



## **Moffat County and City of Craig to Receive \$22 Million Direct Benefit for Community Economic Development Trust Fund, Minimum Payments of Property Tax Revenues up to \$48 Million, and Water Rights for the Lower Yampa River Augmentation Plan from Tri-State Generation & Transmission as Part of Craig Station Closure Settlement Agreement**

Thursday, June 27, 2024

### **For Immediate Release**

Since January, Moffat County and the City of Craig (the Communities) have been participating in Tri-State's 2023 Electric Resource Plan (ERP) proceeding before the Colorado Public Utilities Commission (Commission) to help ensure that strong community assistance opportunities stemming from the accelerated closure of Craig Station and Craig Unit 3 were addressed in the proceeding. The Settlement Agreement filed with the Commission today forges a new long-term partnership between the Communities and Tri-State.

As part of a comprehensive resolution between the majority of parties in the Tri-State's Phase I ERP, Moffat County and the City of Craig will receive \$22 million in direct benefit payments for a Community Economic Development Trust Fund between 2026 and 2029, Minimum Backstop Property Tax Revenue Payments of up to \$48 million between 2028 and 2038 with specified reduction offsets, and water rights for Moffat County's Lower Yampa River Augmentation Plan. Tri-State also commits to soliciting bids only in Moffat County for a new natural gas power plant. As part of the Phase I Settlement Agreement and keeping in line with Tri-State's December 2023 application for approval of its ERP, Tri-State's preferred plan includes the accelerated retirement of Craig Unit 3 by an additional two years, by January 1, 2028.

Craig Mayor Chris Nichols notes that, "The energy industry is pivotal to our local economy and makes up such a large component of our tax base. We are pleased that the commitments contained within the Settlement Agreement represent Tri-State's reinvestment in the community that has anchored Craig Station for decades."

District 2 County Commissioner Melody Villard shares, "It would be hard to overstate how truly groundbreaking this agreement is. The commitments made by Tri-State ensure that the Communities are not left behind in the energy transition. We will now have reliable, long-term resources to drive our own transition and determine the trajectory of Moffat County's economy after coal. We are excited to continue to partner together as Tri-State is incentivized to bring new energy resources and jobs to Moffat County following the closure of Craig Station."

The Settlement Agreement commitments made by Tri-State provide robust and meaningful economic commitments towards community assistance. The Colorado communities of Hayden (Routt County), Pueblo, Morgan County, and Nucla (Montrose County) have received community assistance commitments following the closures of their local coal plants, but Moffat

County and the City of Craig are the first coal communities in the State to have direct benefit funding dedicated to an economic development fund which allows the Communities to invest in projects in perpetuity. Craig and Moffat County Elected Officials will now work together to create the fund and determine how to best structure proper management of the fund to benefit the community in the long term.

The Communities are appreciative of Tri-State's commitment to respond to the Communities' priorities and look forward to continuing to partner with Tri-State as they navigate the energy transition together.

District 2 County Commissioner Melody Villard notes, "While this settlement will never make the community whole with the loss of Craig Station jobs and taxes, the commitments from Tri-State are a positive step forward in assisting the Communities' plan for a promising future."

### Public Comment Hearing

Even though a comprehensive solution has been reached, it is anticipated that the Public Utilities Commission will still hold an in-person public comment hearing in Craig, CO on July 9, 2024 from 3:00pm – 7:00pm at the Moffat County High School Auditorium, 900 Finley Lane Craig, CO. Please note that the hearing would conclude upon completion of public comments, but no earlier than 6:30pm. A virtual public comment hearing will be held on July 11, 2024 from 4:00pm – 7:00pm. Additional information on both public comment opportunities, will be provided by the Communities.

### The Communities

Moffat County, Colorado, legally formed in 1911, occupies the northwest corner of Colorado and is the second-largest county by area in the state. Trapper Coal Mine, Colowyo Coal Mine, and Craig Station are located in Moffat County and are some of the County's largest employers and taxpayers.

The City of Craig, Colorado is a legally created, established, organized, and existing home rule municipal corporation under Article XX of the Constitution of the State of Colorado and the Home Rule Charter of the City of Craig. The City of Craig is the county seat within Moffat County and much of the coal workforce resides within the City.

The coal industry is one of the largest economic drivers in Northwest Colorado. Since 1979, Moffat County and the City of Craig and its citizens received significant ad valorem property tax, severance and federal mineral lease tax which provide funding to the Energy Impact Assistance Fund and State Public School Fund, employment wages, local taxing districts, and other revenues generated by Craig Station, and Trapper and Colowyo mines and will lose significant property tax revenues due to the closure of Craig Station, and Trapper and Colowyo mines. The Communities estimate that the closure of Craig Station along with the two coal mines will result in a 44 - 47% loss of tax revenue to its local taxing districts.

For any questions or concerns, please contact Jeff Comstock at (970) 826-3400 or Peter Brixius at (970) 826-2023.