



## Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, Aug. 31, 2023, 9 a.m.

### Call to order

1. Consent agenda
  - a. Minutes of the regular meeting of July 27, 2023

*Motion to approve*

### Public comment

### Management presentations

2. Policy on real estate transactions for resource development
3. Resource planning studies update
4. Transmission strategy and planning
5. Community engagement update

### Monthly informational reports – July

6. Legal, environmental and compliance report
7. Resource diversification report
8. Operating report
9. Financial report
10. General management report

### Strategic discussions

### Adjournment



## 2023 board meeting planning calendar

Updated Aug. 22, 2023

**Sept. 28, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
	2024 proposed strategic budget work session	Strategic financial plan update	Legal, environmental and compliance report
	2024 rate tariff schedules	Staffing update	Resource diversification report
	Resource implementation timeline		Operating report
<b>Committee report</b>			Financial report
Retirement committee report			General management report

**Oct. 26, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
2023 FORVIS financial audit plan	2024 proposed strategic budget update – public hearing		Q3 performance dashboard
2024 rate tariff schedules	Strategic financial plan update		Legal, environmental and compliance report
Resource resolution	SPP RTO West update		Resource diversification report
			Operating report
			Financial report
			General management report

**November 2023**

**Retirement committee meeting**

**No board of directors meeting**

**Dec. 7, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
2023 budget contingency appropriation transfer (if required)		Benefits update	Legal, environmental and compliance report
2024 Strategic Budget review and adoption			Resource diversification report
2024 proposed board of directors regular meeting schedule			Operating report
Strategic financial plan			Financial report
<b>Committee report</b>			General management report
Retirement committee report			

**Topics to be scheduled:**

- Rawhide transition plan update
- Windy Gap request for proposals update
- Resource Diversification Policy update

**This calendar is for planning purposes only and may change at management's discretion.**

## 2023 board of directors

### Owner communities

### Term expiration

#### Town of Estes Park

P.O. Box 1200, Estes Park, Colorado 80517

Mayor Wendy Koenig

April 2024

Reuben Bergsten—Chair, Board of Directors

December 2024

#### City of Fort Collins

P.O. Box 580, Fort Collins, Colorado 80522

Mayor Jeni Arndt

November 2023

Kendall Minor

December 2026

#### City of Longmont

350 Kimbark Street, Longmont, Colorado 80501

Mayor Joan Peck

November 2023

David Hornbacher

December 2026

#### City of Loveland

500 East Third Street, Suite 330, Loveland, Colorado 80537

Mayor Jacki Marsh

November 2023

Kevin Gertig—Vice Chair, Board of Directors

December 2025

## Our vision

To be a respected leader and responsible power provider improving the region's quality of life through a more efficient and sustainable energy future.

## Our mission

While driving utility innovation, Platte River will safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities of Estes Park, Fort Collins, Longmont and Loveland.

## Our values

### Safety

Without compromise, we will safeguard the public, our employees, contractors and assets we manage while fulfilling our mission.

### Integrity

We will conduct business equitably, transparently and ethically while complying fully with all regulatory requirements.

### Service

As a respected leader and responsible energy partner, we will empower our employees to provide energy and superior services to our owner communities.

### Respect

We will embrace diversity and a culture of inclusion among employees, stakeholders and the public.

### Operational excellence

We will strive for continuous improvement and superior performance in all we do.

### Sustainability

We will help our owner communities thrive while working to protect the environment we all share.

### Innovation

We will proactively deliver creative solutions to generate best-in-class products, services and practices.



## Memorandum

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**Date:** 8/23/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Angela Walsh, executive assistant and board secretary

**Subject:** **Consent agenda – August**

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Staff requests approval of the following item on the consent agenda. The supporting document is included for the items listed below. Approval of the consent agenda will approve the item unless a member of the board removes the item from consent for further discussion.

### Attachments

- Minutes of the regular meeting July 27, 2023







## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, July 27, 2023

### Attendance

#### Board members

Representing Estes Park: Mayor Wendy Koenig  
Representing Fort Collins: Mayor Jeni Arndt and Kendall Minor  
Representing Longmont: Mayor Joan Peck and David Hornbacher  
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

Absent: Reuben Bergsten

#### Platte River staff

Jason Frisbie (general manager/CEO)  
Sarah Leonard (general counsel)  
Dave Smalley (chief financial officer and deputy general manager)  
Melie Vincent (chief operating officer)  
Raj Singam Setti (chief transition and integration officer)  
Eddie Gutiérrez (chief strategy officer)  
Angela Walsh (executive assistant/board secretary)  
Kaitlyn McCarty (executive assistant – finance and IT)  
Josh Pinsky (IT service desk technician II)  
Libby Clark (director of human resources and safety)  
Shelley Nywall (director of finance)  
Javier Camacho (director of public and external affairs, strategic communications and social marketing)  
Julie Depperman (director of treasury services)  
Heather Banks (fuels and water manager)  
Chris Fields (fuels and water resources engineer)  
Kendal Perez (communications and marketing specialist)  
Leigh Gibson (senior external affairs specialist)  
Ivan Chavarria (senior communications and marketing specialist)

#### Guests

None

## Call to order

Vice Chair Gertig called the meeting to order at 9:00 a.m. A quorum of board members was present via roll call. The meeting, having been duly convened, proceeded with the business on the agenda.

## Action items

### 1. Consent Agenda

- a. Approval of the regular meeting minutes of May 25, 2023

Director Hornbacher moved to approve the consent agenda as presented. Director Koenig seconded. The motion carried 7-0.

## Public comment

Vice chair Gertig opened the public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably by the number of in-person members of the public and callers wishing to speak at the start of public comment. One member of the public addressed the board.

## Committee report

### 2. Defined Benefit Plan committee report

Committee Chair Dave Hornbacher provided the retirement committee report from the May 25, 2023, meeting.

He explained the actuary from Willis Towers Watson reviewed the plan's actuarial valuation report, which includes the required funding contribution for 2024. The report stated that due to negative portfolio returns in 2022, funding is increasing from \$3 million in 2023 to \$9.1 million in 2024. At the March 2023 board meeting, the board approved contributing \$3 million of additional funding in 2023. This reduces the 2024 contribution from \$9.1 million to \$6.1 million. He reminded the board the defined benefit plan was closed to new participants in 2010. As of Dec. 31, 2022, there were 77 active employees in the plan, down from 83 on Dec. 31, 2021. The total number of participants including retirees is 304. If actuarial assumptions hold, the actuary projects a steady decline in funding from 2027 to 2044, with funding falling below \$1 million beginning in 2034.

Committee Chair Hornbacher switched to the plan's investment consultant, Northern Trust, who reported on the plan's performance for the quarter that ended March 31, 2023. Northern Trust indicated that assets increased \$1.7 million, as positive market returns and contributions exceeded benefit payments and the portfolio returned 3%, while the plan's benchmark increased 5%. He stated the plan's underperformance is the result of the portfolio's exposure to low-volatility, high-quality equities. The low volatility strategies give the portfolio downside protection during turbulent markets but will lag market returns when riskier equity strategies are in favor. The plan's annual target return is 7.5%.

Northern Trust also provided an asset and liability study update, explaining that due to Platte River's disciplined contribution strategy, the plan remains on track to meet its funding ratio goal of 100%. The current strategic asset allocation continues to provide a reasonable balance to manage the asset volatility while earning sufficient returns to improve the ratio over time.

Committee Chair Hornbacher noted the report was for informational purposes only and the next committee meeting is scheduled for August 31. The board had no questions.

## **Board action items**

### **3. Acceptance of the 2023 strategic plan**

Eddie Gutiérrez, chief strategy officer, presented the final version of the 2023 strategic plan and recommended the board accept the document. He thanked staff for their work on the process and the board for their involvement during a work session in 2022. Jason Frisbie, general manager and chief executive officer, thanked the communications and marketing team for their work as well as Mr. Gutiérrez for stepping in during the strategic planning process as a new executive and seeing it through to completion.

Director Arndt moved to accept the 2023 strategic plan as presented. Director Marsh seconded. The motion carried 7-0.

The board expressed appreciation to staff for the document. Mr. Frisbie reminded board members to let the board secretary know how many copies they would like for their owner communities.

### **4. Executive session**

Vice Chair Gertig noted the next item on the agenda was to discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interests. He also reminded the public the Zoom Webinar would remain open for outside participants to wait while the board moved into executive session. Once the board completed the executive session, the board would return to the Zoom Webinar to reconvene the regular session. Director Hornbacher reiterated the recommendation for the board to convene an executive session to discuss potential land transactions enabling resource development opportunities. Colorado's open meetings laws allow the board to go into executive session to discuss the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest. Therefore, he moved that the board of directors go into executive session to discuss potential land transactions.

The general counsel advised that an executive session was authorized in this instance by Colorado Revised Statutes, Section 24-6-402(4)(a); provided that no formal action would be taken during the executive session. Director Peck seconded, and the motion carried 7-0.

Seven-minute break (10:00-10:07)

## **Reconvene regular session**

Vice Chair Gertig reconvened the regular session. Roll call confirmed all board members were present other than Chair Bergsten. Vice Chair Gertig asked if there was further discussion or action as a result of the executive session. The board took no action.

## **Management presentations**

### **5. Enterprise risk management (presenter: Shelley Nywall)**

Shelley Nywall, director of finance, provided an overview of the enterprise risk management program and the energy risk management structure, and then reviewed the enterprise risk assessment completed by a third-party auditor. Mr. Frisbie observed how selling power to counterparties with established credit limits helps mitigate risks associated with participation in a wholesale energy market.

Director Koenig commented on receiving periodic status reports on the enterprise risk management program. Mr. Frisbie noted staff will produce a handout or a one-page document for a quick update on the enterprise risk management program.

### **6. Chimney Hollow Reservoir project update (presenter: Heather Banks)**

Heather Banks, fuels and water manager, reviewed background for the Windy Gap firming project and provided an update of the Chimney Hollow Reservoir. She introduced Chris Fields, fuels and water resource engineer, who has been directly involved with the Chimney Hollow Reservoir project. Ms. Banks played a video to provide a “virtual” tour of the construction site to highlight how the project has progressed and discussed additional financial commitments expected to complete the project.

Director Arndt asked if there are any grants that could be applied for to cover the additional costs. Ms. Banks was not aware of any grants that would apply at this time. Director Peck asked if the loans were secured by collateral owned by the participants. Sarah Leonard, general counsel, confirmed that the loans are secured by all participants obligations under the allotment contracts.

Director Minor asked how additional financing will affect Platte River’s capacity for bonding or funding for future projects. Dave Smalley, chief financial officer and deputy general manager, responded that this project has unique financing terms. Northern Colorado Water Conservancy District (Northern Water) issued bonds and obtained favorable loan terms to finance construction of Chimney Hollow Reservoir. The debt obligations belong to Northern Water, but payments from participants in the joint financing pool enable Northern Water to meet its debt service obligations. These payment obligations are treated as operational and maintenance (O&M) expenses and do not directly impair debt capacity. Ms. Leonard noted the contract mandates Platte River treat its share as an O&M expense; outstanding bond covenants recognize O&M comes first before debt service. Discussion ensued among directors and staff regarding the financial impact of the project for the participants.

## **7. Market update and RTO West progression (presenter: Melie Vincent)**

Melie Vincent, chief operating officer, presented key market concepts, market conditions experienced within the first three months of the Western Energy Imbalance System (WEIS) market and market outcomes. She also updated the board on how development of the Southwest Power Pool Regional Transmission Organization West (SPP RTO West) market has progressed to date.

Director Minor asked what the penalty is if Platte River does not meet its minimum contractual coal delivery schedule. Mr. Frisbie responded that there is a fee of \$7 per ton.

Vice Chair Gertig asked about how unit costs will be recognized as Platte River changes the types of resources used in the market. Ms. Vincent responded that SPP has a proposal, responding to the Federal Energy Regulatory Commission's Order No. 2222, to address use of distributed energy resources. SPP established task forces to evaluate storage but no rules have been finalized. Raj Singam Setti, chief transition and integration officer, pointed out the challenges with storage as a resource because sometimes storage acts as demand on the system and other times storage provides supply to the system. He added that storage can be programmed to charge during low demand and discharge during high demand to support system reliability.

Director Marsh asked how staff is doing after switching to the market. Ms. Vincent explained that Platte River did not have a choice about entering the WEIS market because the joint dispatch agreement was going to terminate when Public Service Company of Colorado joined the WEIS. She also noted the current unusual market conditions is not due to the WEIS. She added that joining the WEIS market is a good steppingstone for Platte River before moving into RTO West. Ms. Vincent emphasized the complexities of both markets, explaining how staff adjusted to working within the market constructs and look forward to joining RTO West.

## **8. First integrated resource plan listening session recap (presenter: Eddie Gutiérrez)**

Mr. Gutiérrez summarized the first integrated resource plan (IRP) listening session results and outlined the next steps for further engagement activities within the owner communities.

Director Hornbacher shared his appreciation to staff for conducting dual tracks of communications side by side with the owner communities and for the opportunity to individualize owner community engagement sessions. Mr. Gutiérrez discussed the different needs for each owner community, including engagement levels and marketing materials. Director Arndt asked if staff would like the board members to attend the listening sessions. Mr. Gutiérrez encouraged board members to participate at whatever level is comfortable. Mr. Frisbie encouraged council members to join the listening sessions also and for the board members to speak to the advancements Platte River is making during city council meetings and work sessions. He reminded the board that staff is available to present to the city councils when requested. Mr. Gutiérrez discussed the engagement levels and scheduling process for outreach to each community. Discussion ensued among directors and staff about community engagement opportunities, diversity of outreach and board member participation.

## Monthly informational reports for May and June

### 9. Q2 performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie summarized the second quarter performance results, highlighting reliability, environmental responsibility and financial sustainability statistics. Director Minor commented on the work in the communities through Efficiency Works™. He noted Fort Collins staff is currently reviewing overall system analysis to make sure the City of Fort Collins does not adversely affect efficiency outcomes.

### 10. Legal, environmental and compliance report (presenter: Sarah Leonard)

Ms. Leonard highlighted that Platte River signed the commitment agreement to fund development of SPP RTO West, the Western Area Power Administration's formal process to evaluate joining SPP RTO West, the appeal recently filed by plaintiffs challenging a Bureau of Reclamation decision on Glen Canyon Dam operations and the Environmental Protection Agency's new regulations for greenhouse gas emissions from power plants.

Vice Chair Gertig asked about the Inflation Reduction Act (IRA) direct pay provisions with tax credits and requested continued updates on how they are used by Platte River.

### 11. Resource diversification report (presenter: Raj Singam Setti)

Mr. Singam Setti discussed how the IRA impacts pricing for proposed power purchase agreement and highlighted distributed energy storage projects that involve working with consultants and owner community staff on gap analysis for distributed energy resources management systems.

### 12. Operating report (presenter: Melie Vincent)

Melie Vincent, chief operating officer, highlighted operating results for May and June that resulted in low municipal demand for energy. She noted wind generation was below budget although solar was at budget for the month of June. Net variable cost to serve owner community load for June was below budget due to preplanned hedging earlier in the year. Ms. Vincent noted the bi-lateral market was playing a key role in operational results and unit capacity factors.

### 13. Financial report (presenter: Dave Smalley)

Mr. Smalley explained that the financial results for May and June reflect the volatility from month to month. In May, the main driver was surplus sales, which were below budget by \$3.1 million and showed a 75% variance due to volume and price. Offsetting that were below-budget operating expenses. June reflected a variance in municipal sales of \$2 million below budget due to mild weather, more than offset by above-budget surplus sales. He referred to Ms. Vincent's report on a surplus sales contract for the summer as the primary driver for positive results, in addition to the below-budget operating expenses.

Year-to-date results reflect a \$4.3 million favorable net income variance, including \$1.2 million due to unrealized gains on the investment portfolio. Municipal sales were \$2.4 million below budget and surplus sales were \$9.6 million below budget, slightly offset by sales from the transmission system of \$1.7 million. Mr. Smalley also pointed out that Platte River is about \$12 million below budget in operating expenses, mostly because fuel expenses are significantly below budget. Year-end contingency forecasting reflects current volatility. Staff will continue to update the information in the management report through year end.

#### **14. General management report (presenter: Jason Frisbie)**

Mr. Frisbie highlighted the board members' attendance at the American Public Power Association National Conference in June and reminded board members they are invited to the employee summer picnic in August.

### **Adjournment**

With no further business, the meeting adjourned at 11:59 a.m. The next regular board meeting is scheduled for Thursday, Aug. 31, 2023, at 9:00 a.m. virtually and at Platte River Power Authority, 2000 E. Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Secretary







## Memorandum

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**Date:** 8/23/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Sarah Leonard, general counsel

**Subject:** Policy on real estate transactions for resource development

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At the July 2023 board meeting, staff briefed the board in executive session on several potential real estate transactions that may facilitate new resource development and further Platte River's Resource Diversification Policy goals. Staff suggested the board consider adopting a policy that would give the general manager flexible authority to approve real estate transactions that meet required conditions stated in the policy. Staff committed to present a draft policy at the August 2023 board meeting.

During the July discussion, board members also asked staff for options to support board oversight of policies and resolutions that delegate broad powers to the general manager.

The attached materials include a draft real estate transaction policy, as well as suggested revisions to the board meeting governance document, to respond to the board's requests.

These items are informational for the August 2023 meeting. If the board concurs with the materials as presented, staff will ask the board to approve the real estate transaction policy at the September 2023 board meeting and update the board meeting governance document.

### Attachments

- Draft policy – general manager authorization related to real estate transactions for resource development
- Board meeting governance document with proposed revisions



**DRAFT for board consideration – NOT APPROVED**

 <b>Platte River</b> Power Authority	<h2 style="text-align: center;">Policy</h2> <p style="text-align: center;">TITLE: General manager authorization related to real estate transactions for resource development</p>	Version #: 1.0 Original effective date: TBD Next review date: TBD  Page 1 of 1
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**Purpose:** This policy authorizes Platte River’s general manager to approve real estate transactions that facilitate resource development opportunities, subject to required determinations and an obligation to promptly inform Platte River’s board of directors. This policy supplements the narrower authority granted to the general manager by Resolution 23-84 but does not authorize Platte River’s general manager to sell Platte River property.

### Policy:

As Platte River works to achieve its Resource Diversification Policy goals, innovation will be an important strategy element. Taking advantage of emerging opportunities may require flexibility and quick action.

To enable Platte River to pursue innovative resource development opportunities that depend on Platte River land (or facilities), expanding existing land rights, or acquiring new land rights, the board of directors delegates to the general manager authority to enter into real estate transactions as described below.

Provided the general manager determines a proposed real estate transaction

- (1) is in Platte River’s best interest,
- (2) furthers Platte River’s Resource Diversification Policy goals,
- (3) helps Platte River maintain its “three pillars” of reliability, financial sustainability, and environmental responsibility,
- (4) can be completed with approved budget or contingency funds, and
- (5) complies with relevant bond covenants,

the general manager may:

- (a) encumber Platte River-owned real estate (through lease agreements, easements, access rights, or other acceptable arrangements),
- (b) expand existing Platte River real estate rights, and
- (c) acquire new real estate or real estate rights (through fee ownership, lease agreements, easements, access rights, or other acceptable arrangements).

This policy supplements the narrower authority granted to the general manager by Resolution 23-84 but does not authorize the general manager to transfer full ownership rights (fee title) to Platte River-owned real estate.

Whenever the general manager exercises the authority granted by this policy, after completing a real estate transaction the general manager will report to the board at the next regularly scheduled board meeting.



## Discussion Draft - Updated Board Meeting Governance Document

# LEADERSHIP

## Officers

Under the Organic Contract, Platte River must have at least five officers, consisting of a chair, vice chair, secretary, treasurer, and general manager. The chair and vice chair must be board members. The Organic Contract specifies the basic duties of each officer, but the board may also prescribe additional duties to any officer.

### Chair

The chair has the following privileges and duties:

1. Meeting director. The chair presides at all meetings of the board. The chair seeks to clarify any pending actions before the board votes. The chair is encouraged to restate motions, announce expectations for the meeting agenda, and recommend to the board the proper procedure for a particular course of action.
2. Parliamentarian. The chair is the meeting parliamentarian and decides all questions of process and procedure. The chair may consult with general counsel or administrative staff to assist in applying the rules of order. The board as a whole can appeal the chair's ruling.
3. Facilitator. The chair should generally encourage other board members to propose or second motions and lead initial discussions. The chair has the same rights as other board members to present and second motions and participate in board deliberations.

### Vice chair

In the absence of the chair (or if the chair is unable or refuses to act) the vice chair performs the duties of the chair and, when so acting, has all the powers and restrictions that apply to the chair.

### General manager and chief executive officer

The general manager is Platte River's principal executive officer, with full responsibility for its planning, operations, and administrative affairs according to policies and programs approved by the board.

### Treasurer

The treasurer serves as Platte River's financial officer and, as provided in the board-adopted fiscal resolution (and subject to law), is responsible for the receipt, custody, investment, and disbursement of Platte River's funds and securities and for other duties incident to the office of treasurer.

### Secretary

The secretary maintains Platte River's official records, including all resolutions and regulations approved by the board, the minutes of board meetings, and a register of the names and

addresses of directors and officers. The secretary also issues notices of board meetings and attests and affixes the corporate seal to Platte River documents.

## Leadership team

The leadership team for the board is composed of the chair and vice chair. Ahead of board meetings the leadership team coordinates with the general manager/CEO and general counsel to review and provide direction on the pending and future agendas. Individual members of the leadership team may reach out to other individual board members ahead of meetings to discuss agenda items or other issues, but all outside-of-meeting conversations about Platte River business must be limited to two board members (because three or more would trigger open meetings and notice requirements). The leadership team may perform other responsibilities as directed by the board. Historically, the board has tried to rotate chair and vice chair responsibilities to provide opportunities for representatives from each of the owner communities to serve in leadership capacities.

## Committees

1. Defined Benefit Retirement Committee. Section 8.1 of the Platte River Defined Benefit Plan establishes a Defined Benefits Retirement Committee of six members, four of whom must be board members and two of whom must be members of Platte River's senior management. Under the plan, the general manager and the chief financial officer serve as the senior management representatives. Board representatives to the Defined Benefit Retirement Committee are nominated and elected at annual board meetings.
2. Audit committee. The board serves as Platte River's audit committee.
3. Other committees. The board may form additional temporary or standing committees of board members with assigned areas of responsibility, but committees made up of less than all board members cannot exercise board decision-making power.

# BOARD MEMBER CONDUCT

## Fiduciary duties

Neither the Organic Contract nor Platte River's governing statutes specify the duties board members owe to Platte River. Under the Colorado Corporate Code, a corporation's board members have duties of good faith and loyalty to the organization—that is, to act in a manner they reasonably believe to be in the best interest of the entity, with the same care a prudent person would use in similar circumstances. At a minimum, board members should: (1) avoid conflicts of interest and (2) make informed decisions. A personal conflict of interest exists when a board member (or someone close to the board member) stands to benefit (financially or possibly in other ways) from a matter coming before the board. This has rarely come up for Platte River board members, but were it to arise, the board member should promptly consult with general counsel.

In making informed decisions, board members can rely on information provided by staff or outside experts as long as they have no reason to believe the information is not reliable. Board members

must not disclose Platte River confidential information they receive in their capacities as board members.

Board members may also encounter conflicts if they participate in multiple governing bodies. Serving on multiple bodies is not by itself a conflict of interest, but in their capacities as directors of Platte River, board members must act in Platte River's best interests. Should a board member confront the potential for divided loyalties in a matter that comes before the board, he or she should disclose the potential conflict to the rest of the board and abstain from voting on that matter.

## **Ethical duties**

Board members must adhere to the rules of conduct and ethical principles Colorado law has established for local government officials (such as Colorado Revised Statutes §§ 24-18-101, *et seq.*). Board members should consult with general counsel if they have questions about these rules.

## **Communications on behalf of Platte River**

Whether communicating through social media, media interviews or in other ways, board members must abide by the laws, policies, fiduciary duties and ethical obligations that govern them as board members. Individual board members should refrain from making public statements of opinion on behalf of Platte River. If a board member feels the need to comment publicly, best practices are to provide a disclaimer, such as "these statements reflect my personal views, not those of Platte River or its board of directors."

# **MEETING LOGISTICS**

## **Notice**

Notices of meetings must be posted on the Platte River website no less than 24 hours ahead of each board meeting, but at least seven days' prior notice is preferable. Agendas are posted when available.

## **Place and time**

At each December board meeting, the board establishes the date and location of the annual and regular meetings for the next year. Notices of all meetings are posted in newspapers within the owner communities during January.

## **Meeting agenda**

1. Procedures for setting the agenda. The general manager/CEO is responsible for setting board meeting agendas, with input from the board. Each board meeting packet includes a planning calendar. The planning calendar generally identifies planned agenda items for each meeting through the end of the calendar year. Board members are encouraged to provide input to staff on future agenda items at each meeting. Even if not included on the planning calendar, items may be added to meeting agendas as necessary.
2. Standard order of the agenda. The standard agenda order is:

- Call to order
- Consent agenda, including approving minutes
- Public comment
- Committee reports
- Board action items
- Management presentations
- Management reports
- Monthly informational reports
- Strategic discussions
- Adjournment

In general, significant matters will be introduced in the “management reports” section of the agenda and may be expanded upon at later meetings as “management presentations.” When formal action is required, the final step will be a “board action item.”

3. Modifying the agenda. Once a meeting has convened, the board may modify the agenda by motion (which requires a second and affirmative vote of the board).

### **Distribution of meeting materials**

1. Board meeting agenda and materials (in hardcopy form if requested) will be distributed to each board member (and posted to Platte River’s website) at least seven days before each board meeting.
2. Visual material supporting presentations will be posted to Platte River’s website at least two days before each board meeting.
3. Confidential material will be distributed to board members with a “CONFIDENTIAL” designation (and, when circulated by email, with “#PRIVATE” in the subject line). When possible, the confidential materials will be distributed with the board packet, either in hard copy or electronically as requested.

### **Rules of order**

The basic rules of order for Platte River board meetings are summarized in Attachment A to this document.

### **Public hearings**

When conducting a public hearing the chair must describe the purpose of the public hearing and state any procedural rules for identifying witnesses and length of comments. The chair will open the record and accept public comment. The chair may exercise control of the hearing and may rule comments out of order and make other rulings to ensure orderly conduct of the hearing. Once members of the public have been allowed to comment the chair will close the record and move to other business.



## Public comment guidelines

Public comment at board meetings is at the board's discretion, rather than a legal requirement.

Generally, public comment will be limited to 30 minutes, with each speaker limited to three minutes.

When the number of speakers exceeds 10, speaking time is shared equally (30 minutes divided by the number of speakers). When there are more than 30 speakers, anyone unable to speak before time expires may submit comments by email.

The board chair may permit exceptions.

## Executive session

The Colorado Open Meetings Law allows the board to convene executive sessions in certain limited circumstances, such as discussions of transactions or matters subject to ongoing negotiations, conferences with legal counsel to receive legal advice, discussions of security arrangements or matters required to be kept confidential by law, and personnel matters. The general counsel can provide guidance about whether an executive session is permitted for a particular matter.

1. Vote necessary. Two-thirds of the quorum present must vote yes to convene an executive session for any of the purposes allowed by law.
2. Form of motion. Without compromising the purpose of the executive session, the motion must set forth in detail the matters to be discussed during the executive session, including the specific sections of the Colorado Open Meetings Law that authorize the executive session.
3. No formal action. The board may not take any formal action or adopt any proposed policy, position or resolution during an executive session.
4. Audio recording of executive session. Platte River must record all discussions in executive session (except when the discussions are privileged attorney-client communications). Audio recordings must be retained for at least 90 days.
5. Confidentiality. All board members and any others present in an executive session must protect the confidentiality of information gained in executive session (except as otherwise authorized by the board, required or permitted by judicial order, or required or permitted by law).

## Special meetings

Under Section 2.3.9 of the Organic Contract, any director (including the chair) may call a special board meeting.

## Meeting minutes

Minutes must be taken at any public board meeting at which the board may or does adopt any proposed policy, position, resolution or take other formal action. This includes regular, annual and special board meetings, as well as study sessions and board retreats (if there is the potential for formal action).

As noted above, Platte River must record executive sessions.

## OTHER BOARD RESPONSIBILITIES

### **Continuity of management; periodic review of broad delegations**

If the general manager/CEO resigns or retires, the chair is responsible for (1) communicating (through one-on-one outreach) the situation to the other board members and seeking their input on the process to replace the general manager/CEO, and (2) placing an agenda item on the next available board meeting agenda, including a special meeting if necessary, to determine a replacement process.

If the general manager/CEO position will be vacant for a time, the board must appoint an interim general manager (as provided in Section 2.4.3(v) of the Organic Contract). The deputy general manager serves as general manager/CEO until the board can appoint an interim general manager.

The board should periodically review any policies and resolutions that grant broad authority to the general manager—particularly when an incoming general manager first takes office—to confirm they continue to meet Platte River’s evolving needs. Examples of existing policies that grant broad authority include the Resource Diversification Policy, the Fiscal Resolution, the water resources policy, and the employee total compensation policy.

### **Representation of Platte River**

The board will make an appointment if a membership organization or related business organization requires a board member to represent Platte River’s interests. Otherwise, the general manager appoints employees of Platte River to participate in industry-related organizations.

## ORGANIC CONTRACT

Attachment B to this document summarizes Organic Contract provisions that may bear on meeting procedures and board member responsibilities.

## ATTACHMENT A

### Board meeting basic rules of order

These basic rules of order govern annual, regular and special board meetings. These rules of order are based upon Robert's Rules of Order, Newly Revised, but have been modified as necessary to conform to existing board practices and the Organic Contract. For example, while passage of some motions listed below requires a two-thirds vote under Robert's Rules of Order, under the Organic Contract all board motions, except a motion to go into executive session, require the affirmative vote of only a majority of the directors present (provided a quorum is present). The Organic Contract also defines the procedure to resolve a deadlock.

If there is a question of procedure not addressed by these rules, the chair may refer to Robert's Rules of Order for clarification or direction, but following Robert's Rules of Order is not mandatory. These rules govern if they conflict with Robert's Rules of Order, but if they conflict with the Organic Contract, the Organic Contract governs.

#### 1. MAIN MOTIONS

- a. Main motions are used to bring business before the board for consideration and action.
- b. A main motion can be introduced only if no other motion or business is pending.
- c. All main motions require a second and may be adopted by majority vote of the directors present at a meeting at which a quorum is present, except a motion to go into executive session, which requires a two-thirds vote of those present.
- d. Any director may make or second a main motion, including the chair.
- e. After a motion has been made and seconded, the chair will allow time for discussion.
- f. A main motion is debatable and may be amended.

#### 2. SUBSIDIARY MOTIONS

Subsidiary motions may apply to another motion to modify it, delay action on it, or dispose of it. The forms of subsidiary motions are as follows:

- a. Motion to amend. The point of a motion to amend is to modify the wording and, within certain limits, the meaning of a pending motion before the pending motion itself is acted upon.
  1. A motion to amend, once seconded, is debatable and may itself be amended once.
  2. Once a motion to amend has been seconded and debated, it is decided before the main motion is decided.
  3. Rejection of a motion to amend leaves the pending main motion worded as it was before the amendment was offered.
  4. Certain motions to amend are improper and the chair may so determine.
    - An amendment must be "germane" to be in order. To be germane, an amendment must in some way involve the same question that is raised by the motion to which it is applied. An amendment that is not germane to the original motion is improper.

- A motion that would make the adoption of the amended question equivalent to a rejection of the original motion is improper.
  - A motion that would make the question as amended identical with, or contrary to, one previously decided by the board during the same session, or previously considered and still not finally decided, is improper.
5. A director's vote on an amendment does not obligate the director to vote in a particular way on the motion to which the amendment applies.

b. Motion to postpone to a certain time.

1. A question may be postponed either to consider it at a more convenient time or because debate has shown reasons to delay a decision until later.
2. This motion can be made regardless of how much debate there has been on the motion it proposes to postpone.
3. A motion to postpone can be debated only to the extent necessary to enable the board to determine whether the main motion should be postponed and, if so, to what date or time.
4. Similarly, a director can move to amend a motion to postpone only to change the date or time to which the main motion should be postponed.

### **3. FRIENDLY AMENDMENTS**

A "friendly" amendment is a change in the wording that enhances and strengthens the original motion. Friendly amendments acceptable to those who made and seconded the main motion do not require a second and are permissible any time before a vote is taken on motions to amend the main motion.

### **4. WITHDRAWAL OF A MOTION.**

After a motion has been seconded and stated by the chairperson it belongs to the board as a whole. The maker must request the board's permission to withdraw the motion. If one or more board members object to the request, a majority of the board must consent to the withdrawal of the motion.

## ATTACHMENT B

### Excerpts from the Organic Contract

The following summarizes Organic Contract provisions that may bear on meeting procedures and board member responsibilities:

1. Number and selection of directors. Each owner community is represented by two board members. The mayor of each owner community is designated as a board member. Any mayor may designate some other member of the owner community's governing body to serve in place of the mayor. The governing body of each owner community appoints one additional board member. (Organic Contract Sections 2.3.1 and 2.3.2)
2. Terms of directors. The mayor of each owner community, or the member of the owner community's governing body designated by the mayor, serve as a director throughout his or her term as mayor. The terms of the appointed directors are staggered. Each appointed director serves a term of four years from the date the director's predecessor's term expired. (Organic Contract Section 2.3.3)
3. Removal of directors. A mayor must relinquish his or her seat on the board upon leaving the office of mayor. A member of the owner community's governing body designated to serve in place of a mayor may be removed at any time by the mayor, with or without cause. Any director appointed by the governing body of an owner community may be removed at any time by the governing body, with or without cause. (Organic Contract Section 2.3.4)
4. Compensation. Directors do not receive compensation for board service but may be reimbursed their actual expenses to attend board meetings and for expenses otherwise incurred on behalf of Platte River. (Organic Contract Section 2.3.6)
5. Annual meetings. An annual board meeting must be held within the first 120 days in each year, within Fort Collins at a place designated in the notice of the meeting. The purpose of the annual meeting is to elect officers, pass upon reports for the preceding fiscal year, and transact other business that comes before the board. (Organic Contract Section 2.3.7)
6. Regular meetings. The board may provide for the time and place for regular meetings by resolution without notice to the directors other than the resolution adopting the meeting schedule. (Organic Contract Section 2.3.8)
7. Special meetings. The chair or any director may call a special board meeting. The secretary must notify each director not less than seven days and not more than 35 days before the date fixed for the special meeting. Special meetings are held at the time and place (within Colorado) determined by the chair or the director calling the meeting. (Organic Contract Section 2.3.9). Note that by statute notice periods may be as short as 24 hours. Occasionally special meetings may be scheduled on notice shorter than seven days. This is typical for special meetings to authorize bond issuances.
8. Notice of meetings. Notice of the annual board meeting or any special board meeting must be delivered to each director either personally or by mail, not less than seven days and not more than 35 days before the date fixed for the meeting. (Organic Contract Section 2.3.10)

9. Waiver of notice. A director may waive any required meeting notice by written waiver. A director's attendance at any board meeting constitutes the director's waiver of notice of the meeting (except if the director attends the meeting for the purpose of objecting to the transaction of business because the meeting was not properly convened). (Organic Contract Section 2.3.11)
10. Quorum. The presence of five directors constitutes a quorum to transact business. The act of a majority of the directors present at a meeting with a quorum present is the act of the board. (Organic Contract Section 2.3.12)
11. Attendance by teleconference. Directors may attend and fully participate in any meeting by teleconference. (Organic Contract Section 2.3.13)
12. Vote in case of deadlock. If the board is deadlocked and unable to obtain a majority vote (provided a quorum is present), any director may require a "weighted vote." For a weighted vote, each director is assigned voting power equal to one-half of the following ratio:
  - a. The dollar amount of electric power and energy purchased from Platte River during the 12-month period ending with the close of the billing period for the month two months before the month of the deadlocked meeting and paid for by the owner community appointing the director  
  
*divided by*
  - b. The dollar amount of the electric power and energy purchased from Platte River and paid for by all owner communities during the same 12-month period.
 (Organic Contract Section 2.3.14)
13. Duties. The board's duties include the following:
  - governing the business and affairs of Platte River
  - exercising the powers of Platte River
  - complying with the Colorado Local Government Budget Law
  - adopting a fiscal resolution
  - obtaining the services of independent certified public accountants to examine the financial records and accounts of Platte River on an annual basis and to provide a report to the board
  - keeping minutes of board proceedings.
 (Organic Contract Section 2.3.15)
14. Officers. The officers of Platte River consist of a chair, vice chair, secretary, treasurer, general manager and any other officers and assistant officers the board may authorize to perform duties as assigned by the board. The chair and vice chair must be board members. The other officers of Platte River need not be board members. (Organic Contract Section 2.4)



## Memorandum

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**Date:** 8/23/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Raj Singam Setti, chief transition and integration officer

**Subject:** Resource planning studies update

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The 2024 integrated resource planning (IRP) focuses on maintaining system reliability while integrating increased renewable resources. Platte River has engaged subject-matter experts with extensive experience in modeling uncertainties for resource planning. Our goal remains to ensure the reliability of the Platte River system while efficiently integrating renewable and distributed energy resources (DERs).

### Key resource planning studies:

- 1) Price Volatility, Congestion, and Curtailments: To better understand the dynamics of price volatility, congestion and curtailments, we performed a forward locational marginal pricing forecast for the years 2024 and 2030. This involved monitoring and studying price forecasts at 20 buses within the Platte River transmission system vicinity.
- 2) Extreme Weather Event Analysis: Given the growing concerns around extreme weather events, we conducted in-depth analyses of the breadth, depth, and frequency of heat waves and cold waves. This assessment is crucial for preparing our system to serve load during extreme weather.
- 3) Planning Reserve Margin Requirements (PRMR) and Effective Load Carrying Capability (ELCC): Identifying PRMR and ELCC for renewables is of paramount importance. Our study determined the necessary PRMR for Platte River by 2030, as well as assessing the capabilities of renewable resources to support peak load requirements. This assessment also includes evaluating flexible load and supply components of DERs.
- 4) Building Electrification Forecast: We forecasted anticipated adoption of building electrification across all four owner communities. We considered growth of residential solar, energy efficiency enhancements, electric vehicle adoption, and demand response programs. This forecast helps us develop an appropriate portfolio mix to serve our owner communities.

- 5) Emerging Technologies Review: Keeping an eye on technological advancements, we reviewed emerging options such as hydrogen, ammonia, energy storage solutions and carbon capture technologies. This assessment considers both the current state-of-the-art and future cost and availability projections.
- 6) Dispatchable Capacity Assessment and Technology Selection: We commissioned an independent assessment of Platte River's dispatchable capacity needs with increased renewable integration. This includes thorough techno-economic assessments of various dispatchable technologies with low-carbon options.

The 2024 IRP seeks to address several critical facets of our energy landscape. The collaboration within our team, with support from subject-matter experts, positions us well to confront the challenges and opportunities presented by renewable resource integration.

This presentation is for informational purposes only and does not require board action.





## Memorandum

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**Date:** 8/23/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Melie Vincent, chief operating officer  
Darren Buck, director power delivery

**Subject:** **Transmission strategy and planning**

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Transmission investment is a critical aspect to Platte River's success. This presentation will review how our system has evolved to serve the owner communities and the projects currently underway to facilitate owner community growth. Staff will also speak to the investments that will be necessary to support system reliability and financial sustainability as Platte River pursues the Resource Diversification Policy goals and market implementation.

This presentation is for informational purposes only and does not require board action.





## Memorandum

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**Date:** 8/23/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Eddie Gutiérrez, chief strategy officer

**Subject:** **Community engagement update**

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This presentation will provide an update on the series of community presentations Platte River has provided to our owner communities to tell the Platte River story and preview upcoming community presentations to continue the strategy for developing overall community engagement.

This presentation is informational only and does not require board action.





# Legal, environmental and compliance report

July 2023







## Overview of recent developments

### Legal matters

#### Federal Energy Regulatory Commission Rulemaking—Generator Interconnection Reform

On July 27, 2023, the Federal Energy Regulatory Commission (FERC) issued a final rule, “Improvements to Generator Interconnection Procedures and Agreements,” designated as FERC Order No. 2023. This rule adopts reforms to speed up and streamline the generator interconnection process and address long queues that have delayed renewable projects. Reforms include requiring transmission providers to conduct “cluster” studies and increased requirements for interconnection customers’ deposits and site control. The full report is on page 2 of this document.

### Environmental matters

There are no new environmental matters to report.

### Compliance matters

There are no new compliance matters to report.

### Grant opportunities

The business strategies section of the general manager report now contains Platte River’s updates on grant opportunities.

## Monitoring—status unchanged

Page 4 of this document provides a list of matters previously reported but unchanged since our last report.

## Recently concluded matters

Page 6 of this document provides a list of matters that have concluded within the last three months.

## Active matters

### Legal matters

#### Federal Energy Regulatory Commission Rulemaking—Generator Interconnection Reform

##### ***Background:***

In 2021, the Federal Energy Regulatory Commission (FERC) issued a wide-ranging advanced notice of proposed rulemaking (ANOPR) addressing regional transmission planning, cost allocation and generator interconnection (Docket No. RM21-17). FERC sought input on a menu of proposals and potential reforms, intended to reflect FERC's thinking that a more "holistic" approach was needed for transmission planning, cost allocation and generator interconnection processes to support planning "the grid for the future." Platte River worked with our partners in the Large Public Power Council to submit comments on the ANOPR.

On April 21, 2022, FERC issued a notice of proposed rulemaking (NOPR) titled "Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection," in Docket No. RM21-17. This proposed rulemaking envisioned new requirements for transmission planning, including a long-term planning horizon of at least 20 years and scenario development that included potential legal and regulatory impacts on resource mix and updated technology trends.

On June 16, 2022, FERC also issued a NOPR titled "Improvements to Generator Interconnection Procedures and Agreements," Docket No. RM22-14. This NOPR proposed reforms to FERC's pro forma Large Generator Interconnection Procedures, Small Generator Interconnection Procedures, Large Generator Interconnection Agreement, and Small Generator Interconnection Agreement to address queue backlogs, improve certainty, and prevent undue discrimination.

##### ***Current status:***

On July 27, 2023, FERC issued a final rule, "Improvements to Generator Interconnection Procedures and Agreements," designated as FERC Order No. 2023. This rule adopts reforms to speed up and streamline the generator interconnection process and address long queues that have delayed renewable projects. Among other reforms, the rule:

- implements a "first ready, first-served" cluster study process that allows transmission providers to enlarge interconnection studies to encompass many generating facilities at once;
- adds financial deposit and site control requirements for interconnection customers to prevent speculative projects from taking up queue space and triggering new studies when they withdraw;





## Platte River Power Authority

- establishes penalties for transmission providers that fail to complete interconnection studies on time,
- sets uniform modeling standards for systems studies,
- requires transmission providers to allow more than one generating facility to co-locate at a shared site behind a single interconnection point with a single interconnection request,
- requires transmission providers to use operating assumptions that reflect the charging behavior of battery storage systems, and
- establishes modeling and performance standards for inverter-based resources (such as wind and solar power facilities).

Although Platte River is not FERC jurisdictional, this rule will likely have wide-ranging effects on how transmission providers manage their interconnection queues. And, if Platte River moves ahead with its plans to join the Southwest Power Pool's western regional transmission organization (RTO West) or another regional transmission entity, Order No. 2023 will apply to the regional entity's interconnection process. FERC-regulated transmission providers must submit compliance filings within 90 days after FERC publishes its final rule.

### Environmental matters

There are no active environmental matters to report.

### Compliance matters

There are no active compliance-related matters to report.

### Grant opportunities

The business strategies section of the general manager report now contains Platte River's updates on grant opportunities.



## Monitoring—status unchanged

### Legal matters

#### **Western Area Power Administration process to evaluate joining the Southwest Power Pool's western regional transmission organization**

There are no new developments in this matter. Platte River and other prospective RTO West participants are waiting for the Western Area Power Administration (WAPA) to decide whether to pursue final negotiations and sign a Commitment Agreement by Oct. 10, 2023.

#### **Platte River signs commitment agreement to join the Southwest Power Pool's western regional transmission organization**

On May 30, 2023, Platte River signed the Commitment Agreement to participate in RTO West. There are no new developments in this matter as the participants await WAPA's decision on whether to join RTO West.

#### **Save the Colorado v. Bureau of Reclamation (Glen Canyon Dam)**

On June 1, 2023, Save the Colorado and other environmental groups (appellants) filed their opening brief at the Ninth Circuit Court of Appeals. The defendants (now appellees), including the Bureau and the Colorado River Energy Distributors Association (of which Platte River is a member), must file their responding briefs by August 2, 2023.

#### **El Paso Electric Co. v. Federal Energy Regulatory Commission**

The Fifth Circuit Court of Appeals held oral argument on April 3, 2023. There were no new developments in this matter in July.

### Environmental matters

#### **EPA's proposed new regulations for greenhouse gas emissions from power plants**

The comment period on the proposed rules ends Aug. 8, 2023. Platte River expects EPA to receive many comments, including from public power trade associations. Platte River will evaluate the effect of any final rules, once issued, on its current and any proposed new electric generating units.

#### **Groundwater and waste management**

Platte River continues to monitor groundwater and has nearly completed lining and improvements at the monofil. There have been no new developments since our last report.



### Compliance matters

There are no compliance-related matters in monitored status this month.

### Grant opportunities

The business strategies section of the general manager report now contains Platte River's updates on grant opportunities.



## Recently concluded matters (last three months)

### Legal matters

#### **Proposed revisions to Colorado Air Quality Control Commission Regulation No. 3 for sources in disproportionately impacted communities**

In 2021, the Colorado legislature passed House Bill 21-1266, the Environmental Justice Act, which required the Colorado Air Pollution Control Division (Division) to establish rules to reduce environmental health disparities in disproportionately impacted communities (DI Communities). The Division proposed a set of revisions to Air Quality Control Commission (Air Commission) Regulation No. 3 (governing stationary source permitting and air pollution emission notice requirements) to enhance modeling, monitoring, and reporting requirements for stationary sources in DI Communities (as identified in the state's "Enviroscreen" mapping tool).

On May 18, 2023, the Air Commission adopted most of the Division's proposed rules affecting air permitting for stationary sources and air pollution emission notice requirements in DI Communities, including enhanced modeling and enhanced monitoring requirements. But notably, the Air Commission did not adopt the Division's proposal to remove "minor modification" procedures for sources subject to air permit requirements, which allows sources like Platte River to continue to use these procedures when appropriate.

### Environmental matters

There are no recently concluded environmental matters.

### Compliance matters

There are no recently concluded compliance matters.

# Resource diversification report

July 2023





## Resource integration

Platte River recently finalized the interconnection agreement with Black Hollow Sun (BHS) Solar, LLC, allowing the BHS solar project to interconnect with Platte River’s transmission system. Platte River and 174 Power Global (BHS’s parent company) have started ordering equipment to allow the 150 MW BHS solar project to start construction in early 2024, with an expected commercial operation date of early 2025.

Platte River has recently finalized a term sheet with a developer to purchase an additional 150 MW of nameplate solar capacity, which is expected to begin commercial operation in early 2026. Staff is currently negotiating a power purchase agreement consistent with the term sheet.

Platte River plans to issue a request for proposals (RFP) this fall to purchase additional wind capacity that would be commercially operational in 2027. Another RFP could be issued this fall to purchase a utility-scale battery project that could begin commercial operations in early 2027.

The table below summarizes Platte River’s most recent plan for additional resources to meet our power supply objectives.

	2023	2024	2025	2026	2027	2028	2029	2030
<u>Existing Resources</u>								
Rawhide 1	278	278	278	278	278	278	278	
Craig 1 & 2	151	151	151	151	74	74		
Peaking capacity	388	388	388	388	388	388	388	388
Wind	231	231	231	231	231	231	231	285
Solar	52	52	52	52	52	52	52	52
<u>New Resources (*)</u>								
Solar			150	150		150		
Wind					200			100
Storage				25	75	100		
Dispatchable capacity						166		

(\*) In-service year for new resources is based on first year such resource is available during the summer months.

## Integrated resource planning 2024

The resource planning team spent the majority of the past month working on various studies to support the 2024 Integrated Resource Plan (IRP), modeling work for the IRP and completing the power supply plan (PSP) for the 2024 budget. Key activities include:

- Completed and presented the Extreme Weather and Dark Calm Events studies to management. We use these study results to analyze reliability of future portfolios for the 2024 IRP.
- Completed the 2030 Planning Reserve Margin study, which estimates renewable generation and storage's effective load-carrying capability. Results were presented to management and will be used in the 2024 IRP modeling.

- Completed the location marginal prices study, which assesses future location marginal prices at Platte River and some neighboring nodes for 2024 through 2030.
- Finalized part 1 of the dispatchable capacity selection study. Resource planning is leading this study, guided by managers from various Platte River departments. The team presented its recommendations to the new generation steering committee.
- Continued work on the low- or no-carbon generation technology screening study. This study includes an assessment of mature and emerging power generation technologies, including long-duration energy storage, low- or no-carbon fuels (such as biodiesel, hydrogen, ammonia, etc.) and carbon capture, utilization and sequestration. Based on the available spectrum of technologies, the study will recommend technologies for Platte River to use or pilot.
- Worked with distributed energy resources (DER) department to finalize their findings of the DER forecast study and incorporate these findings into the 2024 IRP modeling.

## DER system integration

Platte River and its owner communities are working together to integrate DERs, whether owned by customers or the utility, into the electric system. This work occurs through the DER Advisory Committee, DER Planning and Programs teams, and other working groups, including Platte River staff and owner communities.

The DER planning forecast in the table below shows how selected DERs are expected to expand. Platte River has commissioned Dunskey Energy + Climate Advisors to perform a DER forecast and potential study to expand this forecast. The expansion will add a forecast of distributed storage and fleet electric vehicle adoption, which are currently not included. Staff is currently evaluating the study results, which will inform the 2024 IRP and set program goals and budgets.

DER planning forecast (noncoincident MW)

	2023	2024	2025	2026	2027	2028	2029	2030
Distributed Generation	-38	-46	-55	-64	-72	-79	-85	-90
Electric vehicles	10	12	16	21	27	35	44	55
Building electrification (winter)	0	1	1	3	5	8	13	20
Demand response	0	-2	-5	-10	-15	-23	-30	-30

\*Positive values indicate increases to loads. Negative values indicate reductions in load or the addition of generation.

Efforts with distribution-scale storage projects continue. Staff recently received updated bids from shortlisted bidders for sites identified by and within each owner community. We will review submissions in August. Proposals considered advantageous will move forward, potentially from one or more vendors. Contracting, permitting, design, procurement and construction are expected to take approximately two years.



The DER gap assessment and roadmap projects focus on identifying technologies needed to integrate DERs effectively. A draft report defining the target technology state is nearing completion, to be shared with the owner communities' staffs in August. The target technology state defines which DER management systems (DERMS) and DERMS-adjacent technologies are needed to support DER integration.

## Data science

- Continued support of the operations department through daily updates to the Western Energy Imbalance Service system demand-supply balance and locational marginal prices data dashboards.
- Continued work with an external data science consultant to revamp the current planning database and various internally developed dashboards.





# Operating report

July 2023





## Executive summary

July weather remained mild, with only a few days of warm temperatures and no periods of sustained heat, resulting in owner community demand and energy being below budget for the month. Year to date, demand and energy are both below budget. The overall net variable cost to serve owner community load was significantly below budget for the month, due to a summer surplus sale and other bilateral sales made at favorable pricing. Year to date, the net variable cost to serve owner community load is near budget.

### Thermal resources

Rawhide Unit 1 ran well throughout most of the month of July. However, the unit did trip offline causing a forced outage on July 27, as detailed in the events of significance on page 4. This resulted in the equivalent availability factor being below budget. Net capacity factor was significantly below budget due to being dispatched lower in the Southwest Power Pool Western Energy Imbalance Service (SPP WEIS). Year to date, the equivalent availability factor is below budget and net capacity factor is significantly below budget.

Craig Unit 1 had two forced outages and several curtailments throughout the month. Craig Unit 2 was curtailed most of the month and then tripped offline on July 30, while Craig Unit 1 simultaneously experienced a forced outage, with both units remaining offline through the end of the month. As a result of these forced outages and curtailments, the equivalent availability factor was below budget for the month. Net capacity factor was significantly below budget due to being dispatched lower in WEIS. Year to date, Craig equivalent availability factor and net capacity factor are significantly below budget.

The combustion turbines (CTs) were primarily run to facilitate sales during the month of July. The combustion turbine equivalent availability factor was at budget for the month and net capacity factor was above budget. Year to date, the equivalent availability factor is below budget and net capacity factor is above budget.

### Renewable resources

Wind generation was above budget for the month, despite a few minor curtailments in WEIS. Solar generation was below budget due to a derate on the Rawhide Prairie Solar project and WEIS curtailments. Net capacity factor for wind was above budget while solar was below budget for the month. Year to date, net capacity factor for wind is below budget and solar is near budget. The battery associated with the Rawhide Prairie Solar project was charged and discharged 31 times throughout the month.

### Surplus sales

Surplus sales volume was below budget for the month, as less Craig baseload generation was available to sell. Average surplus sales pricing was significantly above budget, due to a summer surplus sale and CT bilateral sales made at above budget prices. Year to date, surplus sales volume is significantly below budget and average sales pricing is above budget.

## Purchased power

Overall purchased power volume was significantly above budget, due to a substantial amount of WEIS purchased power. WEIS average purchased power pricing was significantly above budget, but below generation costs. Bilateral purchased power volume was significantly below budget, and bilateral purchased power pricing was below budget, resulting in the overall purchased power pricing being well below budget for the month. Year to date, purchased power volume is significantly above budget and average purchased power pricing is above budget.

## Total resources

Total blended resource costs were above budget for the month, with solar and coal being above budget. The overall resource costs were partially offset by below budget hydropower, wind, natural gas and other purchases. Year to date, total blended resource costs are above budget.

## Variances

Category	July variance		YTD variance	
Owner community demand	(7.5%)	■	(2.8%)	■
Owner community energy	(8.4%)	■	(3.9%)	■
Wind generation	3.9%	●	(5.4%)	■
Solar generation	(7.0%)	■	(0.5%)	◆
Net variable cost to serve owner community load	(65.4%)	●	(0.4%)	◆

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

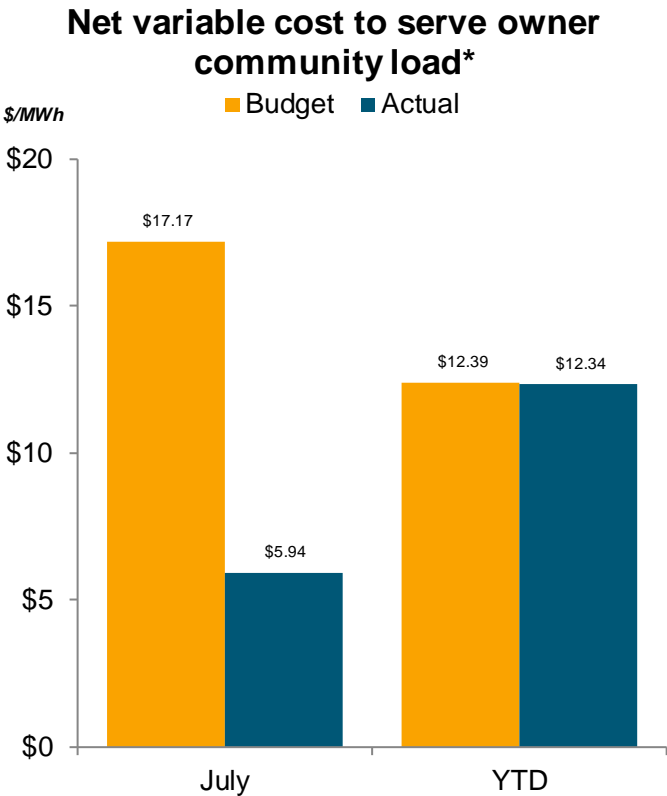
## Loss of load

### System disturbances

There were no system disturbances resulting in loss of load during the month of July.

2023 goal		July actual		YTD total	
0	●	0	●	1	■

## Net variable cost to serve owner community load



\* The net variable operating cost to serve owner community load is equal to the sum of fuel, renewable purchases, energy purchases less surplus energy sales. The net variable cost is divided by total owner community load to determine average net variable cost to serve owner community load.

## Events of significance

- Transmission power system operators participated in 1,150 phone and radio interactions.
- There were 65 switching events during the month of July. 46 were completed, 7 were canceled, and 12 remain active.
- July natural gas pricing was lower and more consistent than what was experienced in 2022, when natural gas prices were unusually high.
- The Rawhide Prairie Solar project had a minor curtailment, during most of the month of July, to replace a capacitor bank and perform clean up due to rodent intrusion.
- Dixon Creek coupling capacitor voltage transformer (CCVT) replacements were completed on the Drake and Poudre transmission lines. CCVTs are used to step down transmission voltage for metering and relaying.
- On July 26, WAPA's Gore pass – Blue River 230 kV line was taken out of service due to a nearby fire. This reduced Platte River's transfer capacity on TOT-5 which is a cut plane that comprises of transmission lines which run from Western Colorado to Eastern Colorado. The line returned to service the following day.
- Environmental exceedance was reported to the state for a NOx exceedance on CT Unit F. The exceedance was the result of human error, although it was also discovered that the continuous emission monitoring system (CEMS) equipment on CT Unit F had not been reporting accurate data due to a malfunction. CEMS equipment reads stack emissions on each CT unit and sends the information to the control room.
- Rawhide Unit 1 tripped offline, on July 27, and was offline for approximately 32 hours. The trip was caused by a fault on secondary unit substation (SUS) 1B which ultimately tripped 102 boiler feed pump, 102 condensate pump, and 102 induced draft fan. An SUS is a feeder breaker which supplies electricity to either high voltage motor control centers (HVMCC) or to motor control centers (MCC) which supply equipment with the necessary voltages needed to operate. HVMCC are 4160 volts and MCCs are 480 volts.
- On July 28, the Loveland East – Crossroads 115 kV line tripped. There were numerous low voltage alarms seen across Platte River's transmission system when this occurred. It also caused a large industrial customer to trip, losing approximately 11 MW of load. The partially underground line was patrolled, re-energized and returned to service later that day. Shortly thereafter, the large industrial customer began restoring their load. A lightning strike was the suspected cause of the trip.
- On July 14, the reliability coordinator (RC) conducted a conference call with their western entities due to anticipated regional hot weather and high loads. During the call, PSCo indicated that, if they lost a major unit, they would be in an energy emergency alert situation meaning that they were concerned about capacity shortages in the region. As PSCo is Platte River's balancing authority, situations such as these could lead to Platte River having to assist in mitigating a capacity shortage. The RC hosts these calls daily, when loads are expected to be within 90% of historical peaks. These calls continued on a daily basis, throughout most of late July. On July 17, during the daily RC call, it was suggested that entities cancel scheduled outages for the day due to high temperatures and expected high loads. Platte River's system maintenance department agreed not to do any relay



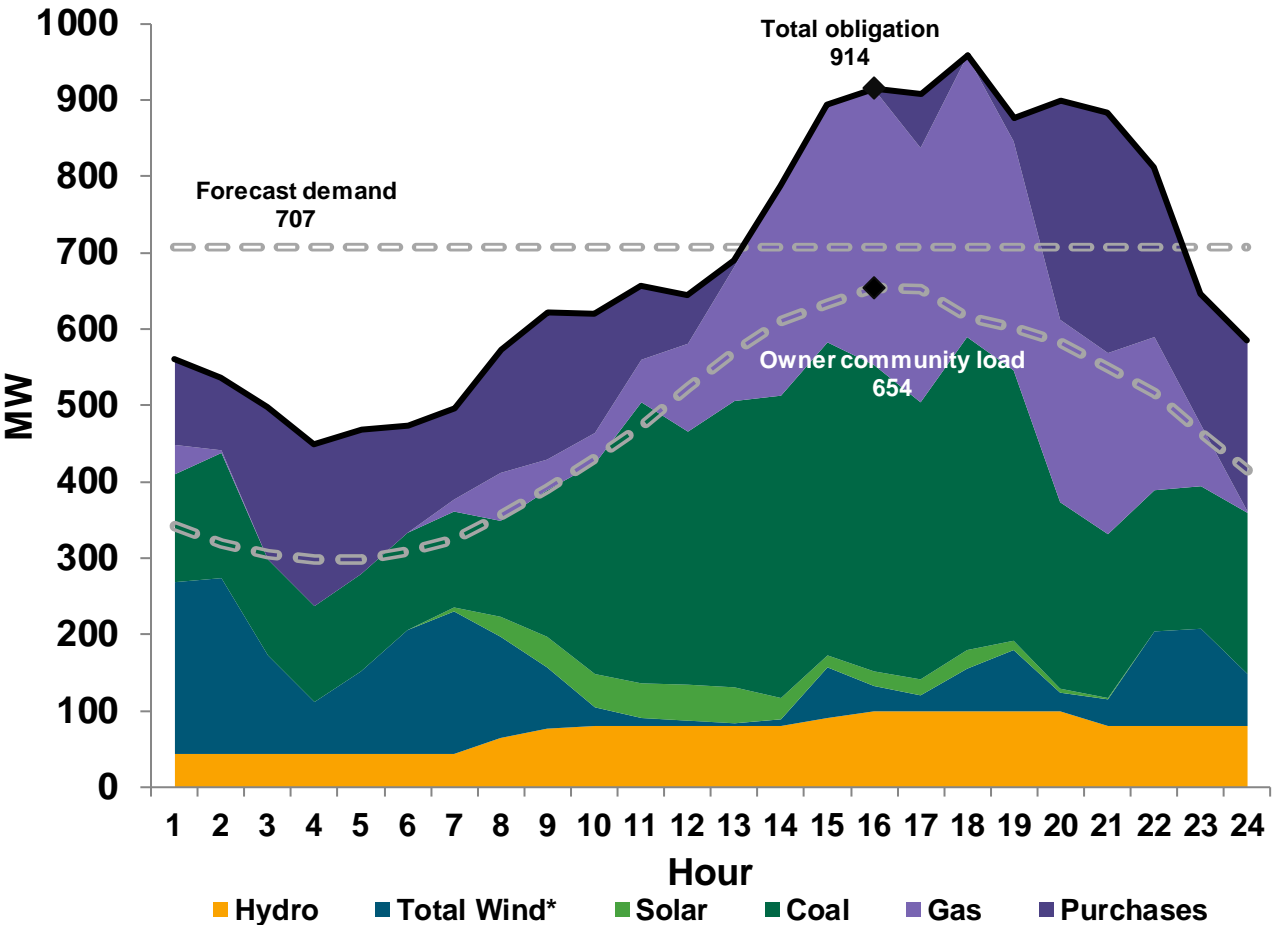
testing and to try to expedite the breaker maintenance that they had scheduled. Platte River's transmission power system operators did not have any reliability concerns regarding our system at the time.

# Peak day

## Peak day obligation

Peak demand for the month was 654 megawatts which occurred on July 24, 2023, at hour ending 16:00 and was 53 megawatts below budget. Platte River’s obligation at the time of the peak totaled 914 megawatts. Demand response was called upon at the time of peak.

## Peak day obligation: July 24, 2023



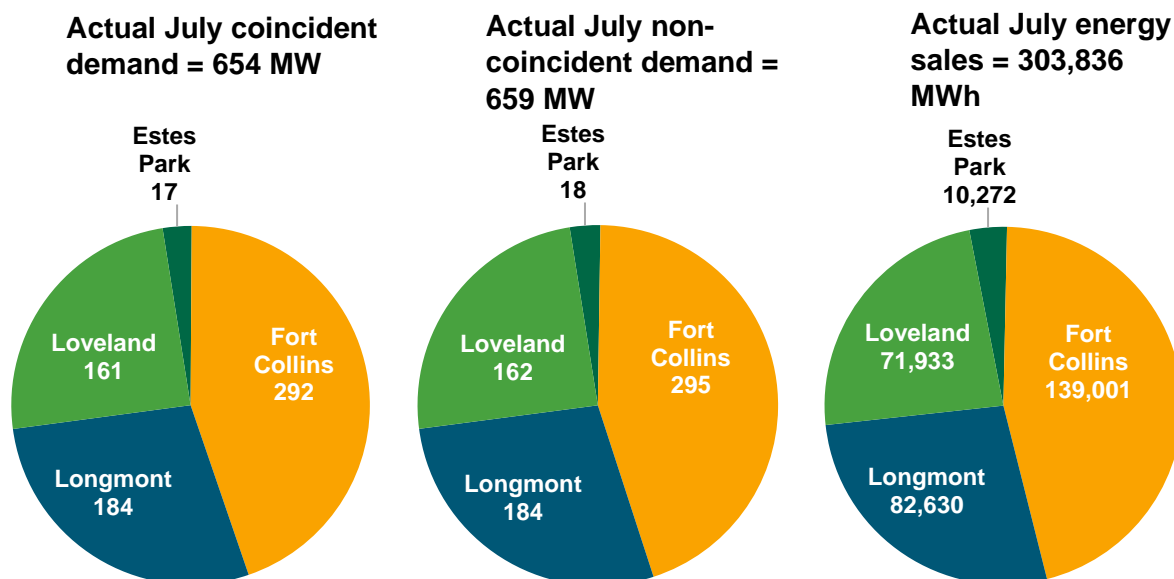
\*Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

## Owner community loads

	July budget	July actual	Minimum	Actual variance	
<b>Coincident demand (MW)</b>	707	654	500	(7.5%)	■
Estes Park	19	<b>17</b>	13	(10.5%)	■
Fort Collins	320	<b>292</b>	229	(8.8%)	■
Longmont	196	<b>184</b>	142	(6.1%)	■
Loveland	172	<b>161</b>	116	(6.4%)	■
<b>Non-coincident demand (MW)</b>	709	659	508	(7.1%)	■
Estes Park	19	18	<b>20</b>	(5.3%)	■
Fort Collins	320	<b>295</b>	229	(7.8%)	■
Longmont	197	<b>184</b>	142	(6.6%)	■
Loveland	173	<b>162</b>	117	(6.4%)	■
<b>Energy sales (MWh)</b>	331,740	303,836		(8.4%)	■
Estes Park	10,798	10,272		(4.9%)	■
Fort Collins	154,602	139,001		(10.1%)	■
Longmont	88,462	82,630		(6.6%)	■
Loveland	77,878	71,933		(7.6%)	■

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

**Note:** The bolded values above were those billed to the owner communities, based on the maximum of either the actual metered demand or the annual minimum ratchet.

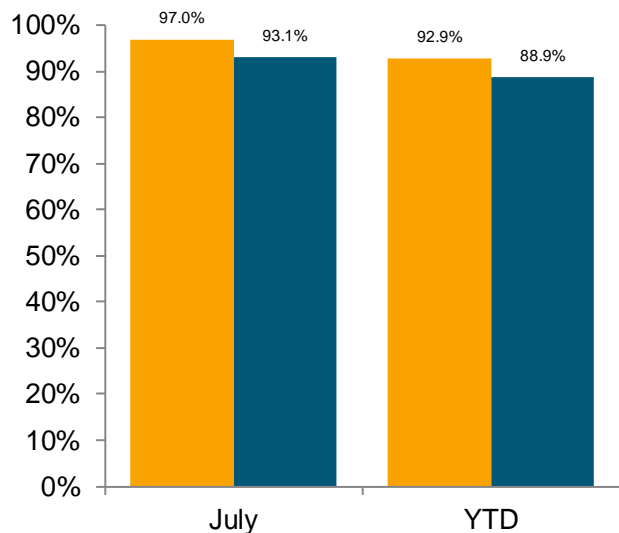


## Thermal resources

### Power generation - Rawhide

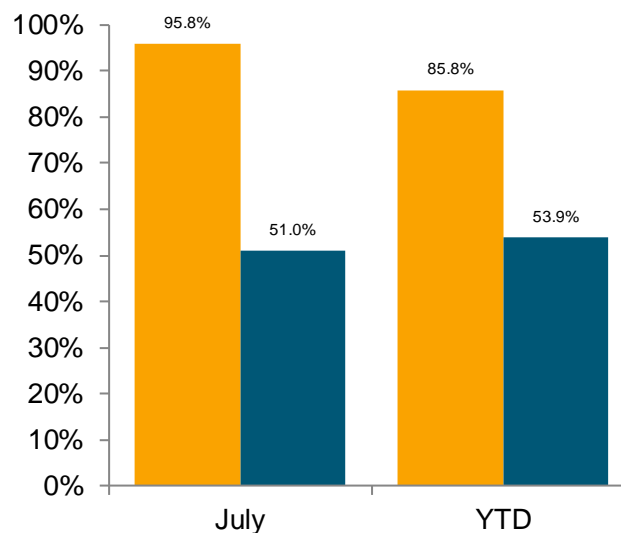
#### Equivalent availability factor

■ Budget ■ Actual



#### Net capacity factor

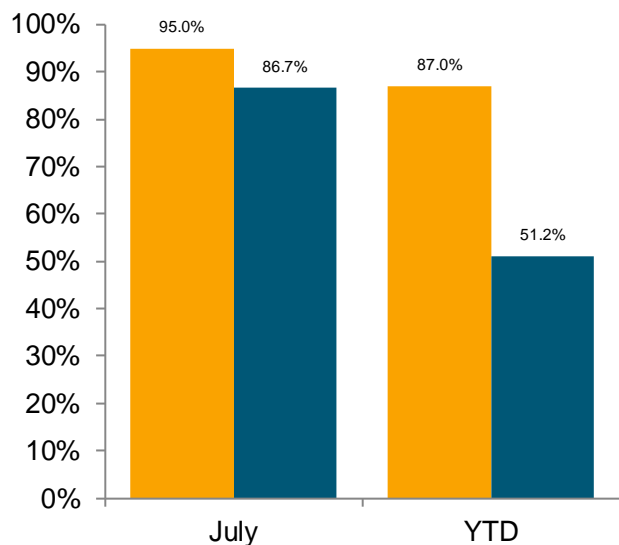
■ Budget ■ Actual



### Power generation – Craig

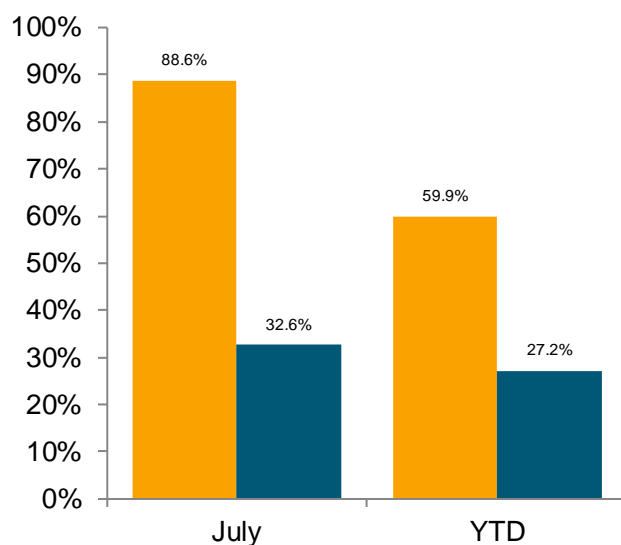
#### Equivalent availability factor\*

■ Budget ■ Actual



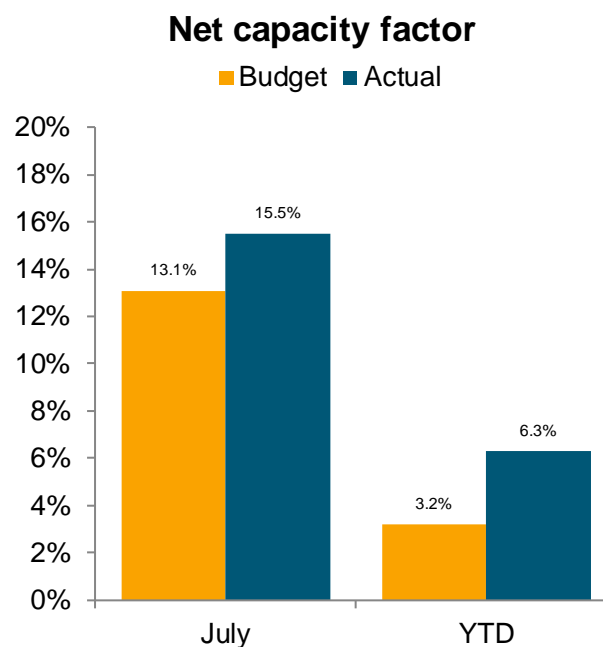
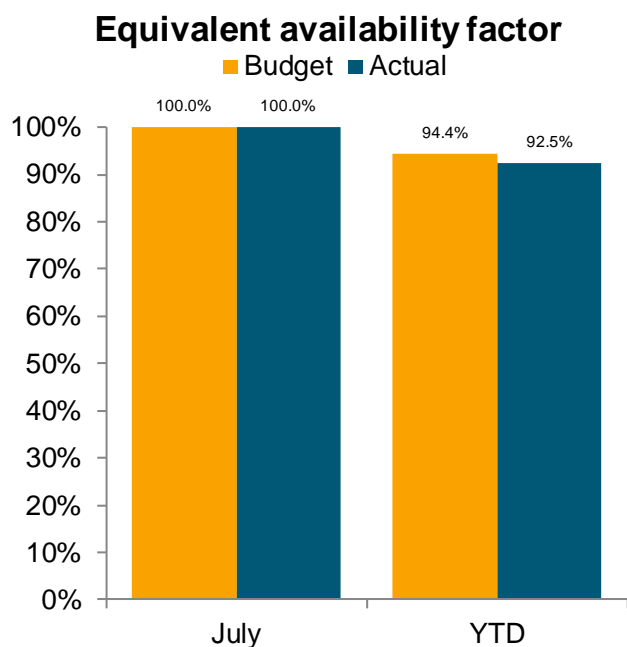
#### Net capacity factor

■ Budget ■ Actual



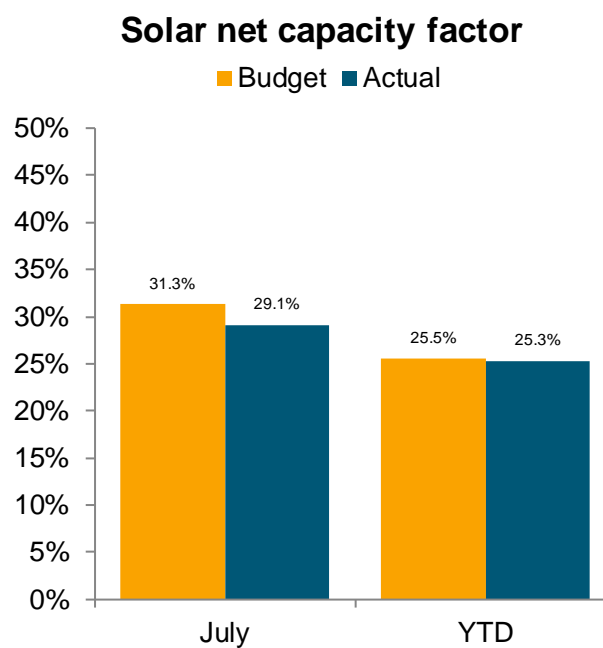
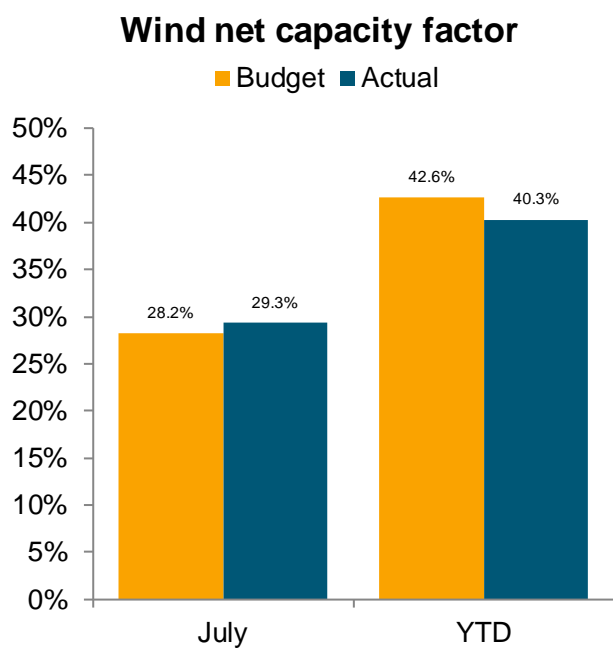
\*Estimated due to a delay

## Power generation – combustion turbines

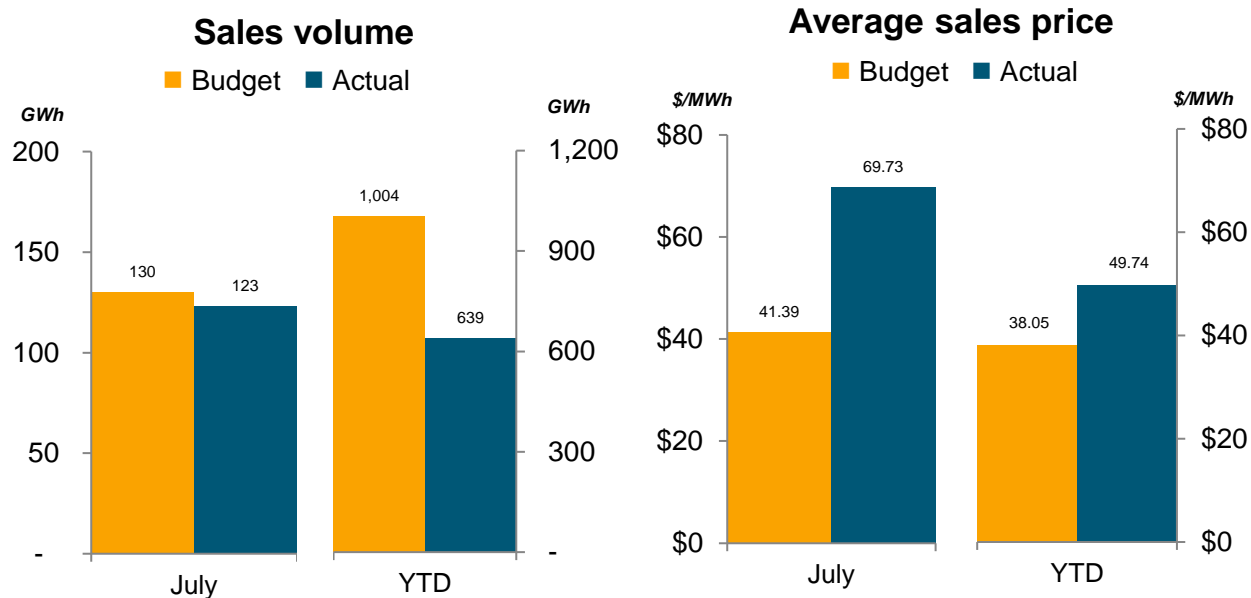


## Renewable resources

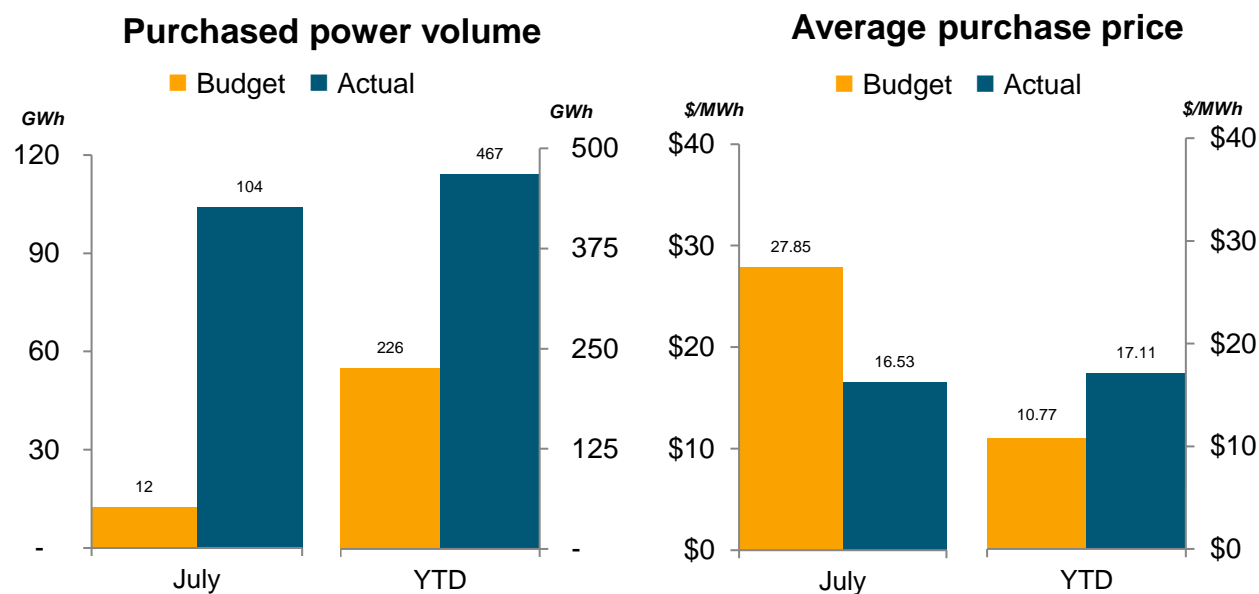
### Power generation – wind and solar production



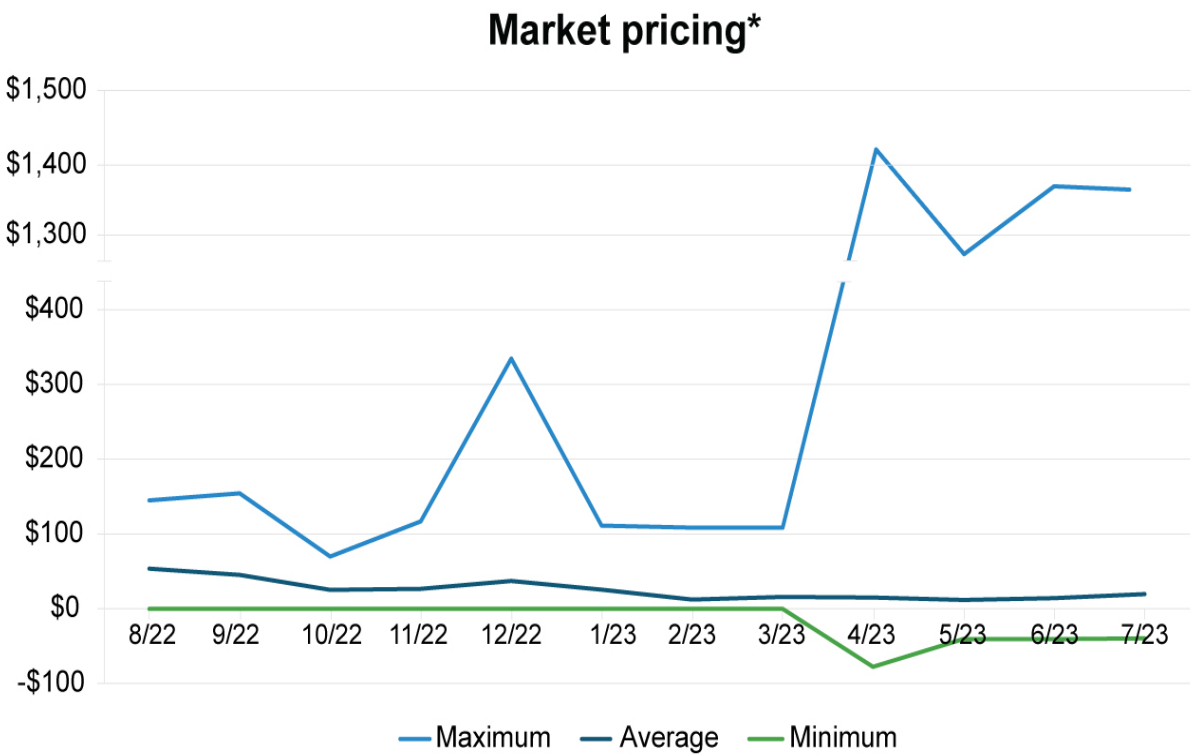
## Surplus sales



## Purchased power

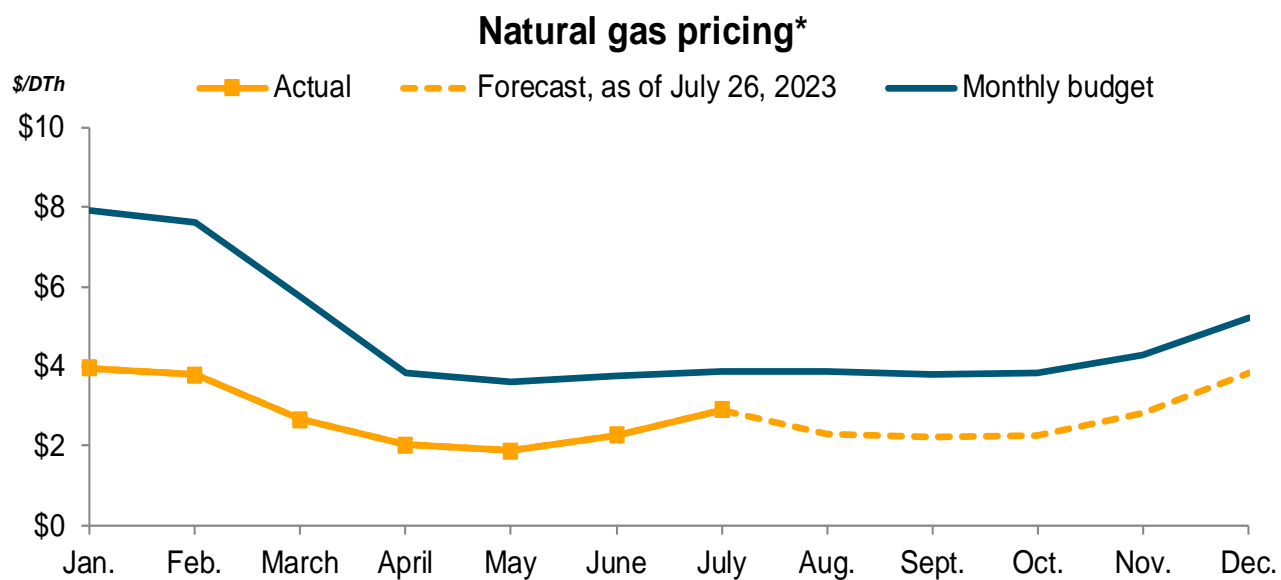


# Market pricing



\*WEIS Operations started April 1.

## Natural gas pricing

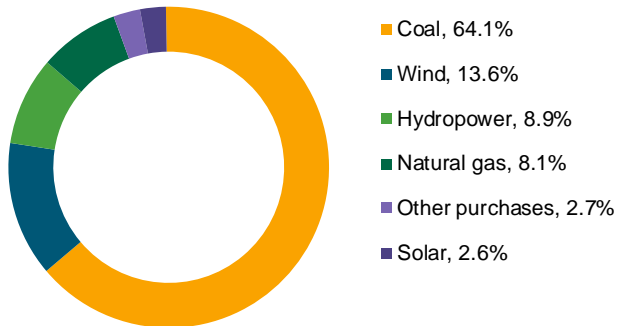


\*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

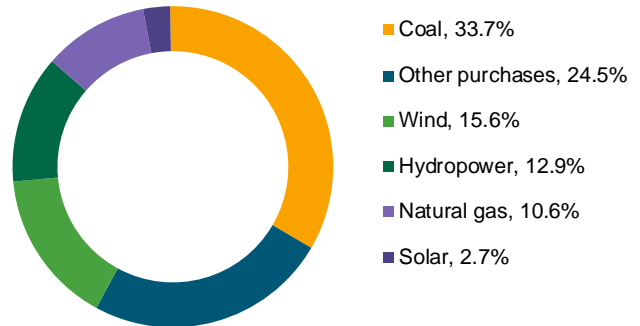


## Total resources

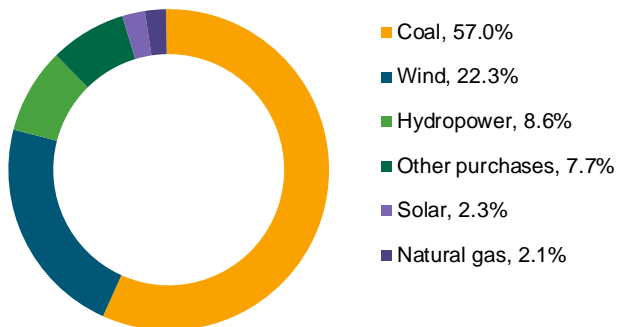
**July generation budget**



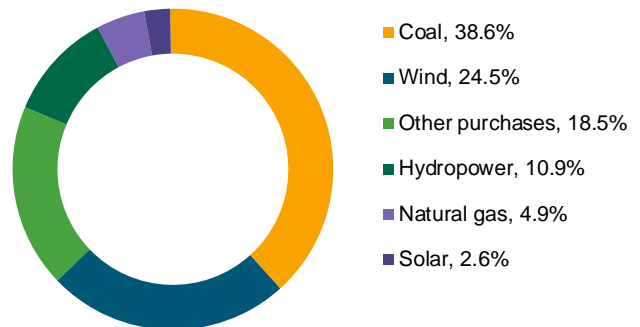
**July generation actual**

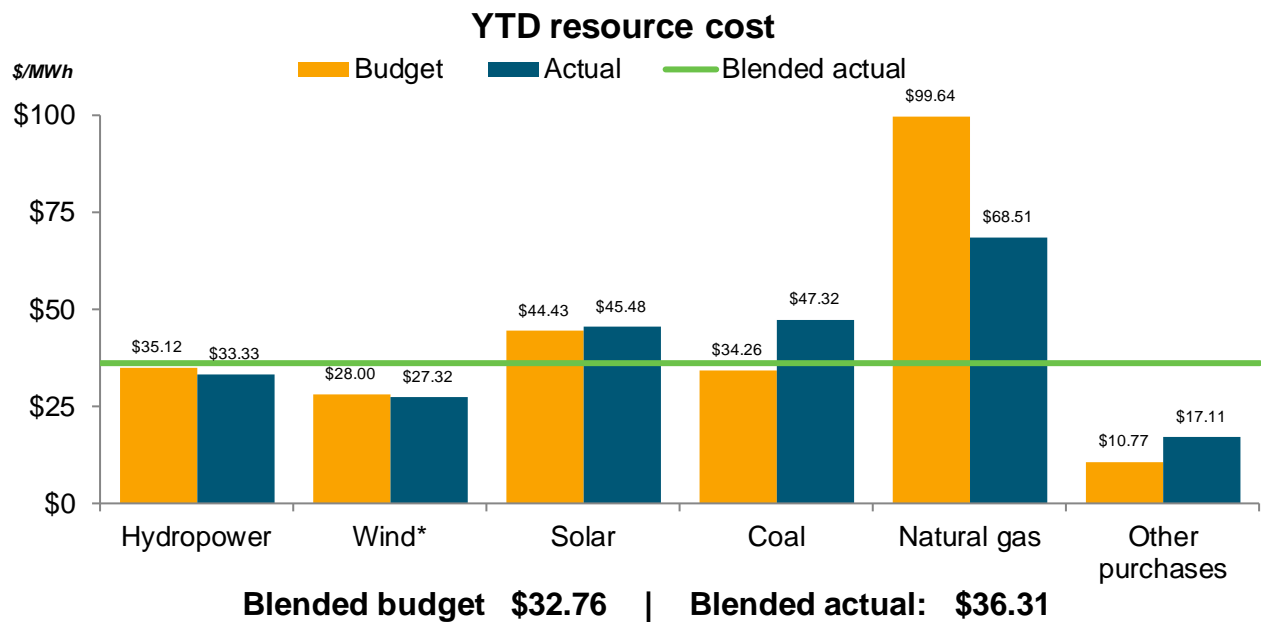
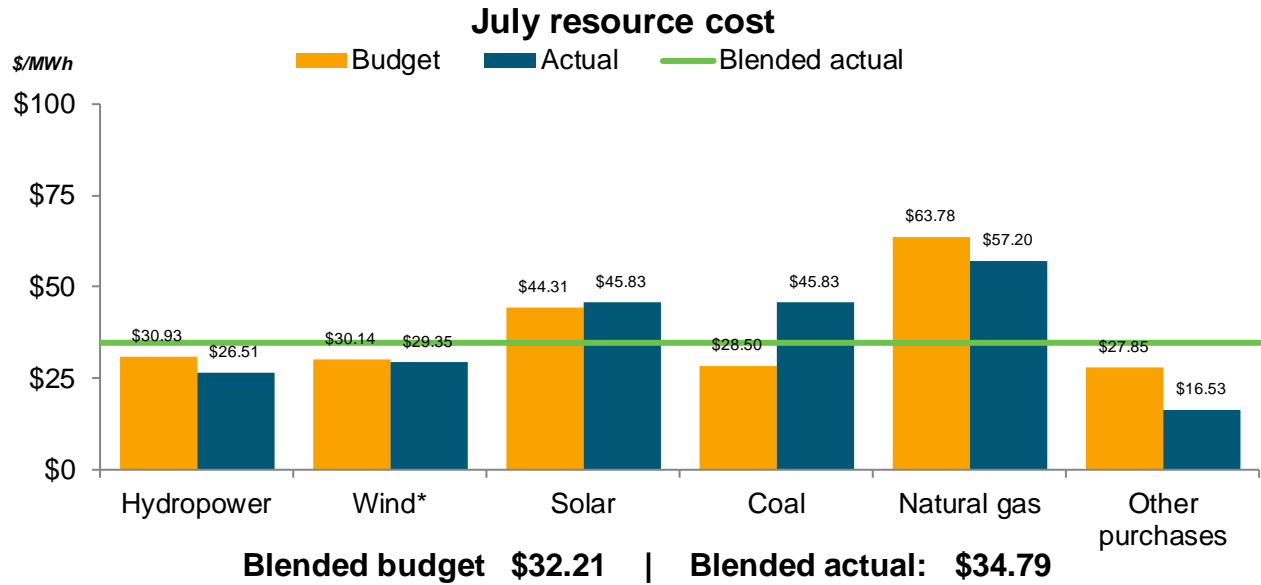


**YTD budget**



**YTD actual**





\*Some off-system wind RECs and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.



# Financial report

July 2023





## Financial highlights year to date

Platte River reported favorable results year to date. Change in net position of \$19.7 million was favorable by \$8 million compared to budget due to below-budget operating expenses and above-budget unrealized gains and interest income on investments, partially offset by below-budget revenues.

Key financial results (\$ millions)	July		Favorable		Year to date		Favorable		Annual budget		
	Budget	Actual	(unfavorable)		Budget	Actual	(unfavorable)				
Change in net position <sup>(1)</sup>	\$ 4.6	\$ 8.3	●	\$ 3.7	80.4%	\$ 11.7	\$ 19.7	●	\$ 8.0	68.4%	\$ 7.1
Fixed obligation charge coverage	3.54x	4.65x	●	1.11x	31.4%	2.36x	2.67x	●	0.31x	13.1%	1.98x

>2% ● Favorable | 2% to -2% ◆ At or near budget | <-2% ■ Unfavorable

(1) The change in net position for the annual budget of \$22.4 million was adjusted in the annual column for projected deferred revenues of \$15.3 million according to the deferred revenue and expense policy discussed in the other information section. This projected deferral reflects the SFP target of 3% of budgeted operating expenses. Current month and current year to date values are not adjusted. The actual deferral will be determined at the end of the year.

The current estimate for year-end change in net position prior to deferring revenues ranges from \$17.2 million to \$30.3 million. The expected projection includes overall lower operating revenues primarily due to lower sales for resale and sales to owner communities. Sales have been lower than anticipated because of resource availability, market prices and mild weather. Purchases are anticipated to be above budget at the end of the year as baseload generation is replaced. Baseload generation is also expected to be lower because of reduced sales for resale volumes, which results in lower fuel expense. Other operating expenses are anticipated to end the year below budget primarily due to distributed energy resources discussed in the key variances of this report. Depreciation, amortization and accretion will end the year above budget as asset retirement obligation costs were updated and assets have been retired that were not fully depreciated or required additional costs to remove. Total operating expenses are projected to be below budget. The results have a high degree of uncertainty primarily because of the unpredictability of bilateral sales and the energy imbalance market. The low and high projections are based on higher variability in revenues and expenses than the expected projection. Staff will continue to monitor assumptions, estimates and forecasts to ensure appropriate funding.

Financial projection	YTD variance	Future variance projection	Total variance projection	Change in net position before deferred revenue	Variance to budget before deferred revenue	Projected deferred revenue <sup>(2)</sup>	Variance to projected deferred revenue
Low	\$ 8.0	\$ (13.2)	\$ (5.2)	\$ 17.2	-23%	\$ 10.4	-32%
Expected	\$ 8.0	\$ (8.2)	\$ (0.2)	\$ 22.2	-1%	\$ 15.4	1%
High	\$ 8.0	\$ (0.1)	\$ 7.9	\$ 30.3	35%	\$ 23.6	54%

Amounts above are in millions

(2) The projected deferred revenue is based on the SFP target of 3% of projected operating expenses, which is \$6.8 million in the low and expected cases and \$6.7 million in the high case.

## Budgetary highlights year to date

The following budgetary highlights are presented on a non-GAAP budgetary basis.

Key financial results (\$ millions)	July		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
Total revenues	\$ 29.7	\$ 31.6	●	\$ 1.9	6.4%	\$ 176.1	\$ 168.4	■	\$ (7.7)	(4.4%)	\$ 305.0
Sales to owner communities	23.2	21.5	■	(1.7)	(7.3%)	129.9	125.8	■	(4.1)	(3.2%)	224.1
Sales for resale - long-term	1.5	1.6	●	0.1	6.7%	8.3	8.0	■	(0.3)	(3.6%)	14.9
Sales for resale - short-term	4.0	7.1	●	3.1	77.5%	31.0	24.9	■	(6.1)	(19.7%)	53.6
Wheeling	0.5	0.8	●	0.3	60.0%	3.5	5.5	●	2.0	57.1%	6.1
Interest and other income	0.5	0.6	●	0.1	20.0%	3.4	4.2	●	0.8	23.5%	6.3
Total operating expenses	\$ 21.4	\$ 20.1	●	\$ 1.3	6.1%	\$ 138.5	\$ 124.3	●	\$ 14.2	10.3%	\$ 238.1
Purchased power	4.0	5.8	■	(1.8)	(45.0%)	31.9	33.4	■	(1.5)	(4.7%)	55.1
Fuel	7.7	5.2	●	2.5	32.5%	34.5	25.7	●	8.8	25.5%	62.7
Production	3.8	4.4	■	(0.6)	(15.8%)	33.9	33.0	●	0.9	2.7%	54.8
Transmission	1.7	1.6	●	0.1	5.9%	12.0	11.3	●	0.7	5.8%	20.2
Administrative and general	2.7	2.6	●	0.1	3.7%	18.5	16.9	●	1.6	8.6%	31.5
Distributed energy resources	1.5	0.5	●	1.0	66.7%	7.7	4.0	●	3.7	48.1%	13.8
Capital additions	\$ 2.5	\$ 2.8	■	\$ (0.3)	(12.0%)	\$ 29.2	\$ 11.4	●	\$ 17.8	61.0%	\$ 42.7
Debt service expenditures	\$ 1.5	\$ 1.5	◆	\$ -	0.0%	\$ 10.4	\$ 10.4	◆	\$ -	0.0%	\$ 17.8

>2% ● Favorable | 2% to -2% ◆ At or near budget | <-2% ■ Unfavorable

### Total revenues, \$7.7 million below budget

#### Key variances greater than 2% or less than (2%)

- **Sales to owner communities** were below budget \$4.1 million. Energy revenues were \$2.9 million or 3.9% below budget due to below-budget energy. Demand revenues were \$1.2 million or 2.5% below budget as non-coincident and coincident billing demand were below budget 2.2% and 2.3%, respectively.
- **Sales for resale - long-term** were below budget \$0.3 million due to below-budget resold wind generation and lower available baseload generation that serves a contract, partially offset by calls on a capacity contract.
- **Sales for resale - short-term** were below budget \$6.1 million as energy volume was 45% below budget, partially offset by 46.2% above-budget average prices. The variance is primarily due to selling less energy in the Western Energy Imbalance Service (WEIS) market than budgeted due to lower average prices and lower available excess capacity to sell. WEIS operations started April 1.
- **Wheeling** was above budget \$2 million due to unplanned point-to-point transmission sales and above-budget network customer service charges.
- **Interest and other income** was above budget \$0.8 million primarily due to higher interest income earned on investments.

## Total operating expenses, \$14.2 million below budget

### Key variances greater than 2% or less than (2%)

- Fuel** was \$8.8 million below budget.
  - Coal - Rawhide Unit 1** 81% of the overall variance, \$7.1 million below budget. Generation was below budget due to lower-cost energy available in the WEIS market, unplanned outages, curtailments and an unplanned extension of the scheduled minor outage.
  - Coal - Craig units** 48% of the overall variance, \$4.2 million below budget. Generation was below budget primarily due to lower-cost energy available in the WEIS market, the extended Craig Unit 2 scheduled maintenance outage, curtailments and forced outages. Unit 1 was offline from April 24th to May 14th due to mercury emissions. A forced outage on Craig Unit 2 led to an early start of the scheduled maintenance outage and remained offline January 18th to May 17th for repairs to the primary air fans.
  - Natural Gas** (29%) of the overall variance, \$2.5 million above budget. The combustion turbine units were used predominantly to make sales and to serve load during the scheduled minor outage on Rawhide Unit 1. Further, non-generation gas expense was above budget due to losses on price-locked gas that was not burned, as prices had fallen. Price was below budget due to lower market prices.
- Distributed energy resources** were \$3.7 million below budget due to the unpredictability of the completion of customers' energy efficiency projects, below-budget personnel expenses and consulting services. The energy efficiency rebates and incentives will finish the year below budget primarily due to slow participation in small and medium businesses, which is driven by continued effects of the COVID-19 pandemic and economic recovery challenges.
- Production, transmission, and administrative and general** were \$2.1 million below budget. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) Rawhide non-routine projects, 2) digital and communications consulting services, 3) transmission non-routine projects, 4) environmental services, 5) wheeling, 6) chemicals, 7) administrative and general non-routine projects, 8) software and hardware, 9) general facility maintenance and 10) market services. The above-budget expenses include: 1) Craig maintenance and scheduled outage, 2) Rawhide Unit 1 scheduled minor outage, 3) SCADA and energy management, 4) Fordham to Fort St. Vrain termination repair and 5) general plant and combustion turbine maintenance. The net below-budget variance is expected to be spent by the end of the year.
- Personnel** was below budget \$1.1 million due to regular wages and social security resulting from vacancies, partially offset by above-budget overtime due to additional shift coverage, maintenance and train unloading schedules.

- **Purchased power** was \$1.5 million above budget. The above-budget expenses include: 1) market and bilateral purchases to replace baseload generation during outages and curtailments, serve sales and to take advantage of lower-cost energy in the WEIS market, 2) hydropower purchases due to favorable conditions and 3) solar generation. The below-budget expenses include: 1) net energy provided to Tri-State Generation and Transmission Association, Inc. (Tri-State) under the forced outage assistance agreement and 2) wind generation.

### Capital additions (year-end estimates as of July 2023)

The projects listed below are projected to end the year with a budget variance of more than \$100,000. In addition, the amounts below are costs for 2023 and may not represent the total cost of the project. Further changes to capital projections are anticipated and staff will continue to monitor spending estimates to ensure capital projects are appropriately funded.

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>Below budget projects</b>				
* <b>Solar substation 230 kV - Severance Substation</b> - This project will be below budget due to supply chain issues. Material and equipment lead times are longer than anticipated and are not expected to be received until 2024. This delay is not expected to impact the revised overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 6,368	\$ 1,977	\$ 4,391	\$ 4,391
<b>Relay panel and breaker replacements - Airport Substation</b> - This project will be below budget due to third-party delays. The number of participants in the project adds complexity which requires additional time to evaluate the overall project plan. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 1,829	\$ 15	\$ 1,814	\$ 1,814
<b>Monofill upgrade - Rawhide</b> - This project will be below budget due to optimized design and value engineering. The leachate collection tank system was redesigned to use mobile steel tanks rather than a specialty tank, which significantly reduced project costs.	\$ 2,209	\$ 1,448	\$ 761	\$ -
<b>SCADA and energy management system</b> - This project will be below budget due to a delay as the latest vendor schedule shows milestones shifting from 2023 to 2024. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 2,079	\$ 1,766	\$ 313	\$ 313
** <b>Transformer T3 replacement - Timberline Substation</b> - This project will be below budget due to supply chain issues. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 1,487	\$ 1,210	\$ 277	\$ 277
<b>Simulator evergreen upgrade - Rawhide Unit 1</b> - This project will be below budget as the scope was reduced to remove additional modeling software resulting in less labor, hardware and licensing costs than originally anticipated.	\$ 1,170	\$ 920	\$ 250	\$ -



Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>Market software - PCI GenManager</b> - This project will be below budget due to vendor project costs being lower than originally anticipated and contingency funds being not needed.	\$ 459	\$ 249	\$ 210	\$ -
<b>** Transmission line vault upgrades - Rogers Road Substation</b> - This project will be below budget due to a delay in the project design as a result of the vault's close proximity to the road. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 309	\$ 143	\$ 166	\$ 166
<b>* 52G breaker replacement - combustion turbine units A-D</b> - This project will be below budget as contingency funds were not needed and proceeds were received on the sale of existing breakers.	\$ 600	\$ 443	\$ 157	\$ -
<b>** Capacitor coupled voltage transformer replacement - Dixon Creek Substation</b> - This project will be below budget due to material costs and the construction contract being lower than anticipated.	\$ 272	\$ 146	\$ 126	\$ -
<b>115 kV transmission line replacement - Drake transmission line</b> - This project will be below budget as a portion of the design budgeted for 2023 will be delayed to better align with the overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 225	\$ 100	\$ 125	\$ 125
<b>Above budget projects</b>				
<b>Pipeline reroute - Rawhide pipeline</b> - This project will be above budget due to an additional section of pipeline reroute needed for an additional bridge installation by Larimer County.	\$ 2,016	\$ 2,766	\$ (750)	\$ -
<b>** Southern toe drain modifications - Rawhide</b> - This project will be above budget due to formal bids being higher than anticipated. Funds were initially budgeted in 2022 prior to receiving approval of the modification plans from the State of Colorado.	\$ 593	\$ 943	\$ (350)	\$ -
<b>* Spray dry absorber direct lime injection</b> - This project will be above budget due to a new design requiring additional labor and materials such as pumps, piping and other various equipment.	\$ 428	\$ 763	\$ (335)	\$ -
<b>Relay upgrades - (T1 and T2 bays) Dixon Creek Substation</b> - This project will be above budget for the construction of relay upgrades which will improve the transformer bus protection and modernize the existing relay protection package. The scope was also increased to include installation of a remote terminal unit and real time automation controllers. Project design began in late 2022 and funds could not be budgeted timely for 2023.	\$ 17	\$ 297	\$ (280)	\$ -
<b>Transmission line vault upgrades - Crossroads Substation</b> - This project will be above budget due to increased contractor labor rates, project duration extending by one week and material costs being higher than originally anticipated.	\$ 994	\$ 1,142	\$ (148)	\$ -

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>** Fiber optic cable replacement - Long Haul East (Fort Collins to Loveland)</b> - This project will be above budget due to an unanticipated reroute of 4 miles of cable around Boyd Lake. The reroute will avoid physical vehicle access issues and water depth problems for underground cable.				
	\$ 830	\$ 947	\$ (117)	\$ -
<b>Out-of-budget projects</b>				
<b>Reactors replacement KW1A and KW1B - Ault Substation WAPA</b> - This project will replace two oil filled 13.8-kV 25MVAR reactors at the Ault KU1A transformer tertiary.				
	\$ -	\$ 346	\$ (346)	\$ -
<b>Switch and capacitor voltage transformer (CVT) replacements - Timberline Substation</b> - This project will replace inoperable and unreliable disconnect switches and will replace the CVT which is at the end of its useful life. Equipment replacements will be combined to reduce costs and outage scheduling.				
	\$ -	\$ 217	\$ (217)	\$ -
<b>Perimeter detection system - Horseshoe Substation</b> - This project will install forward-looking infrared thermal cameras to detect and monitor breaches of the substation. In addition, perimeter lighting will be installed to act as a deterrent and to aid in investigation if there was a breach. This project was escalated due to recent physical security events at substations across the country.				
	\$ -	\$ 164	\$ (164)	\$ -
<b>Delayed projects</b>				
<b>Dust collection system replacement - crusher building</b> - This project will be delayed due to a schedule change for the next major outage from 2024 to 2025. <i>The below-budget funds will be requested to be carried over into 2024.</i>				
	\$ 222	\$ -	\$ 222	\$ 222
<b>Dust collection system replacement - coal transfer building</b> - This project will be delayed due to a schedule change for the next major outage from 2024 to 2025. <i>The below-budget funds will be requested to be carried over into 2024.</i>				
	\$ 191	\$ -	\$ 191	\$ 191
<b>Switch 2089 replacement - Boyd Substation</b> - This project will be delayed due to supply chain issues. <i>The below-budget funds will be requested to be carried over into 2024.</i>				
	\$ 108	\$ -	\$ 108	\$ 108
<b>Canceled projects</b>				
<b>Subscription based information technology arrangements</b> - Due to the implementation of GASB 96 <i>Subscription-Based Information Technology Arrangements</i> , a right-to-use subscription asset was budgeted as capital for a variety of subscription software. After further analysis, it was determined that appropriated funds for this standard are best attributed to existing capital projects or classified as financing arrangements and reported as debt service if the subscribed software has been implemented. Results presented may not represent the full implementation of the standard until the end of 2023.				
	\$ 1,160	\$ -	\$ 1,160	\$ -

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>Transformer (Flats) replacement - Rawhide Substation</b> - This project was canceled and will be evaluated with future generation resources to ensure construction and system impacts at the Rawhide Energy Station are optimized.	\$ 949	\$ -	\$ 949	\$ -
<b>Real time tools</b> - This project was canceled as a capital addition. COVID-19 restrictions delayed the project leading to an estimated remaining useful life of less than two years and a replacement asset was in progress. Therefore, it did not meet capitalization criteria when completed and the expenditures were reclassified as operating expenses.	\$ -	\$ (561)	\$ 561	\$ -
<b>Control enclosure and relay upgrades - Valley Substation</b> - This project was canceled and will be rebudgeted in a future year to align with City of Loveland projects. This will minimize outages and gain efficiencies.	\$ 453	\$ -	\$ 453	\$ -
<b>Pipeline reroute - Soldier Canyon Pipeline</b> - This project was canceled and will be evaluated as water needs for future generation resources are determined.	\$ 309	\$ -	\$ 309	\$ -

\* Project details or amounts have changed since last report.

\*\* Project is new to the report.

### Debt service expenditures

The outstanding principal for Series JJ and KK represents debt associated with transmission assets (\$104.6 million) and the Rawhide Energy Station (\$21.3 million). Principal and interest payments are made June 1 and interest only payments are made Dec. 1. The table below shows current debt outstanding.

Series	Debt outstanding \$/thousands	Par issued \$/thousands	True interest cost	Maturity date	Callable date	Purpose
Series JJ - April 2016	\$ 102,320	\$ 147,230	2.2%	6/1/2036	6/1/2026	\$60M new money for Rawhide & transmission projects & refund portion of Series HH (\$13.7M NPV/12.9% savings)
Series KK - December 2020	23,550	\$ 25,230	1.6%	6/1/2037	N/A*	Refund a portion of Series II (\$6.5M NPV/27.6% savings)
Total par outstanding	125,870					
Unamortized bond premium	10,575					
Total revenue bonds outstanding	136,445					
Less: due within one year	(12,790)					
Total long-term debt, net	\$ 123,655					

Fixed rate bond premium costs are amortized over the terms of the related bond issues.

\*Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

As discussed in the capital additions section, Platte River is subject to the subscription reporting model applicable under GASB 96 *Subscription-Based Information Technology Arrangements*. Payments for implemented right-to-use subscription assets will be presented as debt service expenditures rather than capital additions. Because these were budgeted as capital additions, an appropriation for debt service expenditures was not approved for these transactions. Therefore, staff will request a contingency transfer appropriation and will continue to evaluate subscriptions. The results presented may not represent the full implementation of the standard until the end of 2023.

## Other financial information

- **Deferred revenue and expense accounting policy** - This policy allows deferring revenues and expenses to reduce rate pressure and achieve rate smoothing during the portfolio transition to meet the Resource Diversification Policy goal. Staff will evaluate the financial statements at the end of the year and apply the policy accordingly, which would impact the change in net position.
- **Forced outage assistance agreement** - This agreement, which involves Platte River's Rawhide Unit 1 and Tri-State's Craig Unit 3, provides that each party supply replacement energy to the other party during a forced outage of either unit. The Energy Account Balance Limit, defined in the agreement, was exceeded in February and May. Tri-State was invoiced \$2.4 million and \$2.6 million, respectively. Pursuant to the terms of the agreement, this payment buys down the energy balance to half of the contract limit.

## Budget schedules

# Schedule of revenues and expenditures, budget to actual

**July 2023**

Non-GAAP budgetary basis (in thousands)

	Month of July		Favorable
	Budget	Actual	(unfavorable)
<b>Revenues</b>			
<i>Operating revenues</i>			
Sales to owner communities	\$ 23,194	\$ 21,514	\$ (1,680)
Sales for resale - long-term	1,537	1,610	73
Sales for resale - short-term	4,014	7,144	3,130
Wheeling	524	759	235
Total operating revenues	29,269	31,027	1,758
<i>Other revenues</i>			
Interest income <sup>(1)</sup>	484	593	109
Other income	1	8	7
Total other revenues	485	601	116
Total revenues	<u>\$ 29,754</u>	<u>\$ 31,628</u>	<u>\$ 1,874</u>
<b>Expenditures</b>			
<i>Operating expenses</i>			
Purchased power	\$ 4,036	\$ 5,827	\$ (1,791)
Fuel	7,711	5,214	2,497
Production	3,876	4,451	(575)
Transmission	1,674	1,564	110
Administrative and general	2,679	2,613	66
Distributed energy resources	1,477	469	1,008
Total operating expenses	21,453	20,138	1,315
<i>Capital additions</i>			
Production	838	1,424	(586)
Transmission	616	854	(238)
General	1,071	496	575
Total capital additions	2,525	2,774	(249)
<i>Debt service expenditures</i>			
Principal	1,066	1,066	-
Interest expense	416	416	-
Total debt service expenditures	1,482	1,482	-
Total expenditures	<u>\$ 25,460</u>	<u>\$ 24,394</u>	<u>\$ 1,066</u>
<b>Revenues less expenditures</b>	\$ 4,294	\$ 7,234	\$ 2,940

<sup>(1)</sup> Excludes unrealized holding gains and losses on investments.

## Schedule of revenues and expenditures, budget to actual

### July 2023 year-to-date

Non-GAAP budgetary basis (in thousands)

	July year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
<b>Revenues</b>				
<i>Operating revenues</i>				
Sales to owner communities	\$ 129,893	\$ 125,838	\$ (4,055)	\$ 224,082
Sales for resale - long-term	8,365	8,010	(355)	14,889
Sales for resale - short-term	30,968	24,908	(6,060)	53,584
Wheeling	3,545	5,520	1,975	6,165
Total operating revenues	172,771	164,276	(8,495)	298,720
<i>Other revenues</i>				
Interest income <sup>(1)</sup>	3,128	3,868	740	5,978
Other income	268	282	14	301
Total other revenues	3,396	4,150	754	6,279
Total revenues	\$ 176,167	\$ 168,426	\$ (7,741)	\$ 304,999
<b>Expenditures</b>				
<i>Operating expenses</i>				
Purchased power	\$ 31,903	\$ 33,397	\$ (1,494)	\$ 55,115
Fuel	34,571	25,747	8,824	62,676
Production	33,864	32,949	915	54,770
Transmission	11,986	11,346	640	20,254
Administrative and general	18,555	16,941	1,614	31,508
Distributed energy resources	7,676	3,958	3,718	13,789
Total operating expenses	138,555	124,338	14,217	238,112
<i>Capital additions</i>				
Production	11,962	4,456	7,506	14,668
Transmission	8,492	4,037	4,455	14,953
General	8,776	2,952	5,824	13,048
Asset retirement obligations	-	-	-	52
Total capital additions	29,230	11,445	17,785	42,721
<i>Debt service expenditures</i>				
Principal	7,221	7,221	-	12,550
Interest expense	3,152	3,152	-	5,233
Total debt service expenditures	10,373	10,373	-	17,783
Total expenditures	\$ 178,158	\$ 146,156	\$ 32,002	\$ 298,616
Contingency reserved to board	-	-	-	52,000
Total expenditures and contingency	\$ 178,158	\$ 146,156	\$ 32,002	\$ 350,616
<b>Revenues less expenditures and contingency</b>	\$ (1,991)	\$ 22,270	\$ 24,261	\$ (45,617)

<sup>(1)</sup> Excludes unrealized holding gains and losses on investments.





## Financial statements

## Statements of net position

Unaudited (in thousands)

	July 31	
	2023	2022
<b>Assets</b>		
<i>Electric utility plant, at original cost</i>		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,467,264	1,454,854
Less: accumulated depreciation and amortization	(958,816)	(921,529)
Plant in service, net	527,894	552,771
Construction work in progress	31,743	22,543
Total electric utility plant	559,637	575,314
<i>Special funds and investments</i>		
Restricted funds and investments	14,817	14,984
Dedicated funds and investments	164,277	142,390
Total special funds and investments	179,094	157,374
<i>Current assets</i>		
Cash and cash equivalents	45,797	38,608
Other temporary investments	46,770	48,457
Accounts receivable - owner communities	21,413	20,998
Accounts receivable - other	11,873	11,958
Fuel inventory, at last-in, first-out cost	12,931	10,284
Materials and supplies inventory, at average cost	16,793	16,338
Prepayments and other assets	9,007	5,402
Total current assets	164,584	152,045
<i>Noncurrent assets</i>		
Regulatory assets	128,594	125,430
Other long-term assets	7,122	6,014
Total noncurrent assets	135,716	131,444
Total assets	1,039,031	1,016,177
<b>Deferred outflows of resources</b>		
Deferred loss on debt refundings	2,612	3,449
Pension deferrals	14,849	2,116
Asset retirement obligations	26,160	23,492
Total deferred outflows of resources	43,621	29,057
<b>Liabilities</b>		
<i>Noncurrent liabilities</i>		
Long-term debt, net	123,655	138,897
Other long-term obligations	94,295	94,295
Net pension liability	30,520	7,770
Asset retirement obligations	34,050	29,599
Other liabilities and credits	7,889	7,577
Total noncurrent liabilities	290,409	278,138
<i>Current liabilities</i>		
Current maturities of long-term debt	12,790	12,215
Current portion of other long-term obligations	889	889
Current portion of asset retirement obligations	1,547	1,706
Accounts payable	18,338	18,999
Accrued interest	832	928
Accrued liabilities and other	5,637	3,393
Total current liabilities	40,033	38,130
Total liabilities	330,442	316,268
<b>Deferred inflows of resources</b>		
Deferred gain on debt refundings	118	132
Regulatory credits	73,300	54,658
Pension deferrals	287	6,024
Lease deferrals	852	999
Total deferred inflows of resources	74,557	61,813
<b>Net position</b>		
Net investment in capital assets	408,246	402,581
Restricted	13,985	14,056
Unrestricted	255,422	250,516
Total net position	\$ 677,653	\$ 667,153

Note: Certain prior year line items have changed due to the restatement of financial statements.

## Statements of revenues, expenses and changes in net position

Unaudited (in thousands)

	Month of	July year to date		Twelve months ended	
	July	2023	2022	July 31	
		2023	2022	2023	2022
<b>Operating revenues</b>					
Sales to owner communities	\$ 21,514	\$ 125,838	\$ 123,288	\$ 214,869	\$ 206,713
Sales for resale	8,754	32,918	35,270	71,087	61,421
Wheeling	759	5,520	3,796	9,362	6,228
Deferred regulatory revenues	-	-	-	(21,602)	-
Total operating revenues	<u>31,027</u>	<u>164,276</u>	<u>162,354</u>	<u>273,716</u>	<u>274,362</u>
<b>Operating expenses</b>					
Purchased power	5,827	33,397	32,273	54,503	56,540
Fuel	5,214	25,747	32,169	60,034	52,228
Operations and maintenance	6,007	44,698	38,172	74,008	63,177
Administrative and general	2,638	17,346	14,237	29,124	23,676
Distributed energy resources	470	3,996	4,050	8,430	7,270
Depreciation, amortization and accretion	3,360	22,888	20,880	38,137	36,567
Total operating expenses	<u>23,516</u>	<u>148,072</u>	<u>141,781</u>	<u>264,236</u>	<u>239,458</u>
Operating income	<u>7,511</u>	<u>16,204</u>	<u>20,573</u>	<u>9,480</u>	<u>34,904</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	586	3,849	939	5,824	1,416
Other income	8	282	508	204	928
Interest expense	(416)	(3,152)	(3,484)	(5,472)	(6,039)
Amortization of bond financing costs	123	862	957	1,545	1,720
Net increase/(decrease) in fair value of investments	467	1,667	(3,627)	(1,081)	(4,812)
Total nonoperating revenues (expenses)	<u>768</u>	<u>3,508</u>	<u>(4,707)</u>	<u>1,020</u>	<u>(6,787)</u>
Change in net position	<u>8,279</u>	<u>19,712</u>	<u>15,866</u>	<u>10,500</u>	<u>28,117</u>
Net position at beginning of period, as previously reported	<u>669,374</u>	<u>657,941</u>	<u>651,287</u>	<u>667,153</u>	<u>639,036</u>
Net position at end of period	<u>\$ 677,653</u>	<u>\$ 677,653</u>	<u>\$ 667,153</u>	<u>\$ 677,653</u>	<u>\$ 667,153</u>

## Statements of cash flows

Unaudited (in thousands)

	Month of July	July year to date		Twelve months ended July 31	
		2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 25,109	\$ 159,880	\$ 158,103	\$ 292,557	\$ 276,782
Payments for operating goods and services	(13,729)	(96,913)	(91,740)	(172,898)	(165,675)
Payments for employee services	(4,641)	(30,365)	(26,893)	(50,994)	(46,905)
Net cash provided by operating activities	6,739	32,602	39,470	68,665	64,202
<b>Cash flows from capital and related financing activities</b>					
Additions to electric utility plant	(1,579)	(10,583)	(8,320)	(23,697)	(23,066)
Payments from accounts payable incurred for electric utility plant additions	(326)	(3,493)	(1,581)	(807)	(2,264)
Proceeds from disposal of electric utility plant	-	55	65	64	291
Principal payments on long-term debt	-	(12,215)	(11,660)	(12,215)	(11,660)
Interest payments on long-term debt	-	(2,784)	(3,066)	(5,568)	(6,133)
Payments related to other long-term obligations	-	(4,145)	(3,809)	(4,145)	(3,809)
Payments from lease receivables	-	-	-	148	-
Payments on lease liabilities	-	-	-	(14)	-
Net cash used in capital and related financing activities	(1,905)	(33,165)	(28,371)	(46,234)	(46,641)
<b>Cash flows from investing activities</b>					
Purchases and sales of temporary and restricted investments, net	260	(5,780)	(14,280)	(21,142)	(38,025)
Interest and other income, including realized gains and losses	597	4,123	1,382	5,900	2,204
Net cash provided by/(used in) investing activities	857	(1,657)	(12,898)	(15,242)	(35,821)
Increase/(decrease) in cash and cash equivalents	5,691	(2,220)	(1,799)	7,189	(18,260)
Balance at beginning of period in cash and cash equivalents	40,106	48,017	40,407	38,608	56,868
Balance at end of period in cash and cash equivalents	\$ 45,797	\$ 45,797	\$ 38,608	\$ 45,797	\$ 38,608
<b>Reconciliation of net operating income to net cash provided by operating activities</b>					
Operating income	\$ 7,511	\$ 16,204	\$ 20,573	\$ 9,480	\$ 34,904
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>					
Depreciation	3,414	23,507	22,537	40,202	38,080
Amortization	(486)	(3,305)	(3,613)	(6,326)	(3,811)
<b>Changes in assets and liabilities that provided/(used) cash</b>					
Accounts receivable	(5,648)	(2,458)	(6,254)	(329)	377
Fuel and materials and supplies inventories	355	(3,791)	(762)	(3,102)	(996)
Prepayments and other assets	307	(1,904)	(1,822)	(2,522)	(621)
Regulatory assets	(156)	(90)	603	(3,940)	1,013
Deferred outflows of resources	313	(844)	(1,044)	(15,402)	(755)
Accounts payable	302	(3,771)	2,724	(1,121)	2,046
Net pension liability	-	-	-	22,750	(7,834)
Asset retirement obligations	(205)	2,312	2,050	4,292	1,076
Other liabilities	633	4,237	1,985	4,425	2,801
Deferred inflows of resources	399	2,505	2,493	20,258	(2,078)
Net cash provided by operating activities	\$ 6,739	\$ 32,602	\$ 39,470	\$ 68,665	\$ 64,202
<b>Noncash capital and related financing activities</b>					
Additions of electric utility plant through incurrence of accounts payable	1,226	1,226	807	1,226	807
Additions of electric utility plant through leasing	-	-	-	-	134
Additions to regulatory assets and other assets through incurrence of other long-term obligations	-	-	-	-	96,073
Amortization of regulatory asset (debt issuance costs)	7	47	51	83	92
Amortization of bond premiums, deferred loss and deferred gain on refundings	(130)	(908)	(1,008)	(1,628)	(1,811)

Note: Certain previously stated line items have been updated and reclassified to reflect audited financial statement presentation.

## Schedule of net revenues for bond service and fixed obligations

Unaudited (in thousands)

	Month of July	July year to date		Twelve months ended July 31	
		2023	2022	2023	2022
<b>Bond service coverage</b>					
<b>Net revenues</b>					
Operating revenues	\$ 31,027	\$ 164,276	\$ 162,354	\$ 273,716	\$ 274,362
Operations and maintenance expenses, excluding depreciation, amortization and accretion	20,156	125,184	120,901	226,099	202,891
Net operating revenues	10,871	39,092	41,453	47,617	71,471
Plus interest income on bond accounts and other income <sup>(1)</sup>	601	4,150	1,421	6,055	2,309
Net revenues before rate stabilization	11,472	43,242	42,874	53,672	73,780
Rate stabilization					
Deposits	-	-	-	-	-
Withdrawals	-	-	-	-	-
Total net revenues	\$ 11,472	\$ 43,242	\$ 42,874	\$ 53,672	\$ 73,780
<b>Bond service</b>					
Power revenue bonds	\$ 1,482	\$ 10,373	\$ 10,378	\$ 17,783	\$ 17,791
<b>Coverage</b>					
Bond service coverage ratio	7.74	4.17	4.13	3.02	4.15
<b>Fixed obligation charge coverage</b>					
Total net revenues, above	\$ 11,472	\$ 43,242	\$ 42,874	\$ 53,672	\$ 73,780
Fixed obligation charges included in operating expenses <sup>(2)</sup>	1,254	9,359	10,300	16,087	17,339
Adjusted net revenues before fixed obligation charges	\$ 12,726	\$ 52,601	\$ 53,174	\$ 69,759	\$ 91,119
<b>Fixed obligation charges</b>					
Power revenue bonds, above	\$ 1,482	\$ 10,373	\$ 10,378	\$ 17,783	\$ 17,791
Fixed obligation charges	1,254	9,359	10,300	16,087	17,339
Total fixed obligation charges	\$ 2,736	\$ 19,732	\$ 20,678	\$ 33,870	\$ 35,130
<b>Coverage</b>					
Fixed obligation charge coverage ratio	4.65	2.67	2.57	2.06	2.59

<sup>(1)</sup> Excludes unrealized holding gains and losses on investments.

<sup>(2)</sup> Fixed obligation charges include debt-like obligations either related to the ownership of resource assets or off-balance-sheet financings. Platte River considers 30% of amounts due for energy under hydropower, solar and wind power purchase agreements to be fixed obligation charges for this purpose.





# General management report

July 2023







## Business strategies

### Communications, marketing and external affairs

During July, the communications and marketing staff:

- Onboarded two new senior communications and marketing specialists: Maia Jackson, who will focus on developing and relating the Platte River story and Ivan Chavarria, who will work on developing a digital publication and communication strategy for Platte River and Efficiency Works.
- Promoted team member Kendal Perez to the new strategic communications and community relations manager position to focus on building and executing an overall communications and public relations strategy and developing Platte River's first community relations strategy.
- Began the process of meeting with each of Platte River's fiber customers to discuss the upcoming fiber rate increase. The in-person meetings will be completed by mid-August.
- Met with team members of the utility communicators task force, comprising Platte River communications, marketing and external affairs staff and key communicators from the four owner communities.
- Along with Rawhide staff, organized events in honor of Rawhide Energy Station receiving the 2023 Coal Users' Group (CUG) Plant of the Year award. CUG members, Platte River staff and board members, and Rawhide retirees attended these events.
- Presented the 2023 Roy J. Rohla Memorial Scholarship to Kenneth Barnish, an electronics and electrical engineering student at Colorado State University, during Platte River's all-staff business meeting.
- Issued a request for proposals to solicit a new marketing agency to assist with marketing and communications campaigns.
- Began to develop Platte River's marketing outreach campaign to create brand awareness, educate and inform the communities served by Platte River on its decarbonization efforts and highlight how it will benefit the four owner communities.
- Finalized Platte River's 2023 Strategic Plan, received board approval at the July board meeting, and will now coordinate printing hard copies for all employees, board members, city councils, and other stakeholders.

External affairs staff:

- Engaged in the Colorado Association of Municipal Utilities Annual Conference in Breckenridge, CO.
- Introduced senior external affairs specialist Leigh Gibson to the Fort Collins Chamber of Commerce Local Legislative Affairs Committee.
- Hosted a meeting with Colorado Senator Chris Hansen at Platte River headquarters.

- Scheduled and prepared for upcoming Integrated Resource Plan (IRP) presentations in August, September, and October as part of the community outreach strategy. Completed the first draft of an IRP frequently asked question sheet that is now posted to Platte River's IRP webpage in both English and Spanish.
- Together with Estes Park utilities staff, submitted a pre-application for \$5M in grant funding from the Energy Improvements in Rural or Remote Areas (ERA) program, Office of Clean Energy Demonstrations, Department of Energy (DOE). Program funding comes from the Bipartisan Infrastructure Law and Inflation Reduction Act. The proposed project would procure, construct, and operationalize a 5 MW, four-hour battery in Estes Park. With a population of less than 10,000, Estes Park was the only owner community eligible for this program. If DOE selects Estes Park from the pre-application pool, Platte River and Estes Park will need to submit a full application by Oct. 12, 2023.
- Continued to explore several promising opportunities for federal funding including:
  - Direct pay (due late 2023 or early 2024)
  - Empowering Rural America New ERA program (letters of interest due September 15; eligible to Estes Park only)
  - Grid Resilience and Innovation Partnerships program (forecasted to open Q4 2023)

#### Efficiency Works™ marketing staff:

- Developed and deployed outreach plans for Efficiency Works Business programs, including social media campaigns, letters to prospective participants and informational resource sheets for small and medium businesses and multifamily properties.
- Issued a news release to announce a new Efficiency Works Business rebate for electric vehicle charging infrastructure.
- Created a new web page for Efficiency Works service providers to streamline becoming or finding a service provider.
- Kicked off a project to streamline and update the Efficiency Works mission and vision. This long-term effort should conclude in 2024.

## Human resources

- Select members of the human resources team worked with the Platte River insurance broker, Alliant, and the newly selected third-party administrator on implementation project plan activities, which is ahead of schedule for 2024 implementation.
- Work continued to finalize implementation plans for the compensation study scheduled for rollout later in 2023.
- Human resources team members and Rawhide leadership initiated strategic workforce planning meetings to support future Rawhide transition plans.

## Safety

- Two members of the safety team supported an unscheduled outage of Rawhide Unit 1. There was a quick turnaround to successfully and safely complete startup with multiple job scopes.
- For the monthly safety meeting, safety staff hosted a safety fair with vendors at Rawhide and headquarters.

Injury statistics	2021 year end	2022 year end	YTD through July 2022	YTD through July 2023
Recordable injury rate	1.67	1.25	2.09	1.97
DART	0.00	0.83	1.39	0.00
Lost time rate	0.00	0.00	0.00	0.00

Platte River experienced one work-related injury in late June which developed into a recordable injury in early July.

## Emergency Response Team

- With the new fire chief in place, the emergency response team was able to resume training with two trainings in July.
- The safety manager and fire chief presented the Wellington Fire Protection District with the annual payment in lieu of taxes grant check at the Wellington fire station.

## Financial

### Continuing disclosure

The Series JJ and KK bonds' continuing disclosure certificates require Platte River to annually submit financial reports to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access dataport by September 30. In July, Platte River submitted the required financial information and operating data as well as the owner communities' 2022 annual comprehensive financial reports.

### 2024 budget update

Finance staff held budget review sessions with management and will submit the preliminary budget to the board in September. Below is a condensed schedule to show the overall budget process.

March to May	Kickoff presentations and preparation of budget details by departments
June	Data compilation, division budget reviews and reporting
July	Senior leadership and GM/CEO budget review
August	Refine budget and document preparation

September	Budget work session with board
October	Public hearing and board review of budget modifications
November	Prepare final budget document
December	Final budget review with board and request adoption

## Enterprise risk management

The risk oversight committee met to begin the process of reviewing, prioritizing, and responding to risks identified in the third-party risk assessment. The committee will continue to meet to ensure risks are properly addressed and reported.

## Market manipulation internal audit

Platte River's manager of internal audit completed the annual market manipulation internal audit for 2022. The manager noted no indications of market manipulation, but recommended internal control improvements for departmental staff to implement.

## Transition and integration

### Energy solutions

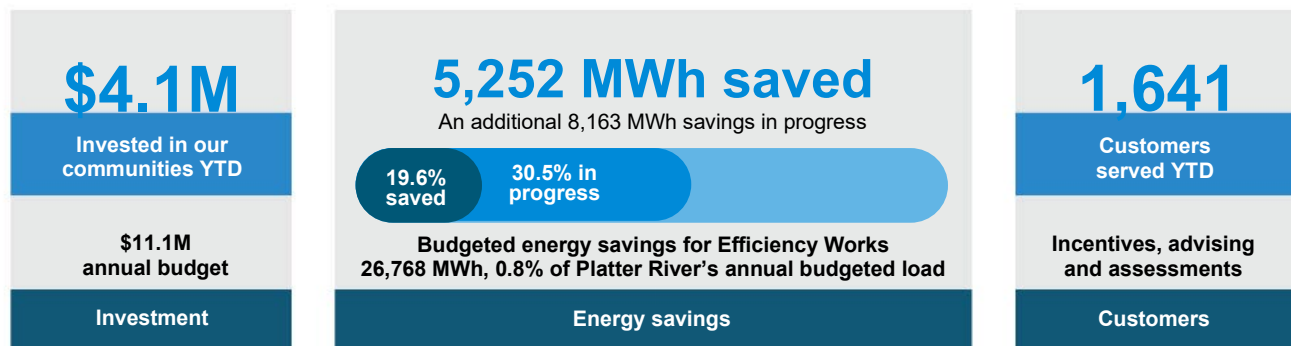
Customer interest in various distributed energy solutions (DES) continued its upward trend; this included interest in traditional energy efficiency initiatives, building electrification programming, and infrastructure incentives for electric vehicle public chargers. Energy solutions staff continued conversations with owner communities identifying ways to incorporate additional DES technologies into various programming models. New DES initiatives will likely be administrated and implemented under the Efficiency Works™ brand. Key department achievements in July included:

- Provisions of the Energy Independence and Security Act of 2007 that took effect on July 1, 2023, have guided the Efficiency Works Consumer Engagement team to continue the transition of the retail lighting program to focus on serving income-qualified residents.
- A new and unique partnership between Efficiency Works Homes and Energy Outreach Colorado launched in April 2023. This partnership, which primarily serves income-qualified residents, was highlighted by the executive director of Energy Outreach Colorado at the Colorado Association of Municipal Utilities conference in Breckenridge.
- Efficiency Works Homes surpassed 1,000,000 sq. ft. of installed insulation since 2018, improving the comfort of participating residential properties while saving energy.
- The Efficiency Works Business team has totaled 15 completed projects in 2023, including the Building Tune-up retro-commissioning program and serving commercial customers with complex heating and cooling systems. This offering was relaunched in 2021 with an anticipated two-year ramp up to achieve significant participation levels.

- Hired two additional employees, one focused on consumer engagement programs and the other on incorporating legislative impacts into customer programming.

Through July 2023, Efficiency Works programs have achieved:

- 5,252 MWh of energy savings complete, with an additional 8,163 MWh savings in progress.
- 622 KW summer peak reduction complete, with an additional 740 KW peak reduction in progress.
- 1,333 residential and 308 business customers interactions with program offerings.
- \$4.1 million invested in our communities, including incentives and administrative costs incurred.



## Digital departments

The Digital department encompasses various domains, such as enterprise infrastructure, enterprise applications, operational technology, telecommunications and fiber optics, client technology and security, and information and cyber governance.

The following are some of the key department initiatives and activities completed or underway:

- Staff augmentation for Survalent support
  - The Operational Technology department held a kickoff meeting with CLP Engineering, which will provide staff augmentation services for the legacy Survalentsystem control and data acquisition (SCADA) system. In parallel, we are deploying a new Open Systems International, Inc. (OSI) energy management system (EMS). CLP Engineering will help support Survalent through Q3 2024 when the new EMS is scheduled to go live. This will provide bench depth to support the Survalent system and enable Platte River staff to focus on learning our new OSI system.
- Oracle Cloud Fusion enterprise resource planning (ERP) system implementation
  - Working with Platte River implementation partners to configure systems, resolve issues and develop testing plans for end-to-end testing in October.
  - Developing processes to convert and integrate data in Oracle ERP.

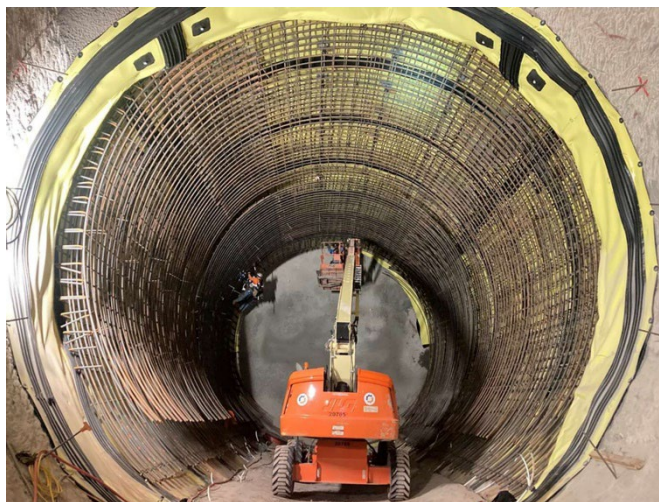
- Establishing a change management process to develop training and communication plans for Oracle ERP implementation.
- Developing a resource availability matrix for our ERP project plan.
- OSI EMS implementation
  - The conversion of the existing Survalent SCADA database to Monarch is expected to be completed in August. This captures the existing SCADA information, alarms, inter-control center communications protocol and other core configurations of Platte River's systems.
  - The Platte River operational technology team is creating SCADA one-line displays. There has been good coordination with operations to ensure the system meets operator needs.
  - A vendor is installing the remaining parts of the EMS required for testing, quality assurance and production environments. Some schedule changes have been necessary to acquire the most accurate system configurations and additional software requirements; IT and operational technology teams are working together to accomplish these tasks.
  - Network applications development, including the network model, is expected to be ready for testing in December. This functionality does not exist in Survalent.
  - Initial functionality testing for EMS is scheduled for December, with site acceptance testing in March 2024.
- Fiber network updates
  - Deployment of the ethernet transport network, which will replace the synchronous optical network fiber-optic equipment, is now 80% complete, with over 40 nodes installed and operational. The remaining segments of the network are the south ring (south Loveland and Longmont) and the west ring (Estes Park).
  - The first ongoing fiber-optic technical committee meeting is scheduled for August 24. This will facilitate information sharing between Platte River and the owner communities and discussion of upcoming projects and potential opportunities for collaboration.
- Digital project management office activities
  - Project portfolio created in Digital Project Management workspace
    - Portfolio reporting and dashboard in progress
    - Exploring additional resource management module capabilities and pricing
  - Project intake process in progress
    - Project request form created
  - High-priority projects for the third quarter of 2023
    - Priority 1 - Survelant maintenance window
    - Priority 2 - Plant information system design and deployment
    - Priority 3 - Substation network replacement

## Operations

### Fuels and water

As previously detailed, Granby reservoir reached capacity in June and spilled until mid-July. When combined with reduced demands on the Front Range, the exceptional spring runoff filled the Colorado-Big Thompson Project to a record storage level of 803,291 acre-feet in Granby, Horsetooth, and Carter reservoirs. This total surpasses the previous record set in 2019 by 760 acre-feet. While the Windy Gap project could not pump this year due to lack of storage capacity, the high storage levels indicate sufficient regional water supplies for the 2024 water year.

Chimney Hollow Reservoir construction continued at a steady pace in July, with work progressing throughout the project. The main dam is now 75 feet above the original ground surface and is nearing the height where the span across the valley will increase significantly and the geometry of the project will become more complex. The reinforced concrete lining of the downstream section of the inlet-outlet tunnel is underway (see image) and 500 feet of the 1,200-foot upstream section of the tunnel have been excavated. North of the main dam, the box culvert-type spillway is taking shape and the valve house slab is complete. Overall, the project remains approximately two weeks behind the original schedule but is still on track for completion in summer 2025.



*Crews prepare concrete reinforcement for the inlet-outlet tunnel lining.*