

CORE ELECTRIC COOPERATIVE
2022 RENEWABLE ENERGY STANDARD COMPLIANCE REPORT
May 25, 2023

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 174,000 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 2022, 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 2,596,428 megawatt hours (MWh) of electrical energy to its Colorado retail customers in 2022. 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 2022 or 519,286 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 567,522 RECs in connection with wholesale power purchased from PSCo in 2022 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 2022 RECs from PSCo:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Wind	Non-DG	402,526	126,195
Wind	Wholesale DG	5,967	0
Solar	Non-DG	0	21,868
Solar	Wholesale DG	5,723	0
Hydroelectric	Wholesale DG	4,720	0
Biogas	Wholesale DG	523	0
Total PSCo RECs		419,459	148,063

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 2022 vintage RECs to CORE:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Hydroelectric	Wholesale DG	29,997	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 2022 vintage RECs eligible for the RES in the 2023 compliance year report to be filed in 2024.

RECs associated with purchases under the SLC-IP contract were not transferred to CORE prior to the date of the 2021 compliance year report filed in 2022. The following Colorado-eligible 2021 vintage RECs transferred in July 2022 are as follows:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Hydroelectric	Wholesale DG	8,721	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 2022 RECs from Victory Solar, LLC:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Solar	Wholesale DG	0	23,479

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. CORE acquired the following vintage 2022 RECs from Pioneer Solar, LLC:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Solar	Non-DG	0	206,112

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 2022:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Solar	Non-DG	0	540

In 2022, CORE acquired 214,695 RECs through REC-only transactions with third parties through WREGIS:

Resource Type	RES Component	Early EER Quantity	EER Quantity
Hydroelectric	Wholesale DG	168,611	0
Recycled Energy	Wholesale DG	0	31,984
Wind	Wholesale DG	14,100	0
Total acquired RECs		182,711	31,984

CORE interconnects customer on-site renewable energy generation facilities as net-metered customers pursuant to C.R.S. § 40-9.5-118 or as qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978 (“PURPA”). In 2022, 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	52,462
Wind	Retail DG	116
Total Retail MWh		52,578

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 1,975,608 RECs from prior years for the following components of the RES:

Vintage	Non-DG	Wholesale DG	Retail DG
2017	0	0	11,942
2018	40,993	198,374	20,444
2019	209,303	291,462	28,204
2020	247,183	437,464	31,210
2021	226,747	189,971	42,311
Total	724,226	1,117,271	134,111

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:

Vintage	Non-DG	Wholesale DG	Retail DG
2018	0	229,907	0
2019	0	291,462	19,403
2020	116,922	437,464	31,210
2021	190,113	104,702	42,311
2022	300,067	54,930	52,578
Total	607,102	1,118,465	145,502

CORE has available 1,871,069 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 2022, CORE retired 406,085 RECs, which can be counted as 519,286 MWh for compliance purposes using applicable multipliers.

The Retail Distributed Generation requirement of 0.5% of retail sales was 12,983 MWh for 2022. CORE retired 12,983 MWh supplied by CORE’s retail customers who self-generated electricity from eligible resources in 2017 and 2018.

Vintage	Resource Type	Retail DG MWh
2017	Solar	11,942
2018	Biomass	394
2018	Solar	503
2018	Wind	144
Total		12,983

The Wholesale Distributed Generation requirement of 1% of retail sales, less retirements to comply with the Retail Distributed Generation requirement, was 12,983 MWh. CORE retired 10,387 2018 vintage RECs which can be counted as 12,983 MWh for compliance purposes using the available 1.25 multiplier for Early Eligible Energy Resources.

Vintage	Resource Type	Early EER	Quantity	Multiplier	RPS Quantity
2018	Biogas	Y	433	1.25	541
2018	Wind	Y	9,953	1.25	12,442
Total			10,386		12,983

The remaining RES requirement of 20% of retail sales, less retirements to comply with the Distributed Generation requirements, was 493,321 MWh. CORE achieved compliance by retiring 394,657 RECs which can be counted as 493,321 MWh for compliance purposes.

Vintage	Resource Type	Early EER	Quantity	Multiplier	RPS Quantity
2018	Wind	Y	55,093	1.25	68,866
2019	Biomass	Y	152,000	1.25	190,000
2019	Wind	Y	57,303	1.25	71,629
2020	Biomass	Y	130,261	1.25	162,826
Total			394,657		493,321

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 Adam’s 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 2022 by retiring 11,942 vintage 2017 RECs, 66,520 vintage 2018 RECs, 209,303 vintage 2019 RECs and 130,261 vintage 2020 RECs.

Submitted this 25th day of May, 2023.

A handwritten signature in cursive script that reads "Christopher Hildred".

Christopher Hildred, Power Supply Director
CORE Electric Cooperative