

**COLORADO ELECTRIC TRANSMISSION AUTHORITY**

**A RESOLUTION ADOPTING A PARTNERSHIP POLICY**

**WHEREAS**, the Colorado Electric Transmission Authority (“Authority”) is a political subdivision of the State of Colorado, by virtue of organization under Title 40, Article 42, C.R.S. (“Act”), and is governed by its Board of Directors (“Board”); and

**WHEREAS**, the Board is responsible for the management, control and supervision of all of the business and affairs of the Authority; and

**WHEREAS**, pursuant to Section 40-42-104, C.R.S., et. seq., the Authority may consider entering into a public or private partnerships to develop transmission facilities located partly or entirely within the State of Colorado; and

**WHEREAS**, in furtherance thereof and to provide guidance to the Board, Authority staff, and transmission developers on the criteria to be considered when determining whether to enter into a partnership and, if so, which level of partnership is appropriate, the Board desires to adopt the Partnership Policy set forth herein.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Colorado Electric Transmission Authority that:

1. **Partnership Policy**. The Board hereby approves and adopts the Colorado Electric Transmission Authority Partnership Policy attached hereto as Exhibit A and incorporated herein by this reference.
2. **Effective Date**. This Resolution will take effect and be enforced immediately upon its approval by the Board.

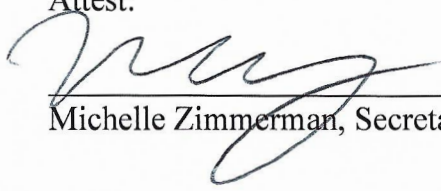
Adopted this 8<sup>th</sup> day of February, 2024.

COLORADO ELECTRIC TRANSMISSION  
AUTHORITY

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

  
Kathleen Staks, Chair

Attest:

  
\_\_\_\_\_  
Michelle Zimmerman, Secretary

**EXHIBIT A**

**Partnership Policy**

**[Attached]**



### Purpose

This Partnership Policy sets forth the criteria by which the Colorado Electric Transmission Authority (“CETA”) may consider entering into a public or private partnership pursuant to the Colorado Electric Transmission Authority Act, Part 1, Article 42, Title 40, Colorado Revised Statutes (“CETA Act”) to develop transmission facilities located partly or entirely within Colorado. The goal of this policy is to provide guidance to the CETA Board of Directors (“Board”), CETA Staff, existing transmission owners, generation developers, and transmission developers on the criteria to be used to determine whether to enter into a partnership. The policy also defines the different levels of partnership available to transmission owners and developers. For the avoidance of doubt, the term “partnership” is an agreement between CETA and a public or private entity to collaborate for the purpose of facilitating the development of transmission facilities but shall not constitute or imply any legal partnership, joint venture, agency, fiduciary relationship or other legally defined business relationship between CETA and the public or private entity. Neither CETA or the public or private entity shall make or hold itself out as having authority to make any commitments on behalf of the other party.

### Partnership Types

The Board may, in its sole discretion, choose to enter into a partnership with a public or private transmission developer based on the criteria set forth in this Policy. The type and amount of support provided by CETA will start with the level of partnership requested by the applicant, and ultimately be determined by CETA. The levels of partnerships are basic, intermediate, and advanced. The level of partnership may progress over time from basic to intermediate to advanced. An approved partnership will be memorialized in a Memorandum of Understanding. A Memorandum of Understanding approving a basic or intermediate partnership shall not bind CETA to finance, acquire, maintain, operate, renovate, rebuild, or recondition Eligible Facilities, as such term is defined in the CETA Act.

- A. **Basic Partnership.** An existing transmission owner, generation developer, or transmission developer may request a basic partnership to promote the development of transmission facilities located partly or entirely within Colorado. A basic partnership could result in CETA providing a letter of support or facilitating meetings between interested parties for a specific transmission project to assist the developer in attracting financial support or

favorable treatment for the project from other parties or the public. CETA will not finance, acquire, maintain, operate, renovate, rebuild, recondition Eligible Facilities, provide eminent domain authority, or bond financing support as part of a basic partnership.

- B. **Intermediate Partnership.** An existing transmission owner, generation developer, or transmission developer may request an intermediate partnership to obtain project development assistance for transmission facilities located partly or entirely within Colorado. An intermediate partnership could result in CETA entering into a memorandum of understanding to exercise its power of eminent domain to acquire property or rights-of-way necessary for the project. An intermediate partnership may trigger the procedural notification requirements of Colorado Revised Statutes Section 40-42-104(2), depending on the details of the request and the action that CETA decides to take.
  
- C. **Advanced Partnership.** An existing transmission owner, generation developer, or transmission developer may request an advanced partnership to obtain financial or technical assistance to develop transmission facilities located partly or entirely within Colorado. An advanced partnership could result in CETA entering into a memorandum of understanding to (i) issue or sell electric transmission bonds to finance the development and construction of the project, or (ii) facilitate the design, construction, operation, and maintenance of the project. An advanced partnership will trigger the procedural notification requirements of Colorado Revised Statutes Section 40-42-104 (2).

## **Partnership Projects**

The CETA Act defines a “Project” as an undertaking by CETA to finance or to plan, acquire, maintain, and operate eligible facilities located partly or entirely within Colorado. “Eligible facilities” are electric transmission facilities and all related structures, properties, and supporting infrastructure that are financed or acquired by CETA. CETA may undertake a “Project” on its own or in partnership with public or private entities. Importantly, not all partnerships will constitute a “Project” within the meaning of the CETA Act. Basic Partnerships do not constitute a “Project” because there is no plan for CETA to finance or acquire transmission facilities or related infrastructure. Advanced Partnerships constitute a “Project” because there is an explicit request for CETA to finance the development of transmission facilities. Intermediate Partnerships may or may not constitute a “Project” depending on whether CETA needs to acquire properties. CETA will not undertake a “Project” in partnership with public or private entities without following the procedural notification requirements of Colorado Revised Statutes Section 40-42-104 (2).

## Partnership Criteria

The CETA Board of Directors will use the criteria set forth herein in determining whether to enter into a basic, intermediate, or advanced partnership with an existing transmission owner, generation developer, or transmission developer. CETA's Partnership Development Committee will evaluate all partnership requests and make a recommendation to the Board on whether to enter into the proposed partnership or progress to the next level of partnership, as applicable. These criteria are not meant to be an exclusive list of the information CETA may consider, but instead, are meant to provide guidance for the CETA Board, CETA staff, existing transmission owners, generation developers, and transmission developers.

- A. **Clean Energy Goals.** CETA was created to facilitate the expansion of electric transmission facilities to enable Colorado to achieve its clean energy goals. Proposed partnerships will be evaluated on the degree to which they further these goals.
- B. **Grid Reliability.** CETA strives to partner with transmission developers that are pursuing projects that improve electric grid reliability.
- C. **Economic Development.** CETA strives to partner with transmission developers that are pursuing projects that will provide economic development to local, rural, and disadvantaged communities.
- D. **Use of Existing Rights of Way.** CETA is charged with prioritizing the use of existing rights-of-way prior to pioneering new rights-of-way. Proposed partnership will be evaluated on the degree to which it will further the use existing rights-of-way.
- E. **Labor Standards.** CETA is charged with ensuring that the labor used in the construction or expansion of transmission facilities is performed by employees of an electric utility or by qualified contractors, or both.
- F. **Environmental Impacts.** CETA strives to partner with transmission developers that are pursuing projects that avoid or mitigate adverse impacts to state and federally listed species, as well as other species, habitats, and ecosystems in need of conservation.
- G. **Project Feasibility.** The engineering design, including the types of structures, type of conductors, and type of technology being used will be evaluated. The overall complexity of the project will be considered.

- H. **Professional Reputation**. The overall strength of the firm, its professional reputation, technical expertise, and its experience in developing transmission projects will be considered.
- I. **Financial Strength**. The financial strength of the firm, including its credit and bond ratings, and strength of any power purchase agreements or transmission services agreements will be considered.

## **Partnership Applications**

Existing transmission owners, generation developers, or transmission developers may request a partnership with CETA through an application. The following items must be included in the initial application for a partnership:

- A. An indication of the level of partnership being requested.
- B. A description of the transmission/storage project including either conceptual or identified routes, and maps.
- C. The target date for initiation and the estimated completion date of the transmission/storage project.
- D. The estimated cost of the project and a basic demonstration of the economic viability of the project.
- E. A response to the partnership criteria the CETA Board will consider in determining whether to enter into a partnership with a transmission developer.
- F. The signature of an authorized representative of the entity.

CETA will charge an application fee to cover the cost of reviewing and considering partnership applications. Additional information and meetings may be requested by CETA staff for intermediate or advance partnerships.

## **Partnership Contributions**

CETA seeks to be financially self-sufficient and not reliant on state budget appropriations. Existing transmission owners, generation developers, or transmission developers that enter into a partnership with CETA will be required to compensate CETA for its support. CETA has established the following contribution guidelines:

- A. CETA will estimate the cost to provide the anticipated support for six months, based on a reasonable project schedule provided by the transmission developer. The estimated cost may include labor and legal expenses, overhead expenses, consultant expenses, and other expenses.
- B. CETA will request an advance payment from the transmission developer for six months of support within 30 days of Board approval.
- C. CETA has sole discretion over how transmission developer contributions will be spent, and the developer has no ability to recall any funds or to direct how such funds will be spent once advanced.
- D. CETA may request additional funding every six months or on an as needed basis. If CETA identifies the need for a significant consultant or legal expenditure, an advance funding request will be made in anticipation of the expenditure.
- E. CETA will provide the transmission developer with a general accounting of funds expended for its project on a quarterly basis, within 30 days of the end of the quarter.
- F. CETA will provide the transmission developer with all public accounting information associated with CETA's operations including public audits. The developer will not be able to independently audit CETA's accounting records.

Approved by the CETA Board of Directors: February 8, 2024