

CONEXON TO EXTEND FIBER TO THE HOME/BUSINESS

CONEXON CONNECT TO BUILD OUT HIGH-SPEED INTERNET ACROSS MPE'S SERVICE TERRITORY

conexon connect network was completed in 2023, and the excess fiber is being leased by Conexon as part of its planned fiber-to-the-home

Mountain Parks Electric (MPE) has selected Conexon Connect, the internet service provider (ISP) formed by rural fiber-optic network leader Conexon, to deliver high-speed fiber internet access to members across its service territory, including homes and businesses across Grand and Jackson counties.

The Conexon Connect network will deliver fiber-to-the-home internet service access across 4,000 square miles to reach more than 18,000 MPE members.

The relationship with MPE expands Conexon Connect's footprint in Colorado, marking the second cooperative collaboration in the state. In 2021, Connect announced a partnership with Mountain View Electric Association to serve its members. With the current Colorado projects, Connect will ultimately reach nearly 75,000 Coloradans with access to multi-gigabit-speed internet service.

"We are pleased to announce this important partnership. Through our agreement with Conexon Connect, we are able to fully realize the value of our middle-mile fiber network," MPE General Manager Virginia Harman said. "MPE is leveraging our fiber asset to ensure that our members have access to true high-speed internet service through Conexon Connect."

MPE began work on its middle-mile fiber network in 2019 to connect its substations and in-line electrical devices. That build-out.

The ultra-fast fiber-optic network will offer MPE members access to symmetrical (same upload and download speeds)

multi-gigabit internet capabilities - among the fastest and most robust in the nation. Additionally, it will provide reliable, clear

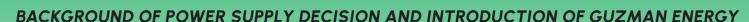
MPE members can call 844-542-6663 or visit ConexonConnect.com to learn more.

phone service and enable the benefits of smart grid capabilities to the electrical infrastructure, including improved power outage response times, better load balancing, more efficient electricity delivery and more.

"The partnerships between Conexon Connect and electric cooperatives across the country continue to grow. We are committed to expanding high-speed internet access across the unique and rural Rocky Mountain terrain, just as MPE did when it brought electricity to residents in this part of the country," Conexon Founding Partner and co-CEO Randy Klindt said. "Our fiber network has been proven to open many new doors for communications, education, commerce, and growth. We are excited to see where these opportunities take MPE members."

Conexon is an industry-leading broadband network design, construction and operations firm working with electric cooperatives, communities and other entities to deploy fiber to the home across rural America. Since its inception a decade ago, Conexon has collaborated with electric cooperatives across 80 markets to launch and deploy fiber-to-the-home networks in their territories, with more than 20 projects now reaching 100 percent of members. The company's internet service provider, Connect, today delivers multi-gigabit-speed internet across many of those markets.

POWER SUPPLY DEEP DIVE



In this first of four deep dives into MPE's power supply transition, we will explore the background of how the decision was made to provide a notice of withdrawl to Tri-State Generation and Transmission and later to move forward with Guzman Energy. We will also highlight a few FAQs, with the full list available at www.mpei.com/power-transition, and will provide some information about Guzman Energy.

The remaining three parts of this series will be published over the next three months in the newsletter and on our website. They will explore the key priorities set by the MPE Board for the new power supply agreement to ensure our cooperative's ability to respond to the rapidly changing energy industry – reliability, flexibility, and price stability.

FAQs

What will member rates be after the transition to Guzman Energy?

 MPE is a not-for-profit cooperative, so the Board sets rates on an annual basis to cover the cost of providing electricity to the membership. Although the rates have not been set for 2025, after the transition to the new PSA (effective Feb. 1, 2025), MPE management anticipates reasonable, consistent rate increases throughout the length of the Guzman contract.

Why did MPE make the decision to withdrawl from Tri-State?

 Prior to the decision to withdraw from Tri-State in January 2023, the MPE Board at that time had concerns with perceived financial stability of Tri-State, as well as challenges associated with price predictability with Tri-State. These issues, along with flexibility constraints under MPE's contract with Tri-State, made it difficult for MPE to meet the needs of our members.

How chai

How will MPE get the electricity after the change to Guzman?

• MPE will continue to have transmission partnerships with Tri-State and the Western Area Power Administration (WAPA), MPE will be served through the same transmission systems that serve us today.

More FAQs available at www.mpei.com/power-transition.

The MPE Board at that time voted to request a "Make-Whole" or "Buyout" number from Tri-State Generation and Transmission. The Board sent this request shortly after Tri-State suspended the issuance of Make-Whole Number and Shopping Letters, asking that Tri-State provide a Make-Whole number when the suspension would be lifted in 2020.

2019

POWER SUPPLY TRANSITION HISTORICAL TIMELINE

MAY 2022

The MPE Board voted to participate in the optional Partial Requirements Contract, a product Tri-State was offering in response to requests from Tri-State member co-ops for greater flexibility, lower cost of power, diversity of power supply, local renewables, and so on. Participating Tri-State members could achieve these goals through a buy-down payment (BDP), allowing those members to purchase a certain amount of power from a supplier other than Tri-State. MPE and six other co-ops attempted to take advantage of this option with the understanding that MPE would soon be able to self-supply or purchase from another energy provider up to 50% of MPE's power needs. The details of the BDP became contentious for Tri-State, ended up before the Federal Energy Regulatory Commission (FERC), and this option was withdrawn from consideration at FERC in 2024. When the BDP process stalled out at FERC, in late 2022, MPE began to look at the option for a full exit.



ABOUT GUZMAN ENERGY

Guzman Energy was founded in 2013 and is a wholesale power provider. Guzman helps communities find better energy options, offer them an executable wholesale energy strategy, and then serve them that power solution. The products and services Guzman sells and manages span capacity, energy, transmission, and renewable attributes.

Guzman provides customized electricity solutions that communities count on for 24/7 reliable power, empowering communities with local decision-making in the energy transition.

GUZMAN'S CUSTOMERS

Guzman Energy predominantly serves rural communities seeking stable power prices and local control over the type of power generation used to serve their electricity needs. Guzman knows how to partner with communities wanting local control and distributed power generation that creates new economic opportunities. Smart wholesale energy strategies improve economic vitality for communities and prosperity for future generations. Guzman helps make that happen.

Guzman Energy's other co-op customers, as of June 2024, include Delta Montrose Electric Cooperative, Grand Valley Power, Holy Cross Energy, Kit Carson Electric, Yampa Valley Electric, and United Power.

GUZMAN'S POWER SUPPLY

Guzman Energy is developing an asset portfolio to accelerate the energy transition and expects to comfortably meet Colorado's mandated carbon reduction goals. Specifically, Colorado has mandated 80% carbon-free power by 2030.

Guzman Energy is building and purchasing power generation with the right economic and environmental characteristics to supply its power portfolio. Guzman achieves this through short- and long-term contracts for energy and capacity.

The MPE Board voted to provide notice of withdrawal to Tri-State.

The MPE Board set a power supply goal as a part of the organization's strategic planning process: "Negotiate a power supply contract that provides reliability, affordability, and flexibility for the (MPE) membership." During the discussion, the board ranked the priorities of a new power supply contract: reliability, affordability, flexibility, organizational strength, and a term of 15-20 years.

MPE announces a 20-year power supply agreement (PSA) with Guzman Energy.

JAN. 2023

APRIL 2023

FEB. 2024

MARCH 2023

MAY 2023

MPE publishes a request for information (RFI) for potential power supply providers. MPE received four responses to the RFI.

The MPE Board reviewed the RFI responses and gave the General Manager direction to proceed with negotiating a wholesale power supply contract with Guzman Energy, as that organization's response best fit the priorities outlined by the board. Proceeding with Guzman Energy was also the staff recommendation.

MPE VOLUNTEERS HELP 'LIGHT UP NAVAJO'

An MPE linecrew spent the first full week in June volunteering at the Navajo Nation in Arizona as a part of "Light Up Navajo V."

The MPE crew included Daylon Frentress, apprentice lineman; Chase Gains, Kremmling crew foreman; Isiaih Herod, journeyman lineman; and Bryce Poppe, apprentice lineman.

They worked out of the Chinle District for the Navajo Tribal Utility Authority (NTUA) and helped to set power poles, run power lines, and prepare homes to receive electric service. Light Up Navajo is an initiative of the Navajo Tribal Utility Authority in coordination with the American Public Power

Association. MPE was among six Colorado co-ops and a total of 42 utility companies from 16 states to participate. MPE previously participated with other Colorado Rural Electric Association (CREA) co-ops for philanthropic electrification in Guatemala.

Photos and information provided by the Colorado Rural Electric Association (CREA).



