DSM-EE efforts. EC and Tri-State will meet to discuss these comments and will work to develop a format of the report that can be used in successive years. Tri-State will post the annual reports on its web site and include relevant statistics and information from the reports in its Annual Progress Review as part of any Integrated Resource Planning filing requirement with the Western Area Power Administration.
  
3. EC agrees to withdraw its statement of opposition in the water court Case No. 07 CW 74 which shall include, without limitation, withdrawing its request for discovery and its motion for summary judgment (Aug. 4, 2008). EC agrees that it will not raise water injury issues or the issues raised in EC's motion for summary judgment specific to the Colorado Power Project in any regulatory, legislative, or judicial venue.

4. EC retains the right to oppose the Colorado Power Project in all forums other than Colorado Water Court for any reasons other than those specifically covered by this agreement.
5. Each party bears its own costs and attorney fees in Case No. 07 CW 74.
6. Tri-State and EC will consult and develop a joint press release concerning this agreement.
7. This agreement shall be enforceable with equitable relief by specific performance and any other equitable relief available in any appropriate Colorado court.
8. The parties represent that the signatories to this agreement are duly authorized to bind their respective entities.

Dated: February 3<sup>rd</sup>, 2009

ENVIRONMENT COLORADO

By: 

Name: Margie Alt  
Title: Board Chair, Environment  
Colorado

TRI-STATE GENERATION AND  
TRANSMISSION  
ASSOCIATION, INC.

By: \_\_\_\_\_

Name: Kenneth J. Anderson  
Title: Executive Vice President and  
General Manager

## **Appendix A: List of Mutually Acceptable DSM-EE Contractors**

1. Itron. contact is Mike Rufo – ph: 510-844-2800; email: [mike.rufo@itron.com](mailto:mike.rufo@itron.com)
2. KEMA. Contact is Fred Coito. Ph: 510-891-0416. email: [fred.coito@kema.com](mailto:fred.coito@kema.com)
3. Optimal Energy. Contact is Phil Mosenthal – ph: 802-453-5100x12; email: [Mosenthal@optenergy.com](mailto:Mosenthal@optenergy.com)
4. Cadmus Group (formerly Quantec). Contact is Brian Hedman or Sami Khawaja. Ph: 503-228-2992. [brian.hedman@cadmusgroup.com](mailto:brian.hedman@cadmusgroup.com).
5. Nexant – Contact is James Zarska, 303-402-2497, [jzarska@nextant.com](mailto:jzarska@nextant.com)