

**CORE ELECTRIC COOPERATIVE**  
**2021 RENEWABLE ENERGY STANDARD COMPLIANCE REPORT**  
**June 1, 2022**

## INTRODUCTION

CORE Electric Cooperative, formerly the Intermountain Rural Electric Association, (CORE) submits this annual report in recognition of Colorado’s renewable energy standard (RES), C.R.S. § 40-2-124(5.5), and Colorado Public Utilities Commission (Commission) Rule 3662.

CORE is a cooperative electric association that serves more than 169,000 meters within a service territory covering approximately 5,000 square miles in parts of eleven counties in Colorado. C.R.S. § 40-2-124(1)(c)(V.5) requires a cooperative electric association that provides electricity at retail to its customers and serves 100,000 or more meters to generate or cause to be generated at least 20% of the energy it provides to its customers from eligible energy resources in the years 2020 and thereafter.

C.R.S. § 40-2-124(1)(g)(II) provides that a wholesale customer can purchase eligible energy resources from its wholesale provider and receive the appropriate credit toward the RES as well as any associated renewable energy credits (RECs). In 2021, CORE acquired RECs associated with wholesale power purchases from Public Service Company of Colorado (PSCo), the Western Area Power Administration (WAPA), Victory Solar, LLC, Pioneer Solar, LLC and various small distributed generation resources interconnected to CORE’s distribution facilities.

## COMPLIANCE STATEMENT

Pursuant to the requirements of Commission Rule 3662, applicable as provided in Commission Rule 3650(b), the details of CORE’s compliance are set forth as follows:

**1. Commission Rule 3662(a)(I) – Total Megawatt Hours Sold by CORE to Colorado Retail Customers and Eligible Energy Required for Compliance**

CORE sold 2,566,123 megawatt hours (MWh) of electrical energy to its Colorado retail customers in 2021. Pursuant to C.R.S. § 40-2-124(1)(c)(V.5), CORE’s compliance obligation is equal to 20% of its retail sales for compliance year 2021 or 513,226 MWh of eligible energy.

**2. Commission Rule 3662(a)(II) – Total Amount and Source of Eligible Energy and Renewable Energy Credits (RECs) Acquired for Compliance**

CORE acquired a total of 384,125 RECs in connection with wholesale power purchased from PSCo in 2021 for resale to CORE’s customers. Pursuant to the wholesale power purchase agreement between PSCo and CORE, PSCo transferred to CORE RECs equal to CORE’s load ratio share times the energy from designated eligible energy resources (defined as PSCo energy obtained from solar, wind, geothermal, biogas, new hydroelectricity of ten megawatts or less, pre-2005 hydroelectricity of thirty megawatts or less, and recycled energy). CORE acquired the following vintage 2021 RECs from PSCo:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Wind	Non-DG	357,632	0
Wind	Wholesale DG	3,037	0
Solar	Non-DG	0	14,692
Solar	Wholesale DG	5,497	0
Hydroelectric	Wholesale DG	2,575	0
Biogas	Wholesale DG	692	0
Total PSCo RECs		369,433	14,692

In 2010, CORE entered into a memorandum of understanding with WAPA regarding RECs for hydroelectricity generated by the Loveland Area Projects (LAP). Pursuant to this memorandum of understanding, WAPA transferred the following Colorado-eligible 2021 vintage RECs to CORE:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Hydroelectric	Wholesale DG	36,049	0

In 2011, CORE entered into a memorandum of understanding with WAPA regarding RECs for hydroelectricity generated by the Salt Lake City Integrated Projects (SLC-IP). As of the date of this report, the transfer of 2021 RECs associated with SLC-IP purchases has not occurred. CORE will include the quantity of 2021 vintage RECs eligible for the RES in the 2021 compliance year report to be filed in 2022.

RECs associated with purchases under the SLC-IP contract were not transferred to CORE prior to the date of the 2020 compliance year report filed in 2021. The following Colorado-eligible 2020 vintage RECs transferred in July 2021 are as follows:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Hydroelectric	Wholesale DG	1,347	0

In 2015, CORE entered into a power purchase agreement with Victory Solar, LLC to purchase energy and associated RECs from a 12.8 MW photovoltaic facility located in Adams County, CO. CORE acquired the following vintage 2021 RECs from Victory Solar, LLC:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Solar	Wholesale DG	0	29,364

In 2018, CORE entered into a power purchase agreement with Pioneer Solar, LLC to purchase solar photovoltaic energy and associated RECS from an 80 MW facility located in Adams County, CO. RECs associated with energy generated during construction and commissioning were not all registered with WREGIS but are included in the total below. CORE acquired the following vintage 2021 RECs from Pioneer Solar, LLC:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Solar	Non-DG	0	167,726

In 2019, CORE entered into a power purchase agreement with Onyx Development Group to purchase solar photovoltaic energy and associated RECs from a 370 kW facility located on our headquarters property in Sedalia, CO. CORE acquired the following eligible MWh from Onyx in 2021:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Solar	Non-DG	0	596

In 2021, CORE acquired 750,357 RECs through transactions with third parties through WREGIS:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Hydroelectric	Wholesale DG	393,841	0
Biomass	Non-DG	182,177	0
Geothermal	Wholesale DG	2,000	0
Recycled Energy	Wholesale DG	0	53,268
Wind	Wholesale DG	46,755	0
Wind	Non-DG	72,316	0
Total acquired RECs		697,089	53,268

CORE interconnects customer on-site renewable energy generation facilities as net-metered customers pursuant to C.R.S. § 40-9.5-118 or qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978 (“PURPA”). In 2021, the following energy was generated by eligible energy resources that are located on the customers’ side of the meter and interconnected with CORE’s system:

Resource Type	RES Component	MWh Quantity
Solar	Retail DG	42,195
Wind	Retail DG	116
Total Retail MWh		42,311

**3. Commission Rule 3662(a)(IV) – Eligible Energy Borrowed Forward in Previous Compliance Years**

CORE has not borrowed forward any eligible energy or RECs in previous compliance years.

**4. Commission Rule 3662(a)(V) – Eligible Energy Borrowed Forward from Future Compliance Years**

CORE has not borrowed forward any eligible energy or RECs from future compliance years.

**5. Commission Rule 3662(a)(VI) – Eligible Energy Carried Back from the Year Following the Compliance Year**

CORE is not carrying back eligible energy or RECs from the year following the compliance year.

**6. Commission Rule 3662(a)(VII) – Eligible Energy Carried Forward from Prior Calendar Years to Apply in the Current Compliance Year**

CORE carried forward 2,008,455 RECs from prior years for the following components of the RES:

<u>Vintage</u>	<u>Non-DG</u>	<u>Wholesale DG</u>	<u>Retail DG</u>
2016	0	0	7,648
2017	32,074	168,426	17,125
2018	171,514	314,099	20,444
2019	209,303	291,462	28,204
2020	247,183	469,763	31,210
Total	660,074	1,243,750	104,631

**7. Commission Rule 3662(a)(VIII) - Eligible Energy Proposed to be Carried Forward to Future Years**

CORE will carry forward the following RECs to future years:

<u>Vintage</u>	<u>Non-DG</u>	<u>Wholesale DG</u>	<u>Retail DG</u>
2017	0	0	11,942
2018	55,093	240,294	20,444
2019	209,303	291,462	28,204
2020	247,183	469,763	31,210
2021	225,995	197,982	42,311
Total	737,574	1,199,501	134,111

CORE has available 2,071,186 RECs to carry forward to future years after retiring RECs associated with retail sales and accounting for wholesale purchases and sales. CORE intends to retire RECs using a first-in-first-out method in future years while reserving the discretion to sell RECs in the marketplace.

**8. Commission Rule 3662(a)(IX) – Eligible Energy Counted Toward Compliance**

To achieve compliance for calendar year 2021, CORE retired 390,178 RECs, which can be counted as 513,226 MWh for compliance purposes using applicable multipliers.

The Retail Distributed Generation requirement of 0.5% of retail sales was 12,831 MWh for 2021. CORE retired 12,831 MWh supplied by CORE’s retail customers who self-generated electricity from eligible resources in 2016 and 2017.

Vintage	Resource Type	Retail DG MWh
2016	Solar	7,648
2017	Biomass	394
2017	Solar	4,645
2017	Wind	144
Total		12,831

The Wholesale Distributed Generation requirement of 1% of retail sales, less retirements to comply with the Retail Distributed Generation requirement, was 12,831 MWh. CORE retired 4,277 2017 vintage solar RECs which can be counted as 12,831 MWh for compliance purposes using a 3x multiplier.

Vintage	Resource Type	Early EER	Quantity	Multiplier	RPS Quantity
2017	Solar	Y	4,277	3	12,831
Total			4,277		12,831

The remaining RES requirement of 20% of retail sales, less retirements to comply with the Distributed Generation requirements, was 487,564 MWh. CORE achieved compliance by retiring 373,070 RECs which can be counted as 487,565 MWh for compliance purposes.

Vintage	Resource Type	Early EER	Quantity	Multiplier	RPS Quantity
2018	Biogas	Y	8,273	1.25	10,341
2017	Biomass	Y	29,921	1.25	37,401
2018	Biomass	Y	105,865	1.25	132,331
2017	Geothermal	Y	78,000	1.25	97,500
2017	Hydroelectric	Y	15,025	1.25	18,781
2018	Hydroelectric	Y	10,521	1.25	13,151
2017	Solar	Y	5,583	3	16,749
2018	Solar	Y	19,125	3	57,375
2017	Recycled Energy	N	52,954	1	52,954
2018	Recycled Energy	N	35,094	1	35,094
2017	Wind	Y	2,153	1.25	2,691
2018	Wind	Y	10,556	1.25	13,195
Total			373,070		487,565

**9. Commission Rule 3662(a)(X) – Renewable Energy or RECs Acquired Pursuant to the Standard Rebate Offer Program**

The standard rebate offer program codified in C.R.S. § 40-2-124(1)(e) and implemented by Commission Rule 3658 is not applicable to CORE.

**10. Commission Rule 3662(a)(XIII) – Investment in Eligible Energy Resources**

In 2015, CORE entered into a power purchase agreement with Victory Solar, LLC, to purchase solar photovoltaic energy from a 12.8 MW generation facility located north of the Town of Bennett in Adams County, Colorado. The facility began commercial operation on December 6, 2016.

In 2018, CORE entered into a power purchase agreement with Pioneer Solar, LLC, to purchase the energy and RECs from an 80 MW generation facility located near the Town of Bennett in Adams County, Colorado. The facility has self-certified as a Qualifying Facility with the Federal Energy Regulatory Commission and began commercial operations on June 9, 2021.

In 2019, CORE entered into a power purchase agreement with Hunter Solar, LLC, to purchase the energy and RECs from 45 MW of a 75 MW generation facility to be located near the Town of Bennett in Adams County, Colorado. The facility has self-certified as a Qualifying Facility with the Federal Energy Regulatory Commission and is expected to begin commercial operations in 2023.

In 2019, CORE entered into a power purchase agreement with Onyx Development Group LLC, to purchase the energy and RECs from a 370 kW solar generation facility located at CORE's headquarters facility near Sedalia, Colorado. The facility began commercial operation in May 2020.

#### **11. Commission Rule 3662(a)(XV) – Retail Rate Impact Calculation**

The retail rate impact of incorporating renewable energy into CORE's system was derived by comparing CORE's current purchased power costs with the costs of purchased power that would have been incurred absent eligible energy resources. Based on information currently available, CORE calculated the purchase power, transmission, and backup power rates less the increased coal cycling, system operations, and gas storage costs incurred by PSCo to incorporate eligible energy resources; the increased transmission investment required by PSCo to incorporate eligible energy resources; and a portion of the opportunity costs incurred by PSCo due to the purchase of energy from eligible energy resources in lieu of other possible resources. The amounts of energy that CORE purchased from PSCo and WAPA were then adjusted to reflect the portion of WAPA hydro that was generated from eligible energy resources. Using the calculated rates and adjusted energy purchases, CORE determined what its purchase power costs would have been without renewable sources and the difference between the actual purchased power costs and the adjusted purchase power costs was calculated. The difference is the increased purchased power cost of complying with the RES.

CORE's increased coal cost due to "ramping" down Comanche 3 in order to incorporate PSCo wind resources was added, and revenue collected from CORE's REC sales was subtracted to determine the total cost of complying with the RES. The total cost was then divided by energy sales revenue to determine the retail rate impact.

CORE's administrative costs and a portion of PSCo's lost opportunity costs are not included in the calculation.

**12. Commission Rule 3662(b) – Compliance Statement**

CORE demonstrated compliance with the RES for 2021 by retiring 7,648 vintage 2016 RECs, 193,096 vintage 2017 RECs, and 189,434 vintage 2018 RECs.

Submitted this 1st day of June, 2022.

*Christopher Hildred*

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Christopher Hildred, Power Supply Director  
CORE Electric Cooperative