Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 25, 2023

Energy leaders since 1973

Strategic plan

Eddie Gutiérrez, chief strategy officer

Agenda

- Final overview of strategic areas
- Next actions

Strategic planning timeline

Q1 2022

Board SWOT session, interviews and surveys

Q2 2022

Board working session and draft goal areas discussed

Q3 2022

Planning process evaluations and additional stakeholder outreach

Q4 2022

Finalize goal areas and identify measurements and tactics

March 2023

Align final objectives and approve the final strategic goals

April 2023

Draft document submitted in management reports

May 2023

Board presentation on the updated strategic plan

July 2023

Final board approval of the strategic plan

Strategic planning overview

Current strategic initiatives

- Enhanced customer experience
- Collaborative communications and community outreach
- Resource diversification and alignment
- Infrastructure development and technology utilization

Updated strategic initiatives

- Resource diversification planning and integration
- Community partner and engagement
- Workforce culture
- Process management and coordination

RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

Implementation areas

- Incorporate reliability resources dispatchable capacity and emerging technologies such as long-duration storage and hydrogen
- Undertake strategic transmission planning and expansion
- Participate in a full regional transmission organization
- Design and align rates for the energy transition
- Leverage data science, artificial intelligence and machine learning

COMMUNITY PARTNER AND ENGAGEMENT

Implementation areas

- Organize working groups across the owner communities
- Identify regional engagement opportunities
- Create and implement regional educational assets and campaigns
- Engage proactively with national, regional and industry media partners
- Develop and deploy an effective, multi-media strategy

WORKFORCE CULTURE

Implementation areas

- Build a workforce roadmap that focuses on employee development and planning
- Modernize the organization’s total benefits and rewards program
- Utilize market-based modeling for a new, comprehensive compensation philosophy and approach
- Create more hybrid and work flexibility
- Create a talent review and succession planning process
- Create a matrix-driven, performance review process
- Identify more systemic ways to bridge a digital and physical workforce
- Create a baseline assessment for a larger diversity, equity and inclusion initiative
- Work alongside the strategic budgeting process

PROCESS MANAGEMENT AND COORDINATION

Implementation areas

- Create a project management culture guided by the design of project and process management strategies for internal and external initiatives
- Develop energy management tools and other integration capabilities
- Facilitate more regional transmission and distribution coordination and planning
- Clearly define roles and responsibilities to create more cross-functional teams across owner communities and within Platte River
- Develop a comprehensive risk management strategy for Platte River

Next actions

- **July**: Request formal approval of the strategic plan

Questions

Platte River Power Authority

Energy leaders since 1973

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 25, 2023

Energy leaders since 1973

Recap of the 2023 Colorado legislative session

Javier C. Camacho, director of public and external affairs, strategic communications and social marketing

Agenda

- Facts from legislative session
- External affairs guiding principles
- HBS introduction, *Carrie Hackenberger*
- Review tracked legislation
  - Priority legislation summaries
  - Additional legislation summaries
- Next steps

74th Colorado General Assembly

January 11 thru May 8, 2023

- 617 bills introduced; 78% passed
  - Over 300 bills were left in the last two weeks of session
  - Platte River tracked 27 bills
- House: super majority of democrats (46 democrats; 19 republicans)
- Senate: democratic control (23 democrats; 12 republicans)
- Characterized in four groups:
  - A cohort of freshmen legislatures
  - Tenured democrats
  - Progressive democrats
  - A self-proclaimed socialist caucus

Guiding principles of legislative advocacy

Principles

- Maintain high ethical, transparent standards in alignment with Platte River's Board of Directors
- Support our three pillars of environmental responsibility, financial sustainability, and reliability
- Ensure stable regulatory environment for planning
- Work in partnership with coalitions and our owner communities

Support

- CAMU
  - Legislative Committee
- Colorado Chamber of Commerce
  - Energy and environment council
  - Government affairs council
- Husch Blackwell Strategies (Carrie and Micki Hackenberger)

SB23-198

Clean Energy Plans (CEP) - *Passed*

- Attempted to make significant changes to the Colorado CEP process including adding a new interim emissions reduction target
- Platte River coordinating with CAMU on amending to remove interim emission targets and obligations to provide detailed resource plan information, including contracts, to the state
- Utilities must provide a model of their portfolio to CDPHE who will have until June 1, 2028 to determine if utilities are on track to achieve 80% carbon reduction by 2030
- Platte River worked closely with HBS, CAMU, and bill supporters and sponsors to incorporate a series of amendments

HB23-1039

Electric Resource Adequacy Reporting - *Passed*

- Beginning 2024, utilities must file with the entity responsible for approving its resource plans and an annual report detailing the adequacy of its electric resources
- On or before April 30 each year, each regulatory oversight entity must submit any resource adequacy annual reports to the Colorado Energy Office
- Platte River along with Municipal Energy Agency of Nebraska and Colorado Association of Municipal Utilities (CAMU) submitted amendments that recognize our current governance structure; amendments successfully adopted switching position from *amend* to *monitor*
- The amendment also clarifies that load-serving entities, including wholesale customers, once they join an organized market become exempt from this requirement

HB23-1294

Pollution Protection Measures - *Passed*

- As introduced, broad sweeping policy changes related to ozone and air quality permitting completely shifting Air Pollution Control Division's permitting program, as well as allowing civil rights of action against emitting entities
- CDPHE and Colorado Oil and Gas Conservation Committee took an opposition; governor alluded to veto action if passed in its original form
- Through a series of amendments, an interim committee was created to study ozone issues, allowed to meet six times before 2024 session
- Colorado Oil and Gas Conservation Committee must complete a rulemaking to cumulative impacts by April 28, 2024
- Increased the ability on filing complaints

Other bills of interest

SB23-053: Restrict Governmental Nondisclosure Agreements - *Passed*

- Concerning restrictions on nondisclosure agreements that affect government employees

SB23-111: Public Employees' Workplace Protection - *Passed*

- Public employees' workplace protection regarding collective bargaining

SB23-016: Greenhouse Gas Emission Reduction Measures – *Signed on May 11*

- Updates the statewide GHG emission reduction goals to add a 65% reduction goal for 2035, 80% reduction goal of 2040, 90% reduction goal for 2045, and 100% by 2050

Other bills of interest, cont'd

HB23-1080: Reliable Alternative Energy Sources - *Postponed*

- Requires the Colorado Energy Office to study the feasibility of using small modular nuclear reactors as a carbon-free energy source in the state

HB23-1233: Electric Vehicle Charging and Parking Requirements - *Passed*

- Requires the state to adopt rules that require multifamily buildings be EV capable and EV ready, and to have EV supply equipment installed

Next steps

Building an external affairs team and strategy

- Leigh Gibson, *senior external affairs specialist*
- 2023 Legislative session recap analysis to prep for 2024
- Coordinate with state agencies on follow up action from 2023 legislation
- Update Legislative Resource Book

Questions

Platte River Power Authority

Energy leaders since 1973

Legislative delegation

State Senators

- Joann Ginal (D – Larimer County, District 14)
- Janice Marchman (D – Boulder and Larimer Counties, District 15)
- Stephen Fenberg (D – Boulder County, District 18)

State Representatives

- Junie Joseph (D – Boulder County, District 10)
- Judy Amabile (D – Boulder and Larimer Counties, District 49)
- Ron Weinberg (R – Larimer County, District 51)
- Cathy Kipp (D – Larimer County, District 52)
- Andrew Boesenecker (D – Larimer County, District 53)
- Ryan Armagost (R – Larimer and Weld Counties, District 64)

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 25, 2023

Energy leaders since 1973

Hydro allocation update

Carol Ballantine, director of power markets

Agenda

- Background
- Loveland Area Project (LAP) resources
- Colorado River Storage Project (CRSP) resources
- Platte River's 2022 CRSP allocations
- Current hydropower conditions
- Future hydropower conditions
- Current rates
- Summary

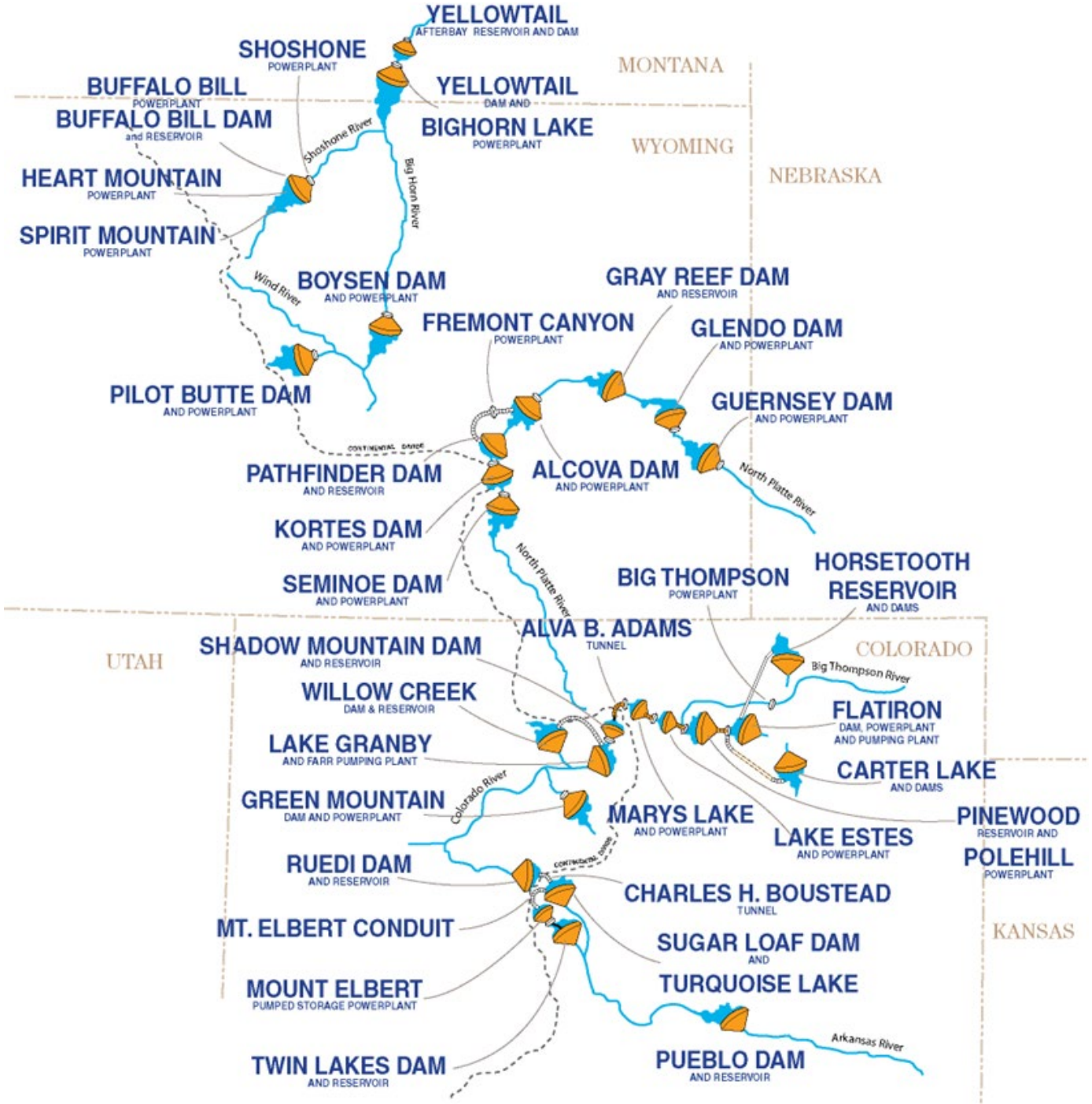
Background

- Platte River receives hydropower allocations from the Colorado River Storage Project (CRSP) and Loveland Area Project (LAP)
- Contract term
  - LAP – Sept. 30, 2054
  - CRSP – Sept. 30, 2057
- Western Area Power Administration (WAPA) distributes the electricity produced by the Bureau of Reclamation to its LAP and CRSP firm electric customers
- Low hydropower output and high power and gas prices in 2021 and 2022 negatively impacted WAPA's purchased power expenses
  - Decreased the CRSP Basin Fund used to support purchased power for CRSP
  - LAP implemented a rate drought adder to the rate component

Background

- Both LAP and CRSP hydropower allocations have two components
  - Capacity
  - Energy
- Each hydro project responded to drought conditions differently
  - LAP
    - Maintained contractual capacity and energy allocations
    - Added rate drought adder component to recover purchased power expenses needed to meet capacity and energy obligations
  - CRSP
    - Provided several options to retain full use of transmission system with less capacity and energy

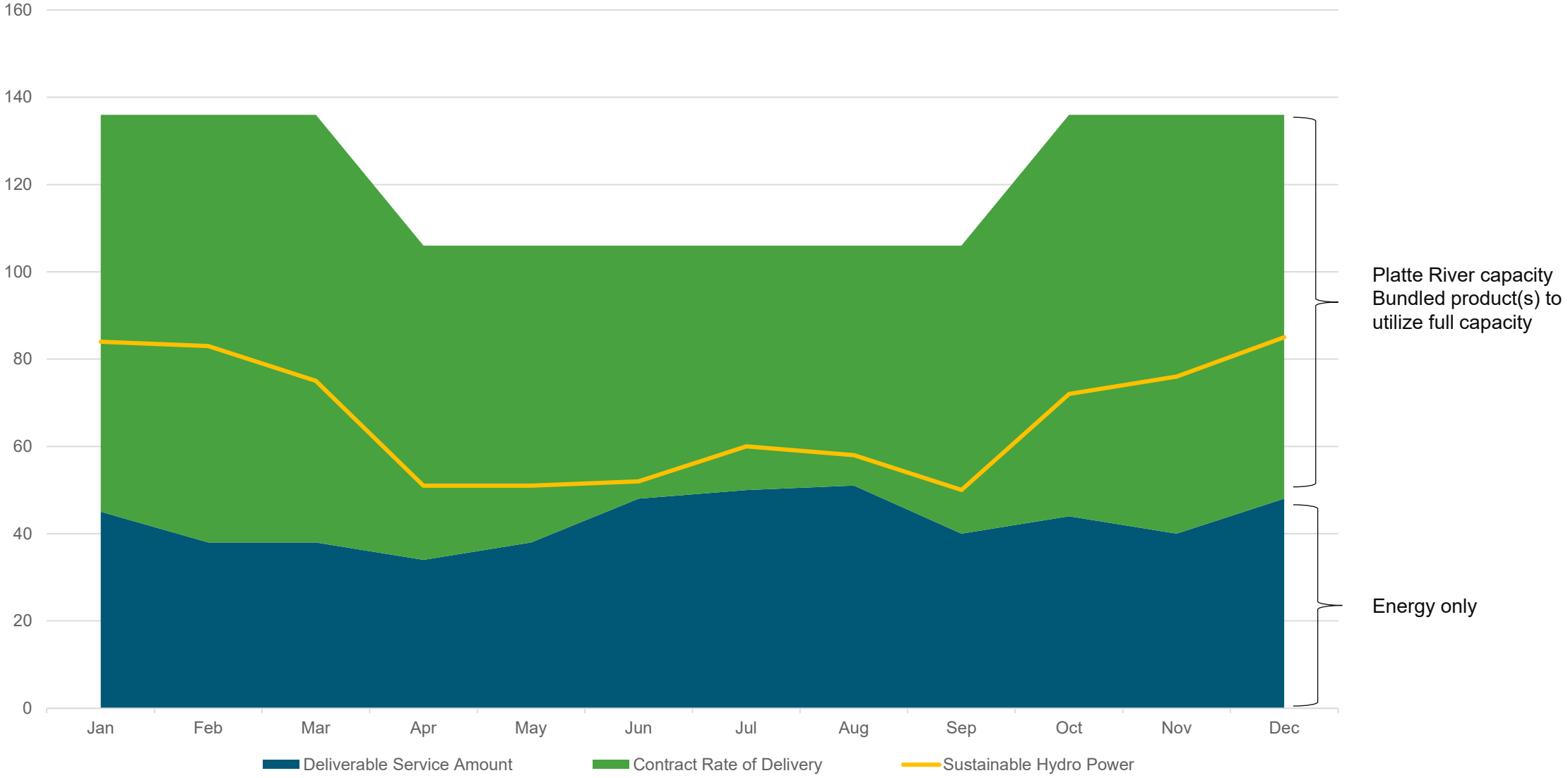
LAP resources



CRSP resources

Majority of CRSP generation comes from Glen Canyon Dam

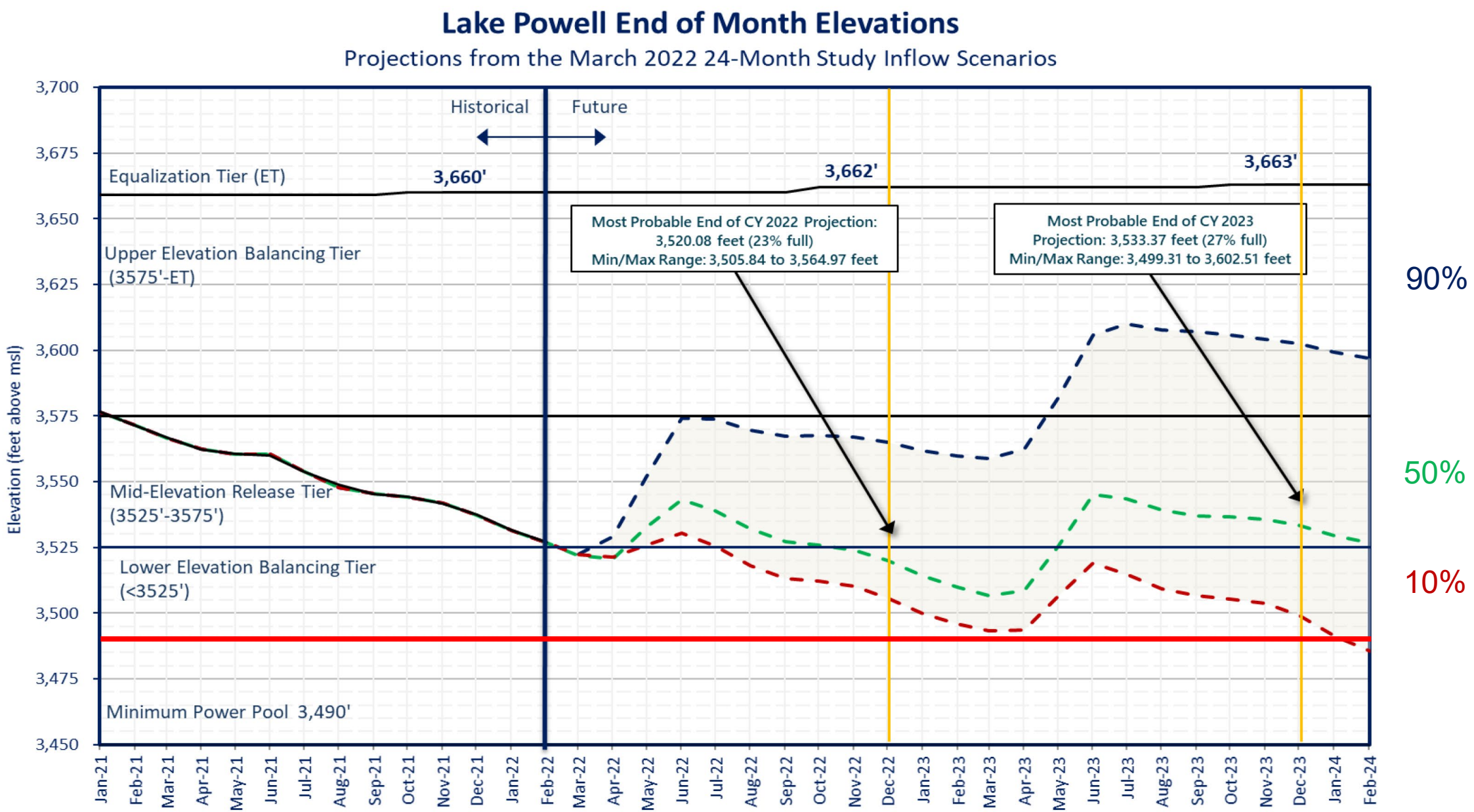
Platte River's 2022 CRSP allocations



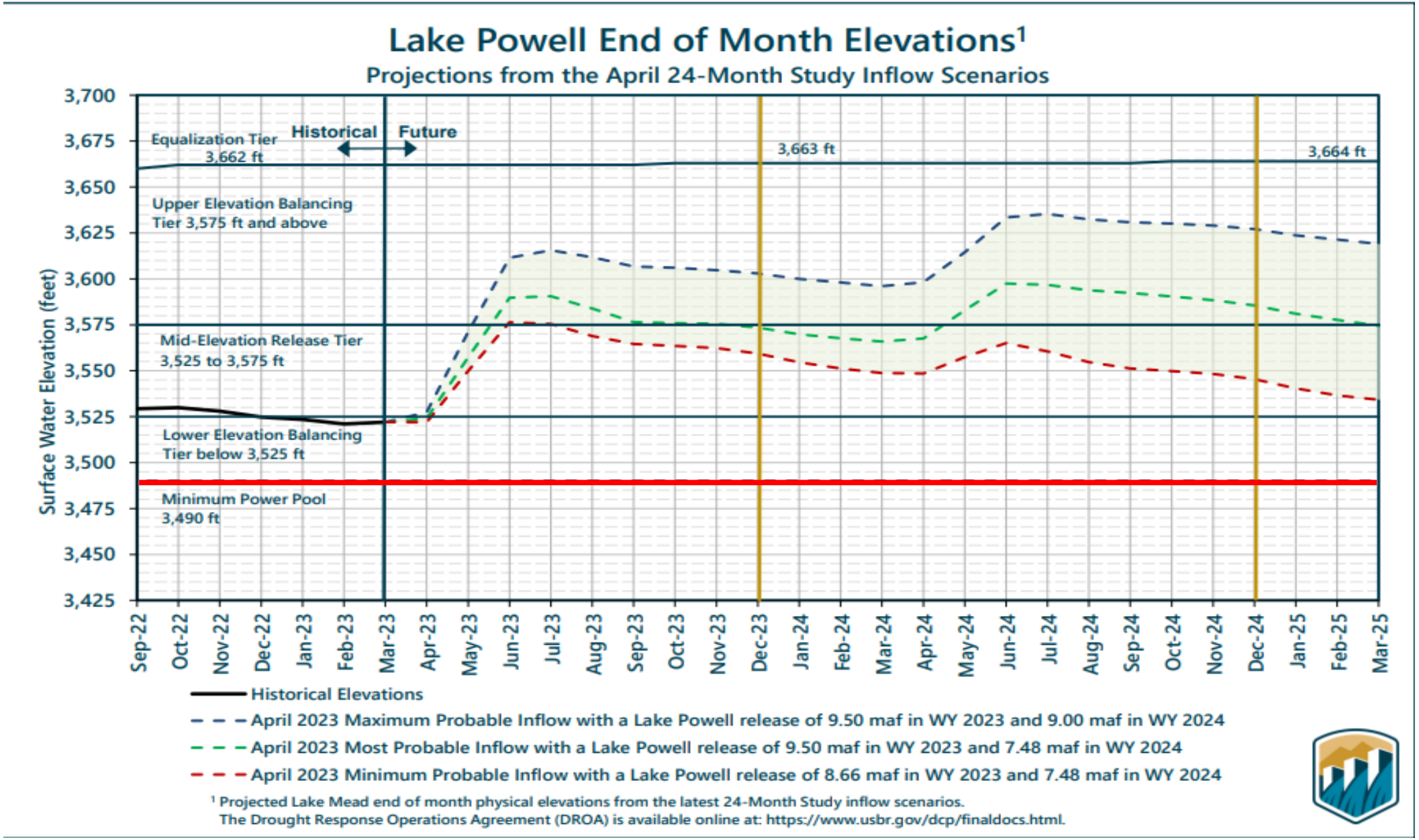
Current hydropower conditions

- Improved hydropower conditions since last reported in April 2022 with above average water year
  - 2022/2023 winter season conditions like 2011
- CRSP hydropower allocations are above deliverable sales amount for the first time since December 2021
- Projected to receive sustainable hydropower allocations for May and June with the potential through September

Slide from April 2022



As of April 2023



Glen Canyon Dam

1984 water level at full level

2022 water level at 180’ below full

Water level at 155’ below full as reported in October 2021

Water level at 75’ below full projected in 2023

Future hydropower conditions

Is this drought over?

- Unfortunately, no…one above average water year does not solve the problem!
- Need five to six above average years to refill Glen Canyon and Lake Mead
- Need 10 normal years to reach full level at both reservoirs
- Water demand continues to increase
- **Interesting fact**: Substantially more water is needed to fill the last 50 feet as the lake is conically shaped
- Historical elevation levels for Lake Powell
  - Approximately 50% full at elevation of 3,600 feet
  - Remaining 50% is achieved in the next 100 feet, at an elevation of 3,700 feet

Current rates

LAP	Current rate
Demand charge	$4.36/kW
Drought adder	$0.44/kW
Energy charge	$0.01663/kWh
Drought adder	$0.00168/kWh

CRSP	Current rate
Demand charge	$5.25/kW
Energy charge	$0.1236/kWh

LAP rates effective Jan. 1, 2023, through Dec. 31, 2027

CRSP rates effective Dec. 2021, through Dec. 31, 2023

- Federal Register Notice for new rates expected to publish first part of June
- Currently do not have estimate of what new rates will be

Summary

- Had a phenomenal water year, but drought conditions persist
- Too early to determine changes to resource impacts
- Rates have increased and will continue to increase for CRSP
- Maintain current modeling of drought conditions with lower allocations and rate increases
- Continue to pursue Platte River's Resource Diversification Policy
    - Find replacement resources for loss of hydropower noncarbon energy

Questions

Platte River Power Authority

Energy leaders since 1973

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

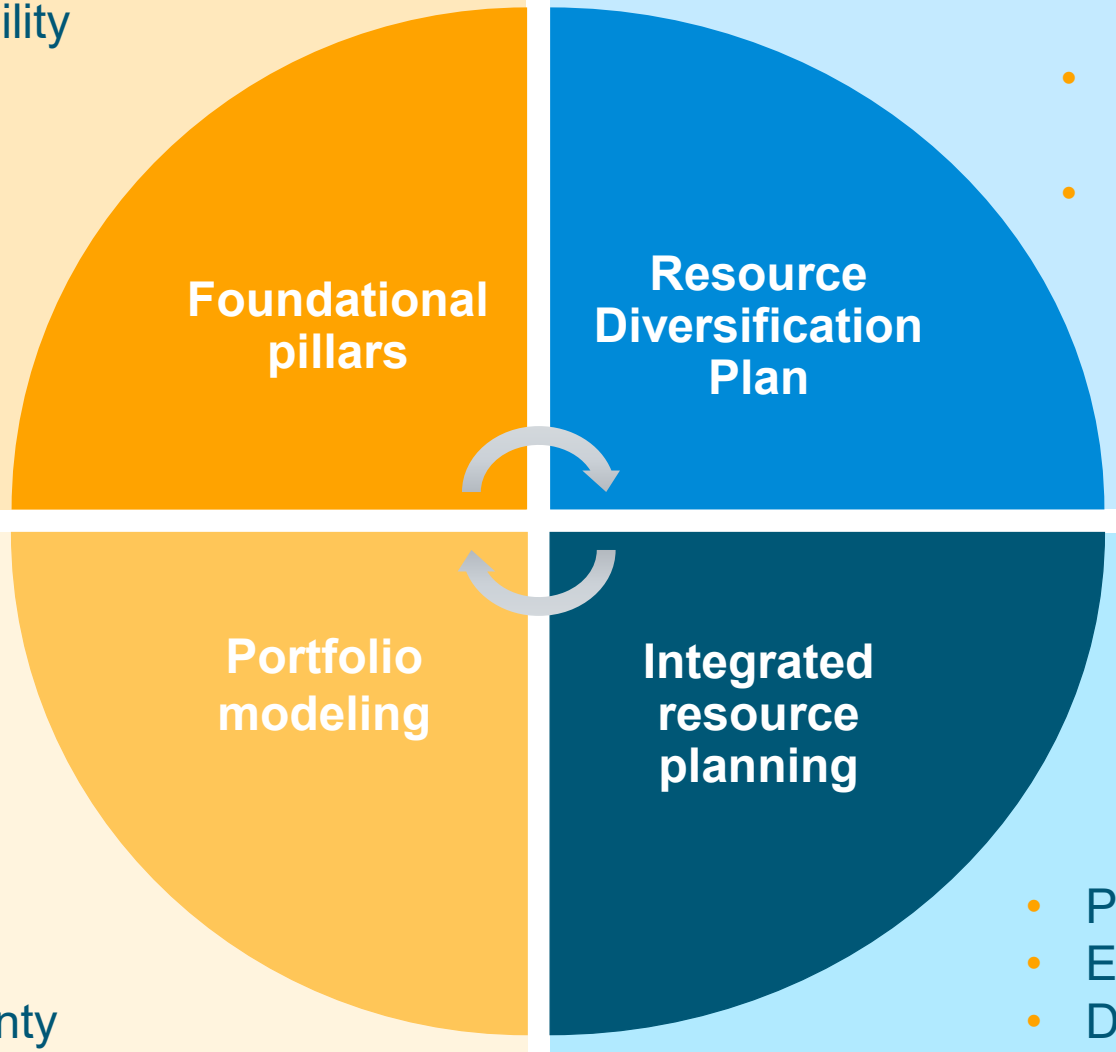
May 25, 2023

Energy leaders since 1973

Integrated Resource Plan overview

Raj Singam Setti, chief transition and integration officer

- Reliability
- Environmental responsibility
- Financial sustainability



- Foundation for Integrated Resource Plan (IRP)
- Must maintain Platte River's three pillars
- Emerging technologies

- Quantitative analysis
- Long term fundamentals
- Forecasting and uncertainty quantification

- Portfolio development
- Emerging technologies
- Distributed generation

2020 IRP lessons learned: actions and progress

Lesson	What we are doing
More pointed and pertinent external studies	We continue to engage in extensive studies, as the technology landscape and market situation have become increasingly complex and dynamic.
Continuous model improvement	We have successfully developed RP22, a refreshed version of IRP 20. Continuous modeling of emerging technologies and ensuring their reliability.
Better external engagements/communications	Facilitating public engagements and providing comprehensive support for stakeholder Q&A sessions.

Pre IRP studies

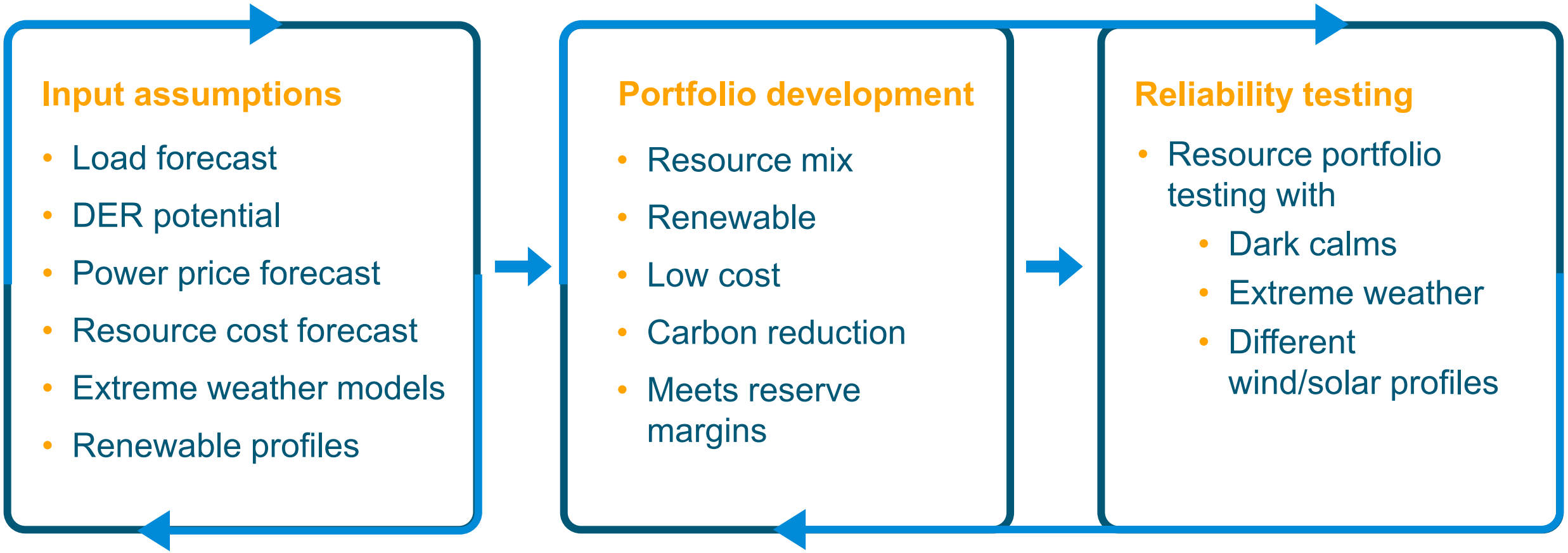
Complex modeling of future

- Weather, renewable profiles and load forecasts
- DER profiles
- Market price volatility
- Required reserve margin

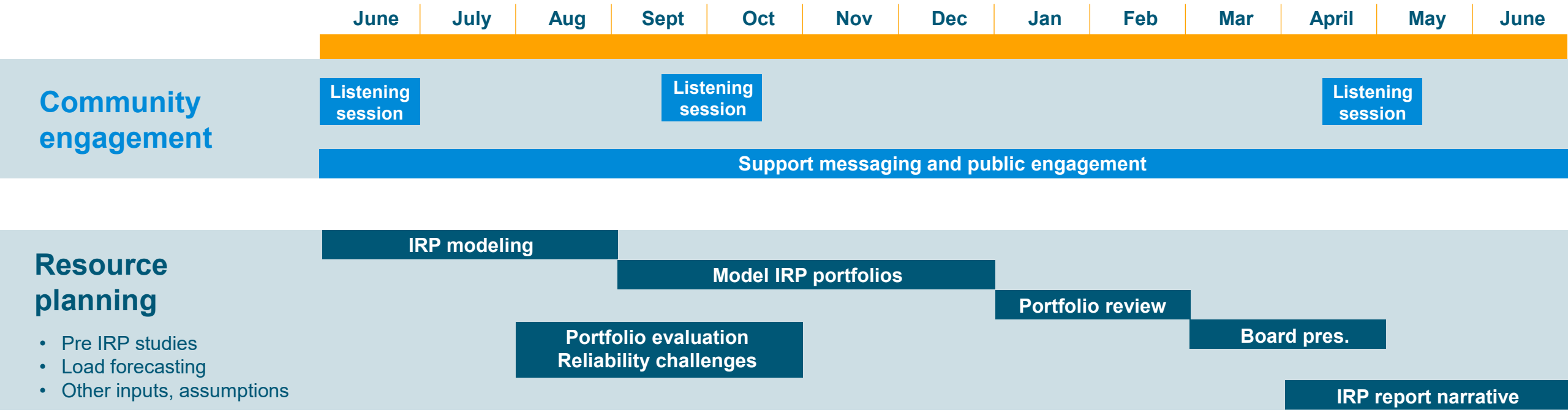
Technology assessment

- Emerging technologies
  - Hydrogen, RNG and long duration storage
- Commercially available technologies
  - Highly efficient, low emitting, and flexible

Modeling process



Timeline



- Pre IRP studies
- Load forecasting
- Other inputs, assumptions

Our opportunity

- Formulate an economically efficient strategy utilizing commercially available technologies that consistently fulfills state regulatory mandates and effectively progresses towards the RDP
- Reliable access to non-carbon electricity at all times, irrespective of weather conditions
- Explore and integrate emerging technologies, including long-duration energy storage and virtual power plants, into Platte River's system

Questions

Platte River Power Authority

Energy leaders since 1973

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 25, 2023

Energy leaders since 1973

Average wholesale rate projections and 2024 tariff schedule charges

Shelley Nywall, director of finance

Wade Hancock, financial planning and rates manager

Introduction

- Current environment
  - Complexity
  - Uncertainty
  - Enhanced communication and collaboration
- Recent activities
  - Educational session for utility directors and city staff
    - Resource planning and portfolio modeling
    - Financial planning and rates
  - Charges developed earlier to facilitate owner community processes
  - Additional rates analysis

Discussion

- Strategic financial plan and rate setting framework
- Historical average wholesale rates
- Financial plan updates and projections
- 2024 Firm Power Service and other rate tariff schedules
- Summary and next steps

Strategic financial plan

Goals	• Support mission, vision and values • Long-term financial sustainability • Manage financial risk and maintain enterprise risk management • Rate requirements and practices • Financial metrics
Financial metrics	• Minimum 1.50 fixed obligation charge coverage ratio • Minimum net income equal to 3% of projected annual operating expenses • Debt ratio less than 50% • Minimum 200 days unrestricted cash-on-hand
Strategies	• Financial metrics identified as most suitable to achieving obligations and long-term financial sustainability • Multi-year rate smoothing strategies will also be utilized, as deemed appropriate, to avoid greater single year rate impacts or to accomplish specified financial objectives

Developed to achieve AA credit rating based rating agencies' methodologies, e.g., Moody's Investor Service Rating Methodology, US Municipal Joint Action Agencies, https://ratings.moodys.com/api/rmc-documents/396803

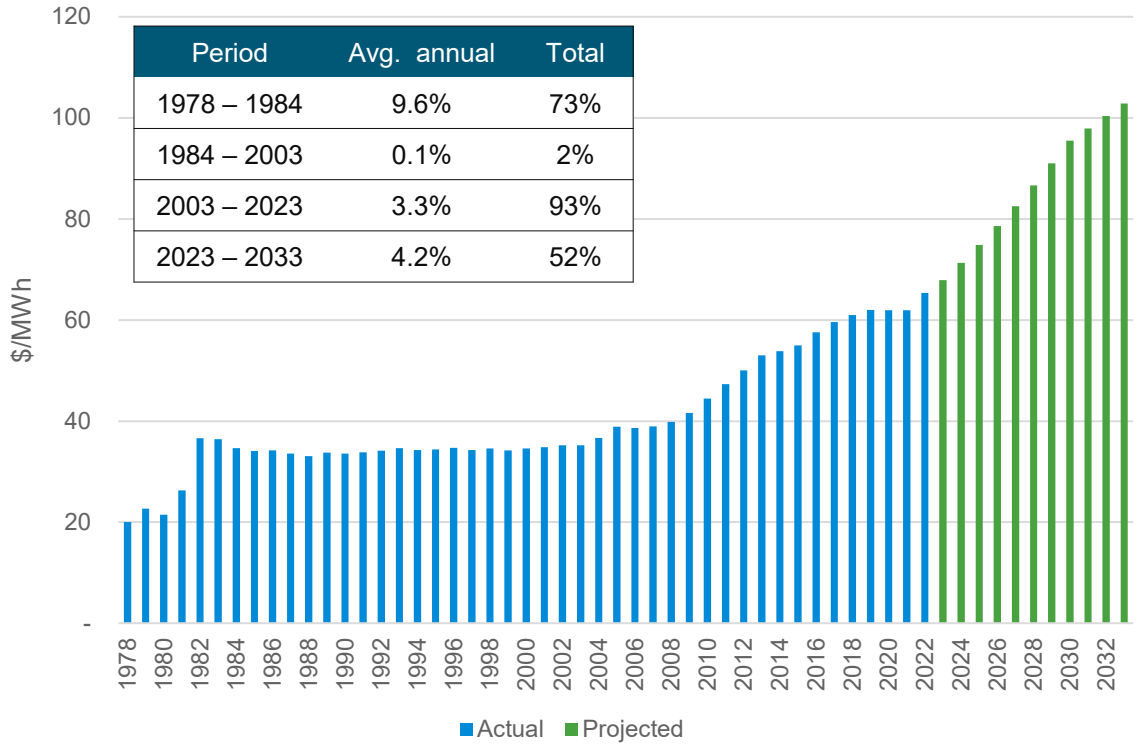
Rate setting framework

Strategic financial plan	Rate requirements and practices • Review rates annually (Power Supply Agreements and General Power Bond Resolution) • Sufficient to cover all operating and maintenance expenses, purchased power costs, debt service expenses and provide reasonable reserves and adequate earnings margin to obtain favorable debt financing • Multi-year rates smoothing strategies used to avoid greater single year rate impacts and achieve specified financial objectives
Rate setting policy and rate setting reference document	• Improve value added of Platte River in support of owner communities • Offer a desirable portfolio of services and rates that meet owner communities' needs • Better align wholesale pricing signals with cost of service and owner community retail pricing signals • Send pricing signals that result in system benefits
GASB 62 accounting policies	• Allows certain expenses or revenues to be recognized when included in wholesale rates charged to the owner communities rather than when normally recorded. • GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, Regulated Operations, paragraph 476-500

Historical average wholesale rates

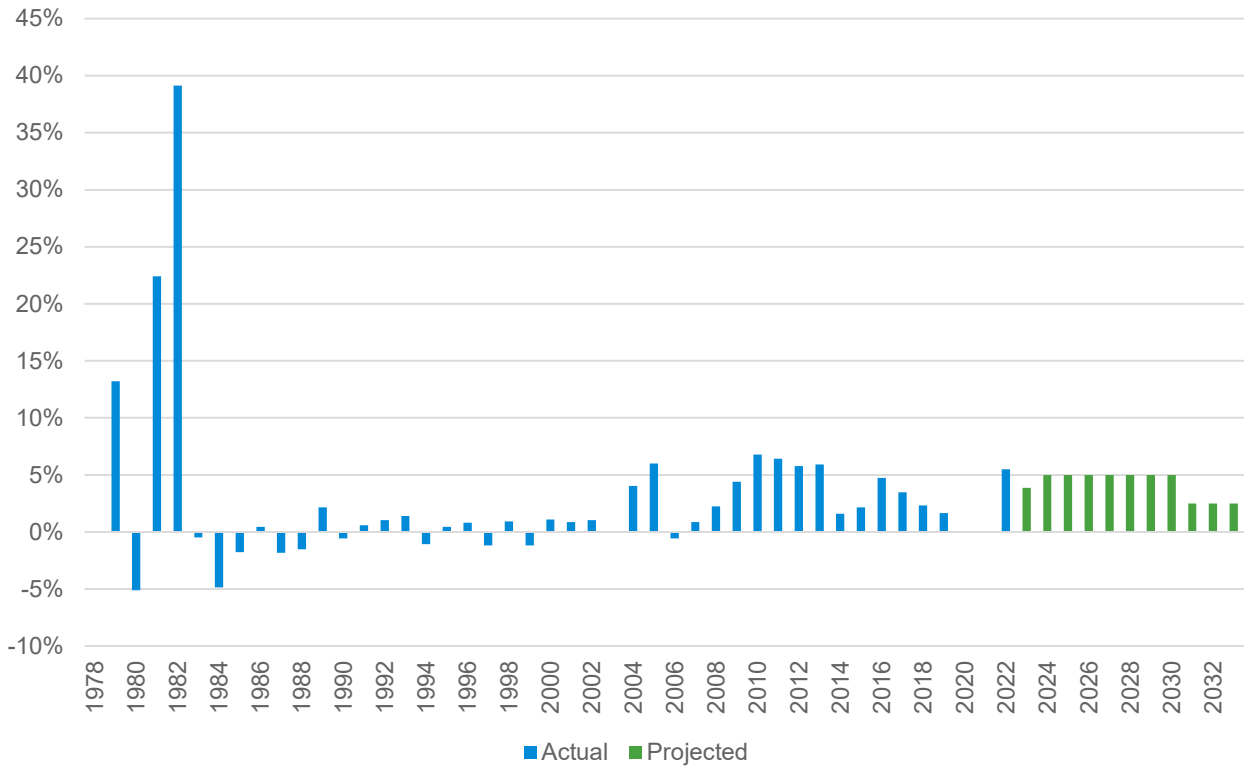
Average wholesale $/MWh

Period	Avg. annual	Total
1978 – 1984	9.6%	73%
1984 – 2003	0.1%	2%
2003 – 2023	3.3%	93%
2023 – 2033	4.2%	52%



- 1980s
  - Significant rate increases with construction/operation or Rawhide Unit 1
- 1980s and 1990s
  - Surplus sales for excess generation
- 2000s
  - Natural gas capacity expansion
  - Transmission capital investment
- Projections
  - Noncarbon asset integration

Average wholesale $/MWh changes

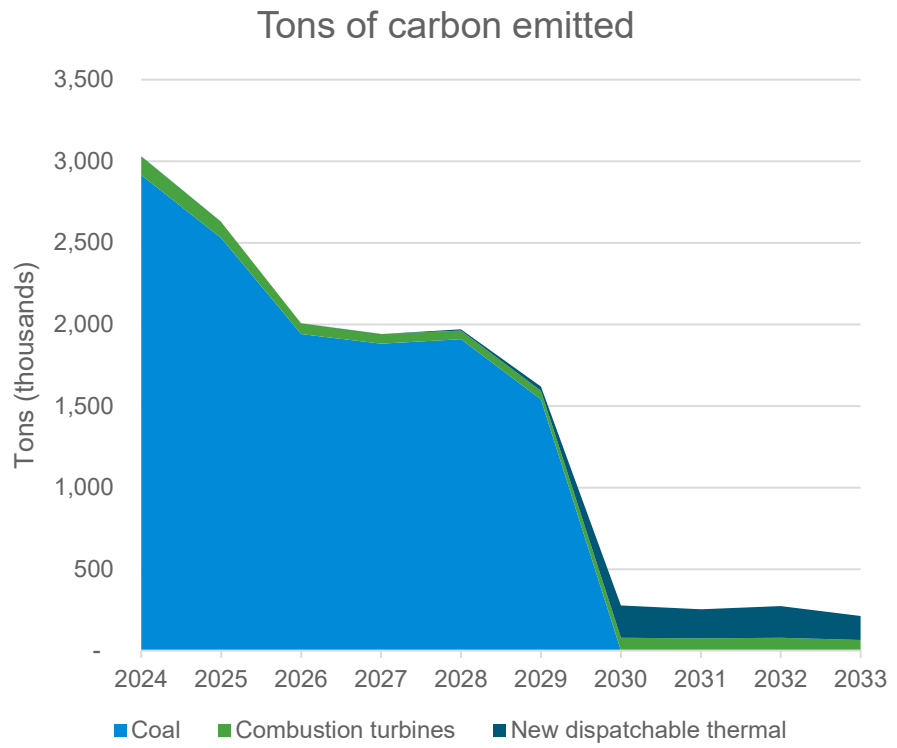


- Actual $/MWh annual increases
- Significant rate increases with the addition/construction of Rawhide Unit 1
- Strategic financial plan and board preference to smooth rate increases to avoid significant single-year increases

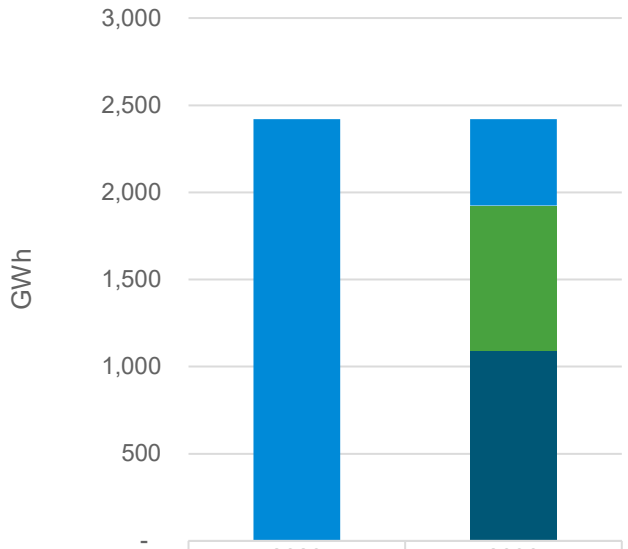
Financial plan updates

Our energy future

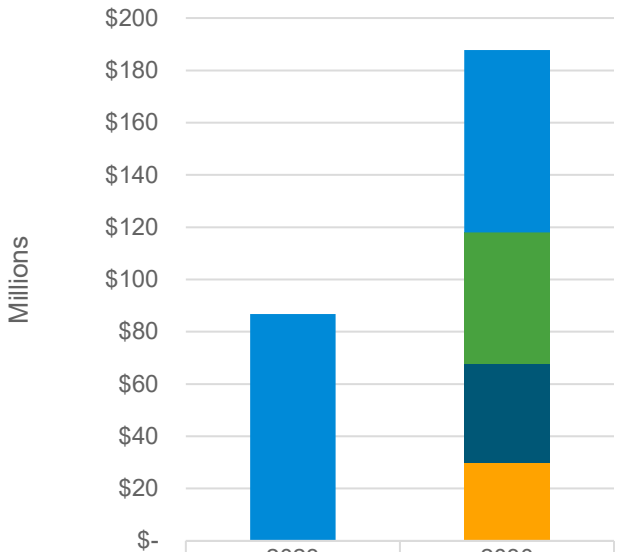
- Commitment to providing reliable, environmentally responsible and financially sustainable energy and services to its owner communities
- Committed to helping its owner communities achieve their respective but united energy goal of a 100% noncarbon energy mix by 2030
- Reduce emissions by integrating lower carbon emitting assets



Generation asset transition



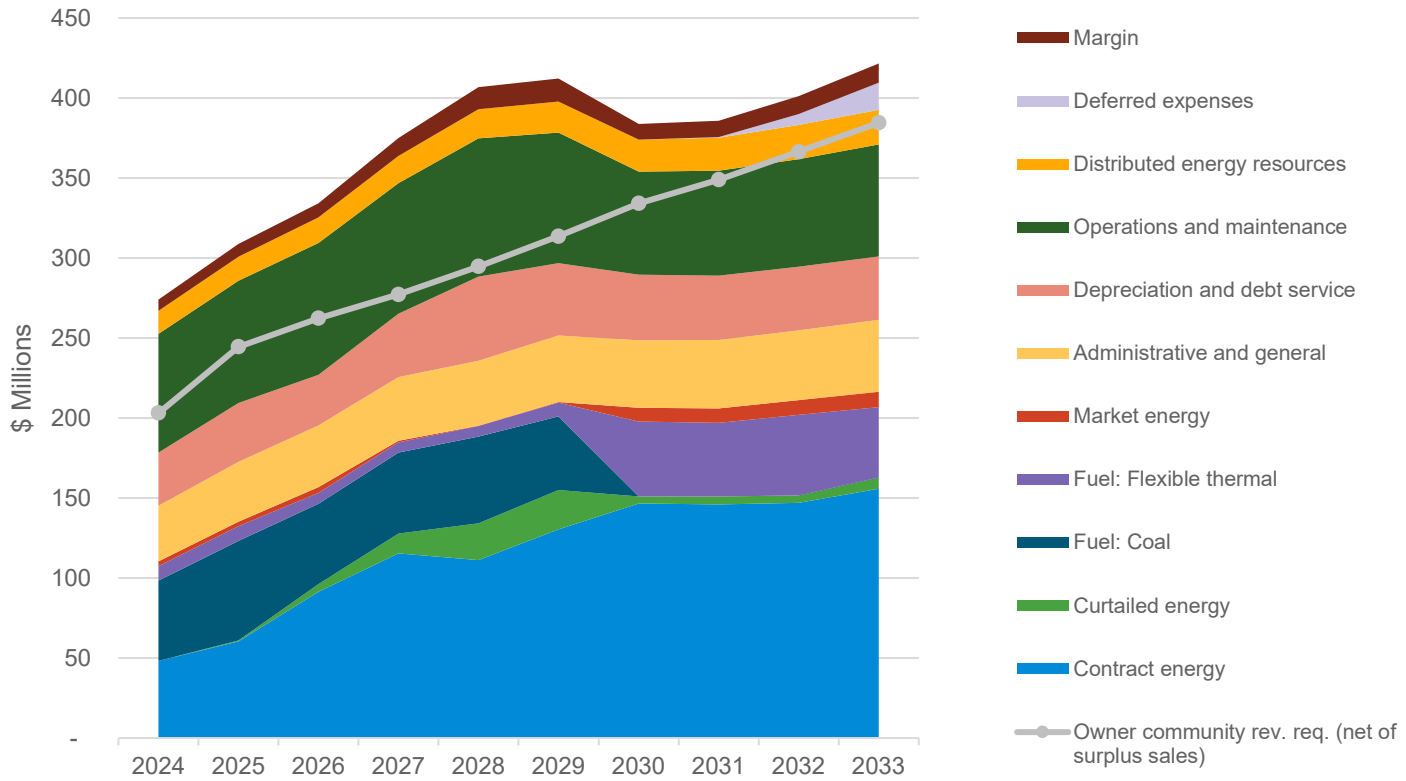
	2023	2030
Dispatchable thermal	2,419	495
Wind	-	831
Solar	-	1,093
Storage	-	-



	2023	2030
Dispatchable thermal	$86.8	$69.7
Wind	$-	$50.4
Solar	$-	$37.5
Storage	$-	$30.1

- Noncarbon and lower carbon emitting dispatchable thermal replacing coal and current natural gas-based generation
- Expense to replace current resource mix approximately $100 million annually

Financial projections



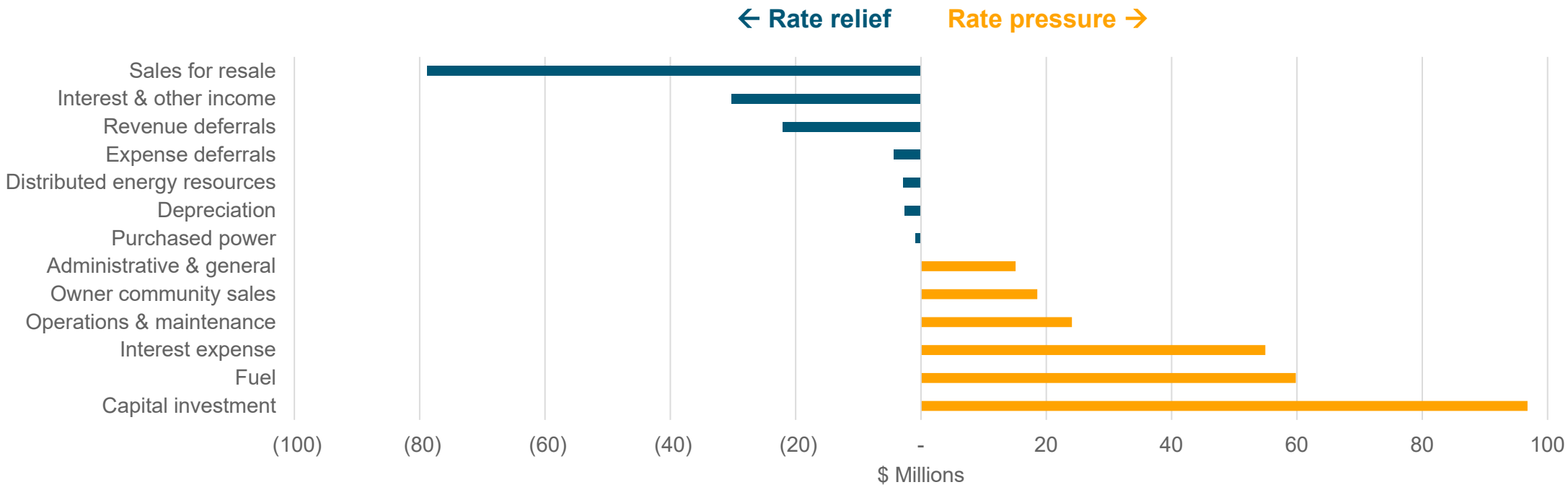
- Owner community revenue requirement, net of surplus sales, increase $181 million
  - 89% increase
- Contract energy and fuel increasing $106 million
- Other expenses increasing $41 million
- Surplus sales decreasing $34 million

Financial projections

Case comparison: July 2022 to current

Case comparison of total revenue and expense

2023 – 2033 time period: $128 million increase

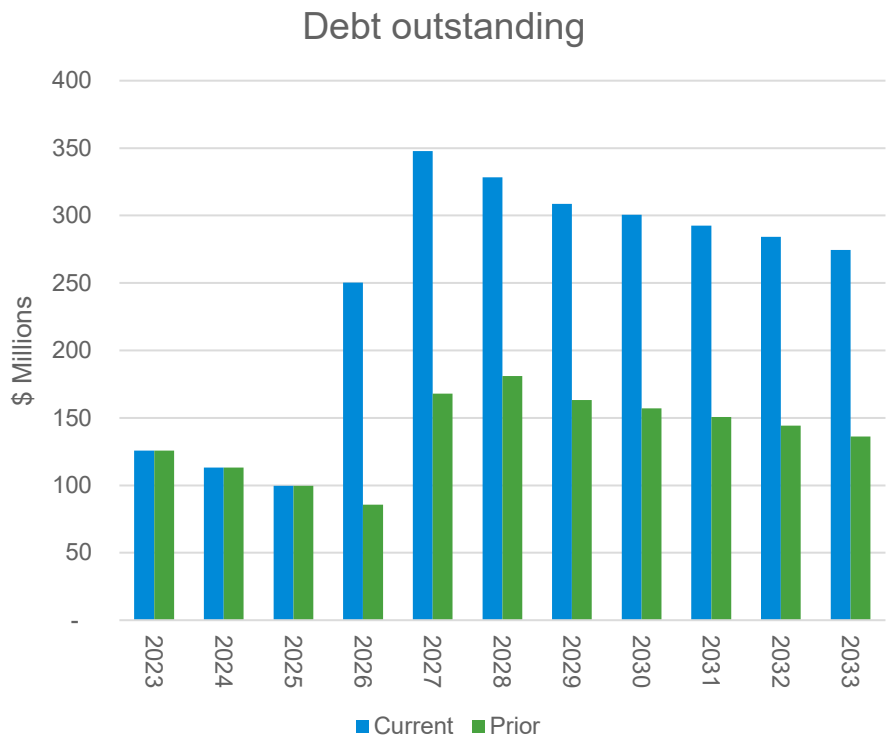


Case comparison of total revenue and expense

2023 – 2033 time period: $128 million increase

Category	Activity	$ Change (millions)
Rate relief		
Surplus sales	• Market price updates and increased natural gas sales	$(78.8)
Interest & other income	• Increased rate of return	$(30.2)
Deferrals: net revenue and expense	• Mechanism to smooth rates. Deferrals and recognition extend outside the planning horizon	$(26.2)
Other	• Distributed energy resources, purchased power, depreciation	$(6.3)
Rate pressure		
Capital investment	• Wind resource integration, dispatchable capacity interconnection, Windy Gap Firming Project (Chimney Hollow Reservoir) cost increase	$96.8
Fuel	• Commodity price increase • Natural gas generation to serve surplus sales	$59.8
Interest expense	• Increased debt: less cash generated, increased capital investment	$55.0
Operations & maintenance	• Inflation and personnel expenses	$24.1
Owner community sales	• Lower load forecast reduces sales $91.5 million; Despite load growth, 2033 loads 5.1% lower than previous forecast • Offsetting the lower loads is $72.9 million increased revenues from higher rate increases	$18.6
Administrative & general	• Inflation and personnel expenses	$15.1

Increased debt



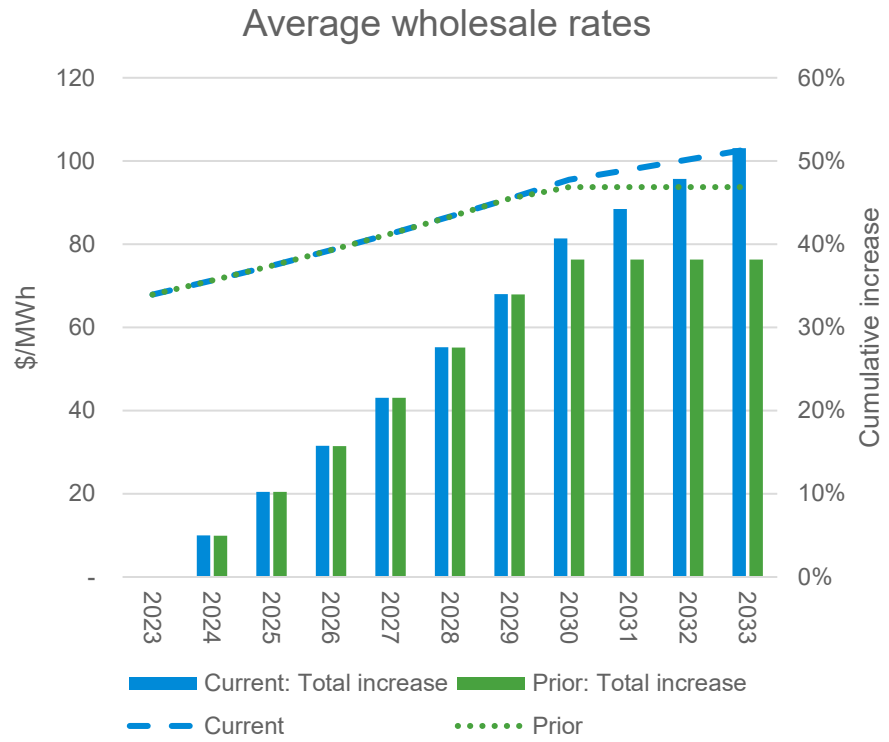
- $150 million increase in debt outstanding and issued earlier than prior projections
- Increased capital investments
  - Wind resource integration expense for transmission lines and substation interconnections
  - Dispatchable capacity interconnection
  - Windy Gap Firming Project (Chimney Hollow Reservoir) cost increase
  - New technology and project feasibility studies on-going; cost uncertainty
- Less cash generated
- Issuance rate uncertainty

Financial projection change summary

Case comparison: July 2022 to current

Increased rate pressure

- Current projections
  - 5.0% 2024 – 2030
    2.5% 2031 – 2033
  - 51.5% cumulative 2023 – 2033
- July 2022
  - 5.0% 2024 – 2029
    0.0% 2030 – 2033
  - 34.0% cumulative 2023 – 2033
- Near-term rate projections maintained
- Increased rate pressure beginning in 2030

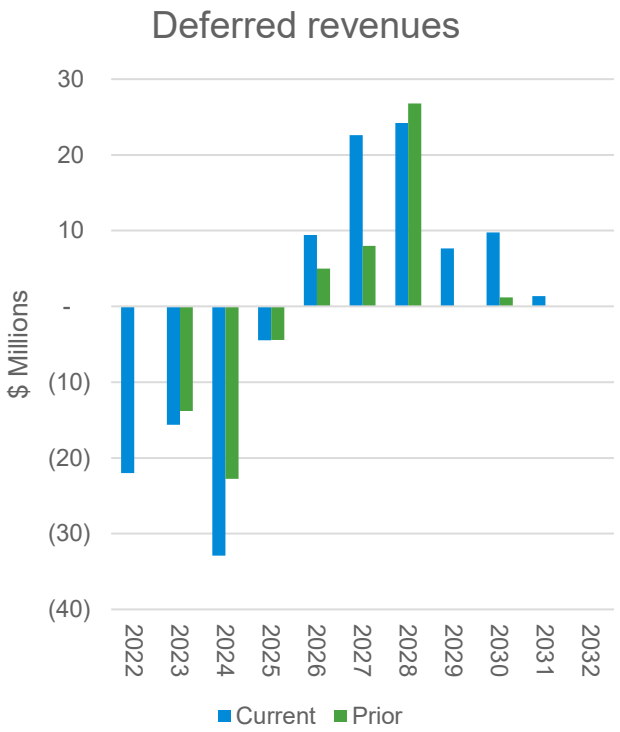


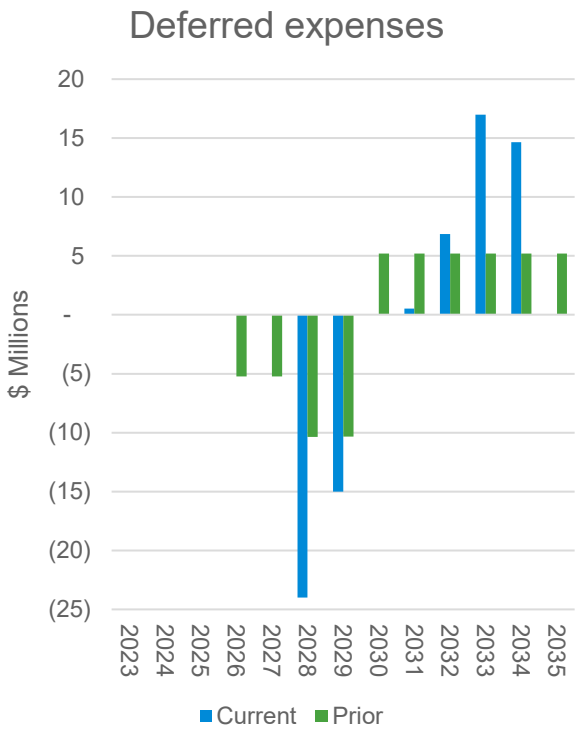
Rate smoothing strategy

Deferred revenue and expense accounting policy

- Background
  - In 2022, board adopted the deferred revenue and expense accounting policy to help reduce rate pressure and achieve rate smoothing
  - Mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods
  - Recognition of expense deferrals to occur prior to Dec. 31, 2024
- Current projections
  - To maintain 5.0% from 2024 – 2029, deferrals are maximized
    - Relative to 2022, total of revenue and expense deferrals have increased
    - Limited remaining deferral flexibility

Deferred revenue and expense accounting policy

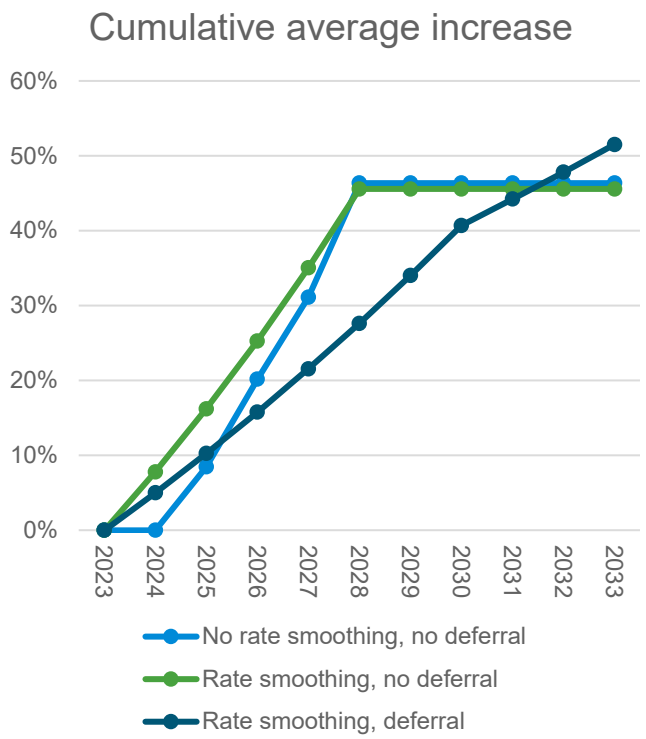


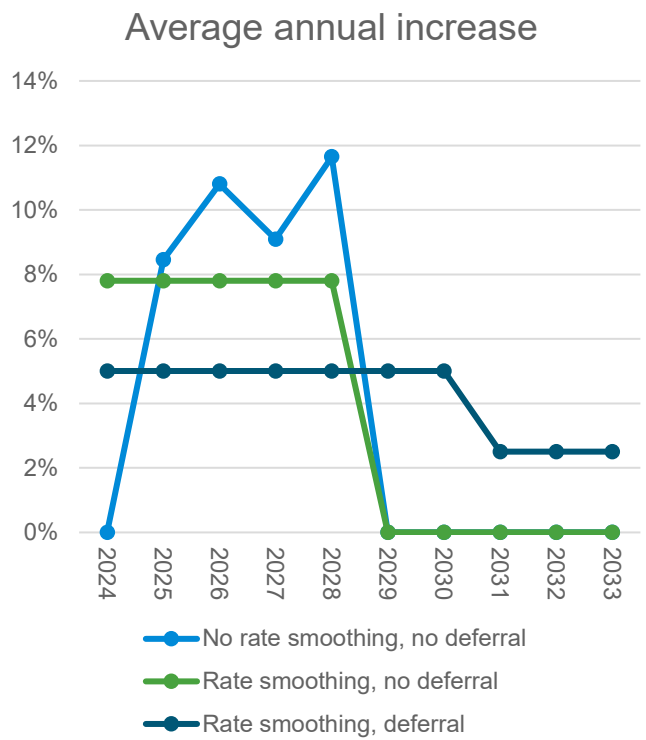


- Deferred revenues
  - $22 million revenues deferred in 2022
  - $75 million total
  - $34 million increase, total
- Deferred expense
  - $39 million total
  - $8 million increase, total

Rate smoothing

- Strategies used to avoid single year rate spikes and to accomplish specified financial objectives
  - Accounting policies under GASB 62
- Revenue and expense deferral maximized, limited flexibility remaining
- Rate driver
  - Resource transition plan
  - Uncertainty





Strategic financial plan projections

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Metric variance										
Net Income (Millions)	$0.0	$0.0	$0.0	$1.5	$4.0	$4.4	$0.0	$0.0	$0.7	$1.0
Fixed Obligation Charge Coverage Ratio	0.5	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Days Cash on Hand	281	252	221	96	0	21	30	23	40	31
Debt Ratio	-27%	-29%	-3%	1%	-11%	-14%	-13%	-14%	-16%	-16%
Metric target										
Net Income (Millions)	$7.0	$7.9	$8.8	$9.7	$9.8	$10.1	$10.0	$10.1	$10.5	$11.1
Fixed Obligation Charge Coverage Ratio	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Days Cash on Hand	200	200	200	200	200	200	200	200	200	200
Debt Ratio	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Metric projections										
Net Income (Millions)	$7.0	$7.9	$8.8	$11.3	$13.8	$14.5	$10.0	$10.1	$11.2	$12.1
Fixed Obligation Charge Coverage Ratio	2.0	2.0	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Days Cash on Hand	481	452	421	296	200	221	230	223	240	231
Debt Ratio	23%	21%	47%	51%	39%	36%	37%	36%	34%	34%

Modeling uncertainties

Significant uncertainty exists with key assumptions. Potential assumption changes include, but are not limited to, the items detailed below:

- Capital investment forecast
- Coal inventory sales
- Commodity prices
- Debt issuance costs
- Economic externalities
- Integrated Resource Plan
- Load forecast
- Regulations
- Staffing
- Surplus sales prices and volumes

New challenges from evolving industry

- Asset integration schedule
- Federal hydropower allocations
- Decommissioning
- Deferred revenues and expenses
- Distributed energy resources and strategy
- Emissions expense
- Noncarbon energy curtailments
- Organized energy markets
- Resource diversification policy

2024 Firm Power Service (FP-24)

Average wholesale rate recommendation

5.0% average wholesale rate increase (2023 Strategic Budget to 2024 budget estimate)

	2023 budget	2024 budget estimate	% change
Average rate ($/MWh) *	$67.88	$71.26	5.0%
Energy sales (GWh)	3,301.4	3,314.1	0.4%
Revenues (millions)	$224.1	$236.2	5.4%

*Based on Platte River's projections for owner community energy and demand

Owner community charges and revenue

	2023 budget		2024 budget		Change	
	Charge	Revenue	Charge	Revenue	Charge	Revenue
Owner community charge	$13,229	$15.4	$13,059	$15.2	-1.3%	-1.3%
Demand charges						
Transmission	$6.72	$45.0	$6.68	$45.4	-0.6%	0.9%
Generation: summer	$6.15	$15.9	$6.61	$17.3	7.5%	8.8%
Generation: nonsummer	$4.60	$18.7	$4.92	$20.3	7.0%	8.6%
Energy charges						
Fixed	$0.01586	$50.8	$0.01681	$54.0	6.0%	6.6%
Variable	$0.02273	$78.3[1]	$0.02427	$84.0[1]	6.8%	7.3%[1]
Revenues (millions)		$224.1		$236.2		5.4%
Energy sales (GWh)		3,301.4		3,314.1		0.4%
Average rate ($/MWh)		$67.88		$71.26		5.0%

[1] Includes large customer service

Pending board direction and barring any significant unanticipated events, the May recommended charges will remain unchanged

Firm Power Service charge changes

2022 actual loads

Load year Tariff charges*	2022 actual FP-23	2022 actual FP-24
Revenues (millions)	$223.3	$234.1
MWh	3,248,869	3,248,869
$/MWh	$68.73	$72.05
Change due to load		-
Change due to charges		4.8%
$/MWh change		4.8%

Budgeted loads

Load year Tariff charges*	2023 budget FP-23	2024 budget FP-23	2024 budget FP-24
Revenues (millions)	$224.1	$225.5	$236.2
MWh	3,301,376	3,314,141	3,314,141
$/MWh	$67.88	$68.05	$71.26
Change due to load		0.3%	-
Change due to charges		-	4.7%
$/MWh change			5.0%

*Firm Power Service charges, owner allocations and demand minimums

Monthly 2024 budget estimate detail will be provided to the owner community rate staff

Firm Power Service charges

		2020	2021	2022	2023	2024
Average $/MWh*		$61.92	$61.93	$65.34	$67.88	$71.26
Owner community charge	$/month per owner community allocation	$9,979	$10,546	$11,520	$13,229	$13,059
Demand charges						
Transmission	$/kW-mo of noncoincident billing demand	$5.74	$6.14	$6.62	$6.72	$6.68
Generation: summer	$/kW-mo of coincident billing demand	$6.24	$5.90	$6.10	$6.15	$6.61
Generation: nonsummer	$/kW-mo of coincident billing demand	$4.34	$4.45	$4.48	$4.60	$4.92
Energy charges						
Fixed	$/kWh for all energy supplied	$0.01544	$0.01462	$0.01572	$0.01586	$0.01681
Variable	$/kWh for all energy supplied			$0.02067	$0.02273	$0.02427
Dispatchable variable	*$/kWh for all dispatchable energy supplied*	*$0.01779*	*$0.01511*	*$0.01520*	*-*	*-*
Intermittent variable	*$/kWh for owner community's allocated share of intermittent energy*	*$0.04112*	*$0.03088*	*$0.03200*	*-*	*-*
Premium intermittent	*$/kWh for owner community's allocated share of premium intermittent energy*	*$0.04279*	*-*	*-*	*-*	*-*

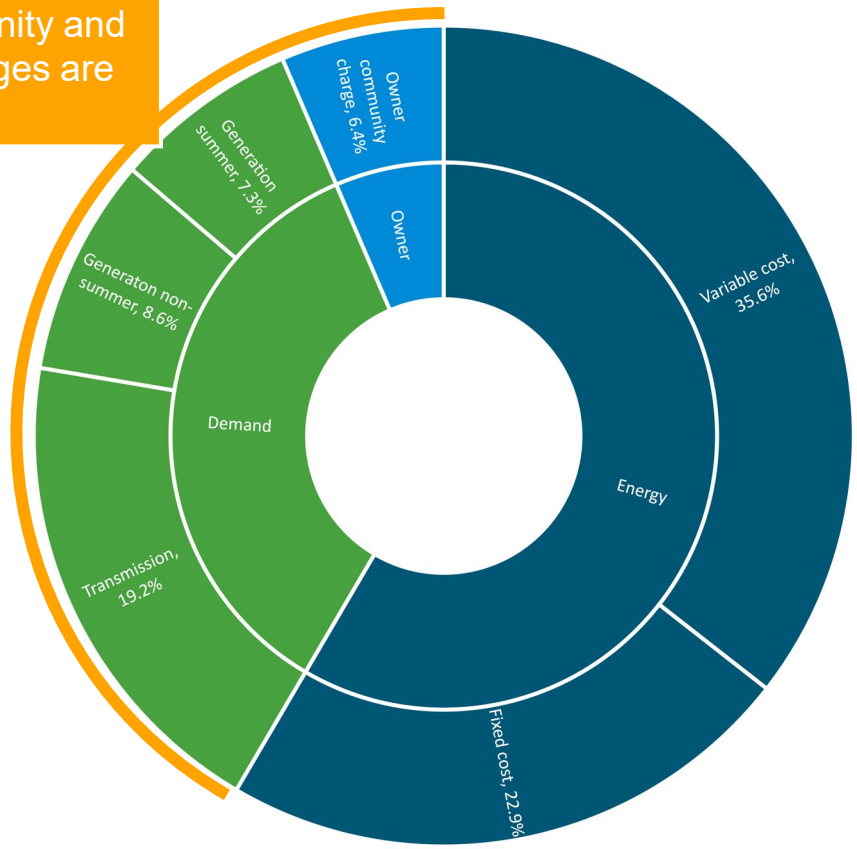
*2020 – 2022 average $/MWh are actuals, 2023 and 2024 are budget

Firm Power Service revenues

Revenue allocation: $236.2 million

	2024 revenue $ millions	% of revenues
Charges		
Owner community charge	$15.2	6.4%
Demand charges		
Transmission	$45.4	19.2%
Generation: summer	$17.3	7.3%
Generation: nonsummer	$20.3	8.6%
Energy charges		
Fixed	$54.0	22.9%
Variable*	$84.0	35.6%

92% of revenues from owner community and demand charges are known



*Includes large customer service

2024 other rate tariff schedules

Standard Offer Energy Purchase (Tariff SO-24)

Wholesale Transmission Service (Tariff WT-24)

Large Customer Service (Tariff LC-24)

Standard Offer Energy Purchase (Tariff SO-24)

Avoided energy rate

Applicability	• Power production facilities that have registered with the Federal Energy Regulatory Commission as Qualifying Facilities under the Public Utilities Regulatory Policies Act and are electrically connected to Platte River's transmission system or the distribution system of one of Platte River's owner communities
Calculation	• Hourly resource model marginal cost analysis • Balance of owner community load after 'must-take' energy projections • Remaining hourly load served by lowest marginal cost resource: coal-fired generation, natural gas-fired generation and market purchases • Hourly average determines the avoided energy rate

2024 rate	• 7.8% increase to $0.02191 from $0.02033 per kilowatt hour
	  • Increase frequency of combustion turbines and market purchases as the marginal resource
	  • Fuel and market price increases

Other tariff schedules

Wholesale Transmission Service (Tariff WT-24)

- Consent agenda; effective June 1 of each year
- Transmission service charged to third parties
- Charges based on prior year actuals

Large Customer Service (Tariff LC-24)

- Charges established through separate contract
- Changes tied to firm power service tariff and annual budget

Summary and next steps

- Platte River's foundation
  - Strategic financial plan
  - Rate setting framework
- Rates
  - 5.0% (2024 – 2030), 2.5% (2031 – 2033)
  - 2024 Firm Power Service charges provided (earlier than in previous years)
    - Pending board direction and barring any unanticipated significant events, the May recommended charges will remain unchanged
- Next steps
  - June: Details provided to the owner communities rates staff
  - September: Draft tariff schedules
  - October: Board approval of the 2024 tariff schedules

Questions

Platte River Power Authority

Energy leaders since 1973

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 25, 2023

Energy leaders since 1973

April operational results

Category	April variance		YTD variance	
Owner community demand	0.9%	◆	1.8%	◆
Owner community energy	(1.8%)	◆	(0.4%)	◆
Wind generation	(0.7%)	◆	(0.6%)	◆
Solar generation	10.8%	●	5.2%	●
Net variable cost to serve owner community load*	26.1%	■	27.8%	■

Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

*Total resource variable costs plus purchased power costs less sales revenue

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 25, 2023

Energy leaders since 1973

April financial summary

Category	April variance from budget ($ in millions)		YTD variance from budget ($ in millions)	
Net income *	$1.2	●	$5.3	●
Fixed obligation charge coverage	.24x	●	.23x	●
Revenues	$(1.6)	■	$(6.2)	■
Operating expenses	$2.4	●	$9.2	●
Capital additions	$0.1	●	$9.5	●

Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

* YTD net income results impacted by unrealized gains on investments of $2.3 million

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 25, 2023

Energy leaders since 1973