Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 30, 2024

2024 IRP update

Raj Singam Setti, chief operating officer, innovation and sustainable resource integration

Addressing customer needs for today and beyond

Platte River is leading the **clean energy** transition

Reliability

Environmental responsibility

Financial sustainability

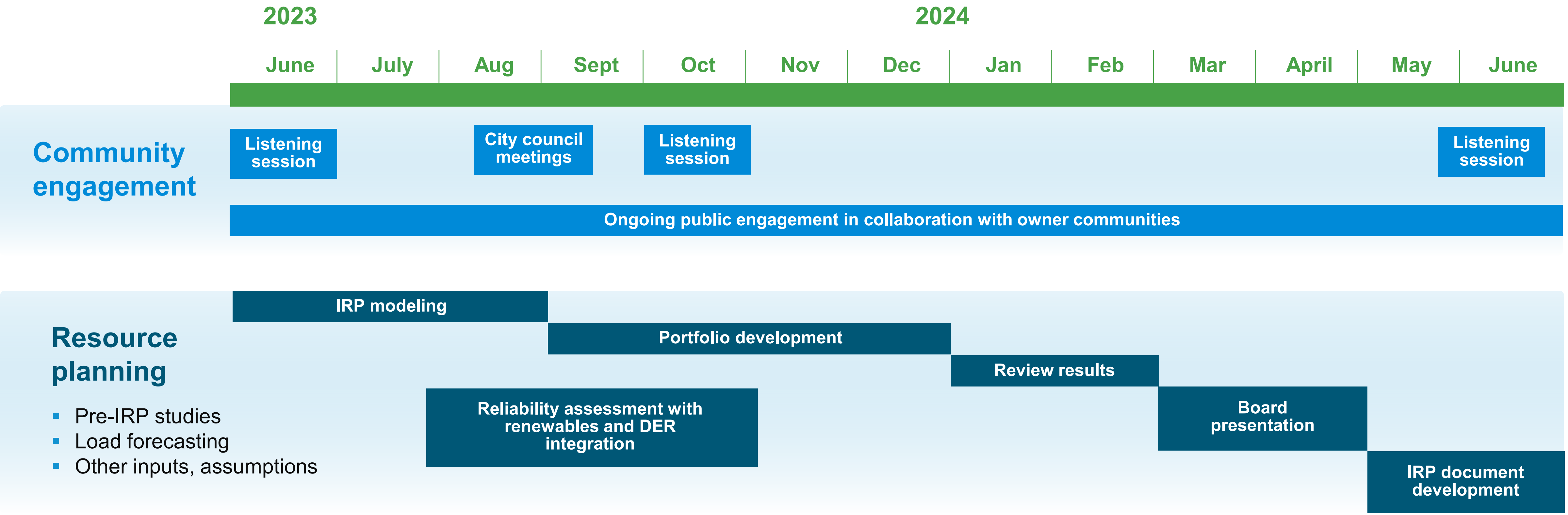
Add renewables

Continue to add even more sources of reliable, renewable energy

Monitor

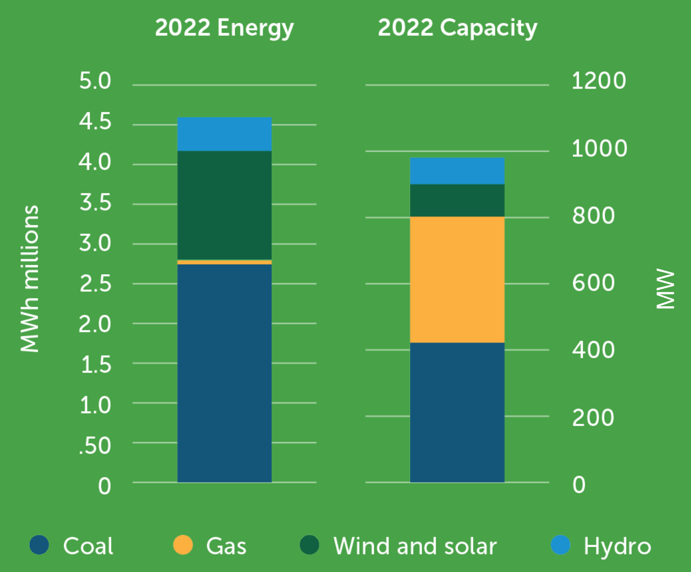
Monitor emerging technologies for inclusion in future planning

IRP timeline



IRP challenge

Create a transition plan to retire 431 MW of coal, currently providing over half of the low-cost energy and reliable capacity. Replace this with low or no-carbon energy and capacity within six years.



Replace more than 2 million MWh of energy and equivalent capacity

Focus mostly on energy – but capacity or reliability is also critical

Solar

Battery storage

Wind

VPP

Energy vs. capacity in resource planning

Energy planning

Most people are familiar with energy – this is a MWh that is produced or purchased to supply customers.

Energy planning is where we can really make an impact on emissions.

Capacity planning

Utilities must maintain sufficient generation resources to cover peak load plus a reserve margin, known as the Planning Reserve Margin (PRM) requirement.

Certain resources are better suited for supplying capacity.

- Wind and solar are not dispatchable (utilities can't control when they are on).
- Battery energy storage, thermal, and virtual power plant are dispatchable.

A resource can be built for its capacity value and run little to supply energy.

It is there when the system really needs it!

IRP process overview

External Studies

- Power and Commodity Price Forecast
- Extreme weather and Dark calm analysis
- Reliability – PRM and ELCC analysis
- Emerging technologies screening
- Dispatchable capacity requirements

Renewable Resource Costs

- All Renewable RFP issued
- Research Institute – NREL & EPRI

Distributed Energy Resources

- Building electrification
- Assess EV and DG impacts
- Load shapes

Load Forecast

- Base, high and low scenarios
- IRP model peak and energy demand

Core IRP modeling and evaluation

When, how much and what technology?

Portfolio Development

- Objective lowest cost and CO2
- Constraint : must meet PRM

Reliability Testing

- Resource portfolio testing with
  - Dark Calms
  - Extreme weather
  - Wind & solar profiles

Plexos Model

- Model Parameters and Constraints
- Existing Resources

IRP 2024 Filings

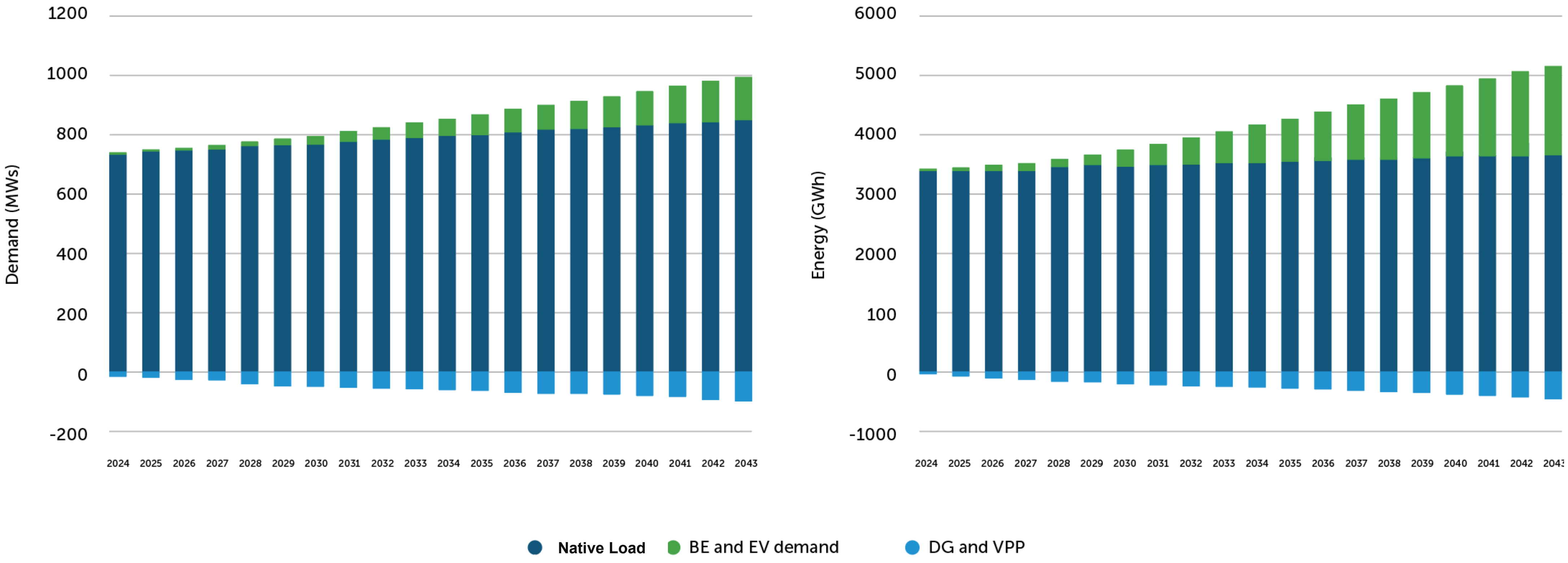
- WAPA Filing
- Clean Energy Plan

IRP planning assumption

20 Year plan spanning 2024-2043

- Electric demand growth
  - Including electrification and electric vehicle demand
- VPP and DER deployment
- Technological breakthroughs
  - LDES commercially available in 2035
  - Green Hydrogen commercially in 2035
- Market – provides regional optimization & renewable integration
- Renewable Energy Costs
  - Solar : $26/MWh to $38/MWh (Long term contract cost)
  - Wind : $30/MWh to $34/MWh (Long term contract cost)
- Dispatchable Capacity Costs
  - 4hr- battery storage : $11/kW-month to $14/kW-month (Long term contract cost)
  - Long duration energy storage : $2.5 million/MW (Capital cost)
  - Thermal : $1.5 million/MW (Capital cost)

Major planning assumption - Load



Distributed energy resources

Modeled in load forecast

Energy efficiency

Save energy and save money by using energy more efficiently

Electrification

Reduce green-house gases by replacing fossil fuel use with increasingly decarbonized electricity

Flexible DER as part of a virtual power plant (VPP)

Distributed generation

On site noncarbon generation

Solar generation

Demand response

Distributed energy storage

Shift energy to align electric use to renewable availability and to decarbonize the electric system in a cost effective and reliable manner

Electric vehicles, batteries and traditional demand response

Distributed energy solutions

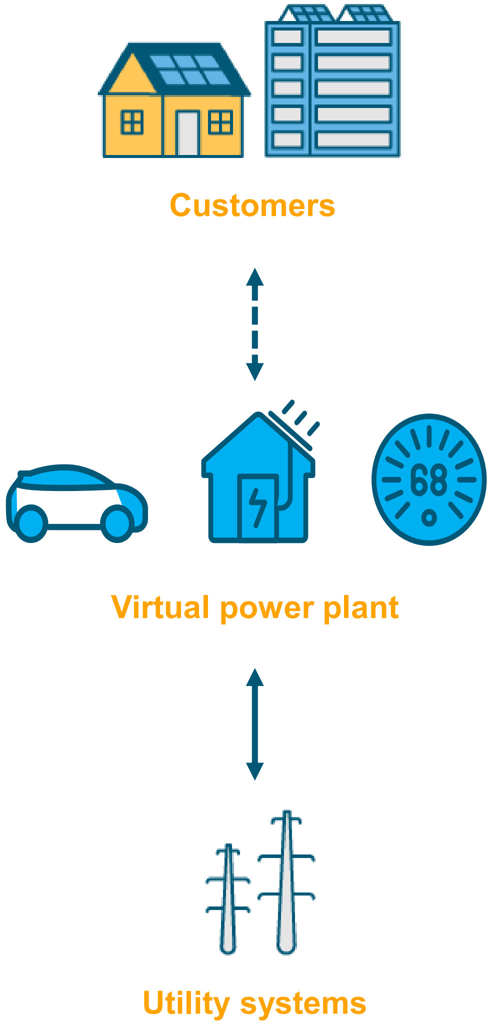
Efficiency Works™

Distributed energy solutions provide the foundational building blocks of the VPP

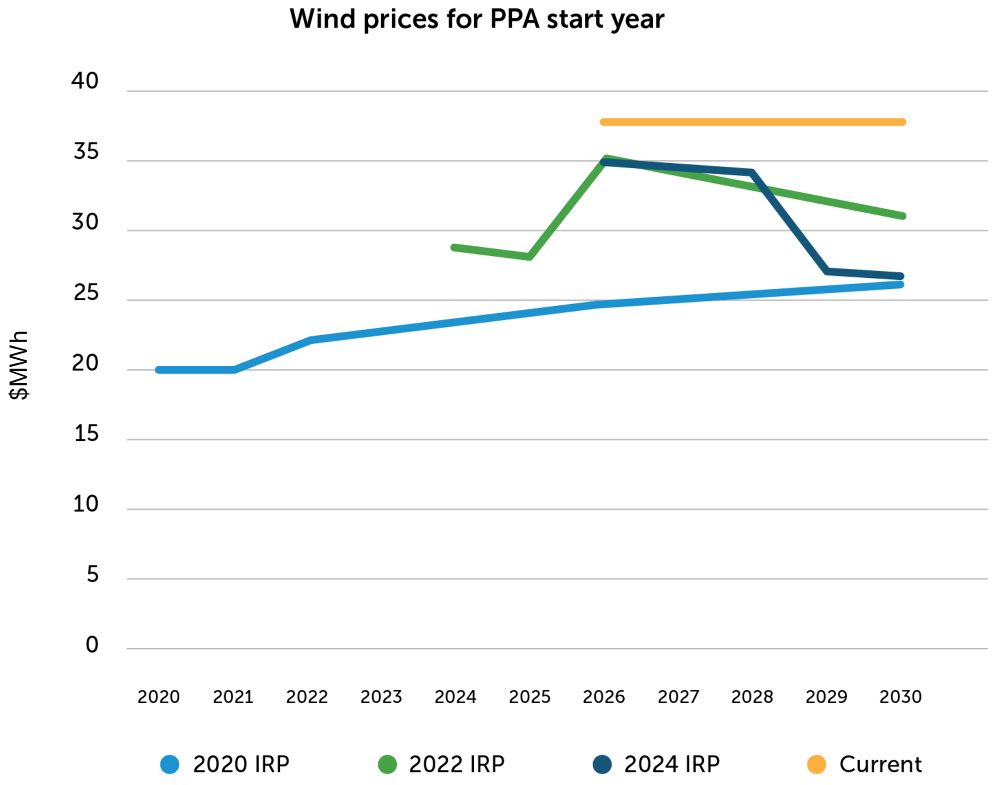
Customer energy programs supporting the utility of the future:

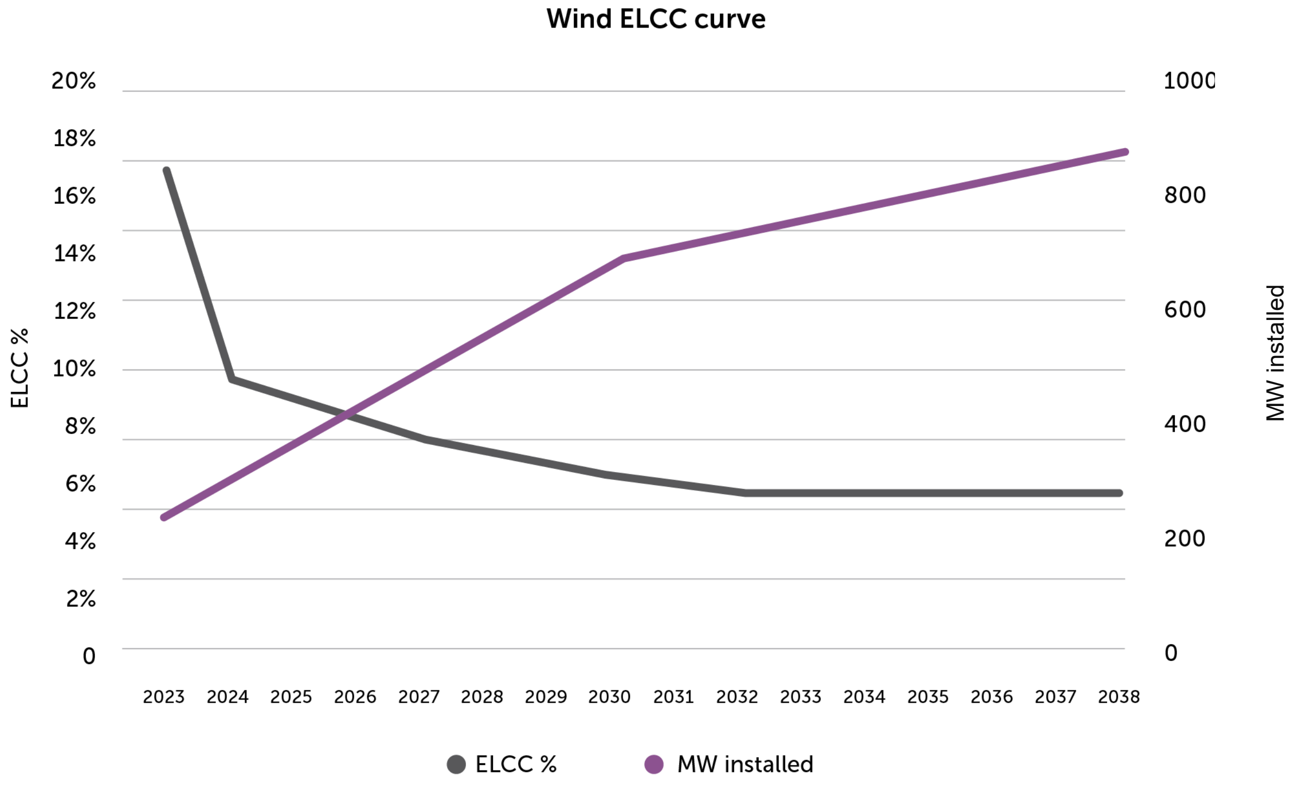
- ✓ Energy efficiency
- ✓ Building electrification
- ✓ Income qualified programs
- ✓ Electric vehicle programs
  Battery Storage support and services
- ✓ Commercial demand response

Virtual Power Plant

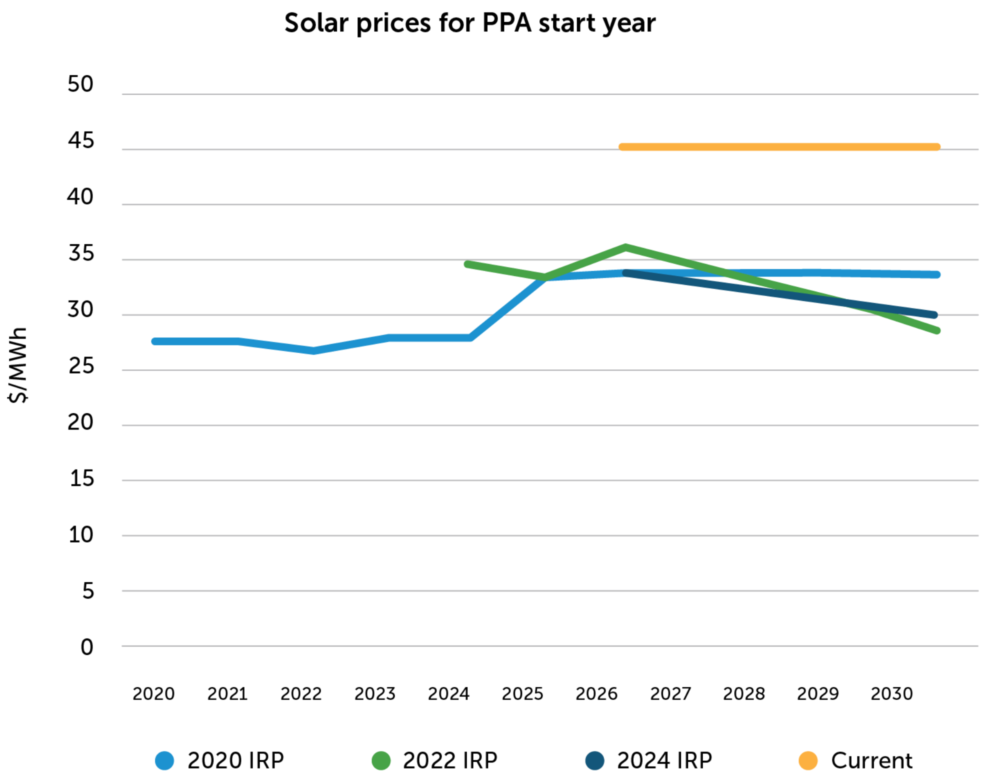


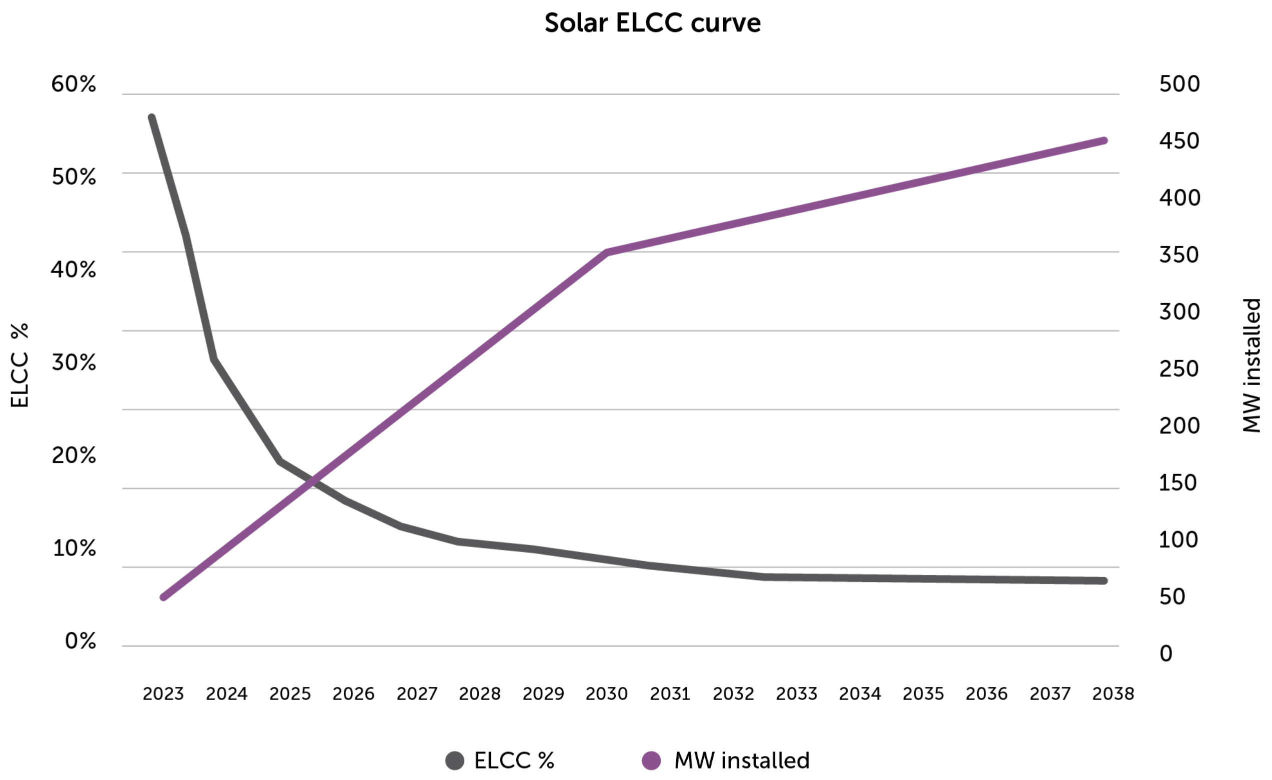
Wind PPA/capital and operating costs and parameters



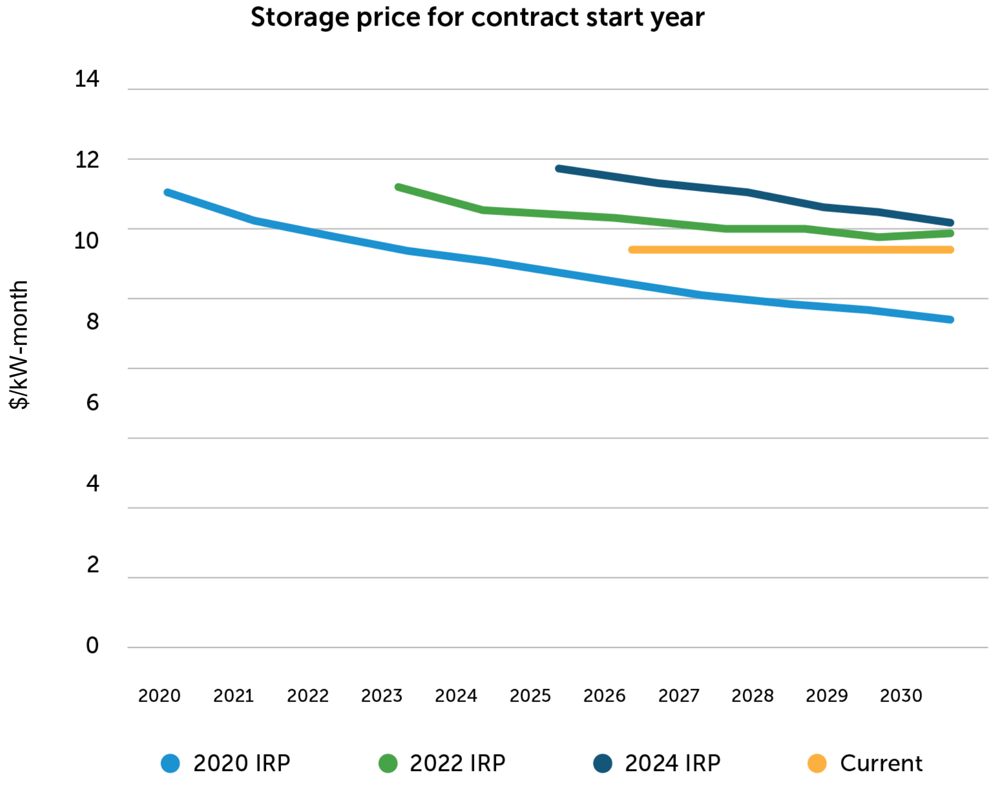


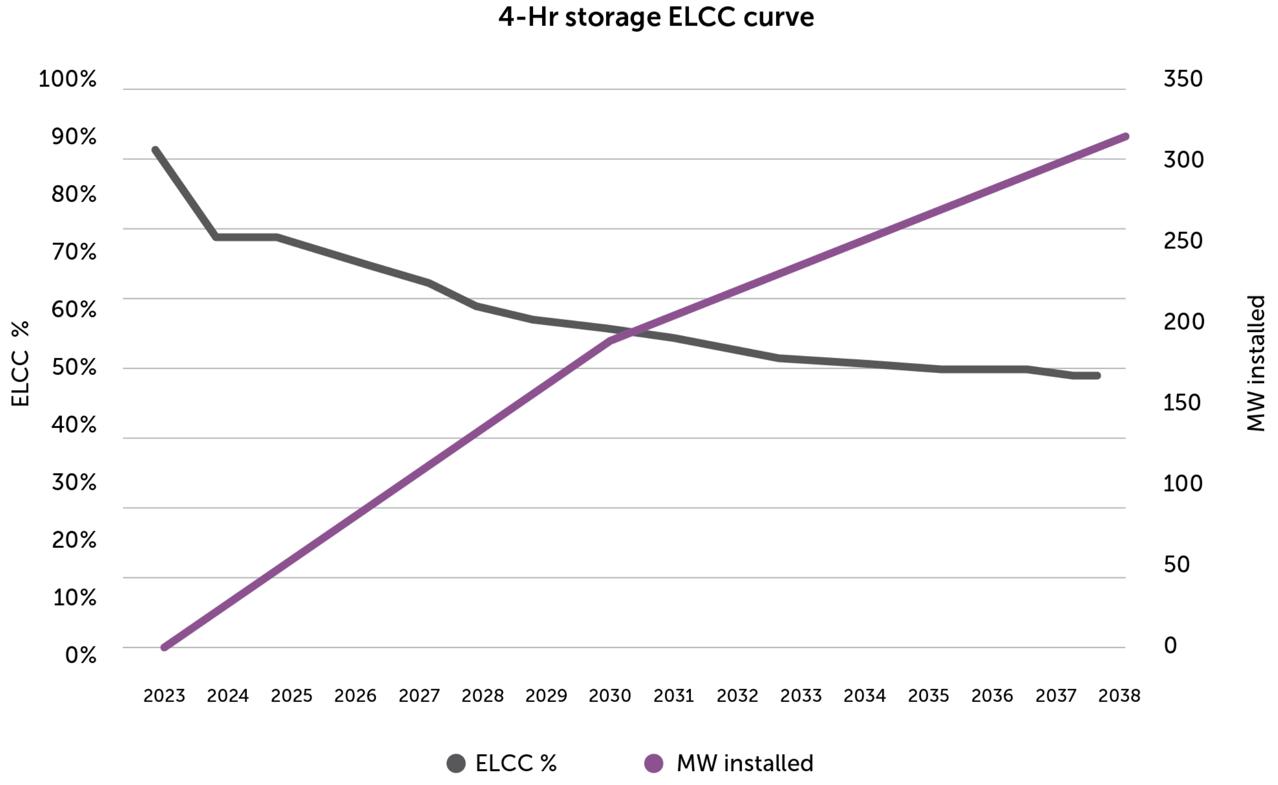
Solar PPA/capital and operating costs and parameters





Storage PPA/capital costs and parameters





System reliability

Reliable system

Resource adequacy

Transmission security

With increasing retirements and dependence on solar/wind/storage resources, both distributed and utility-scale, planning paradigm is evolving to assure operational reliability

Reliable system

Resource adequacy

Transmission security

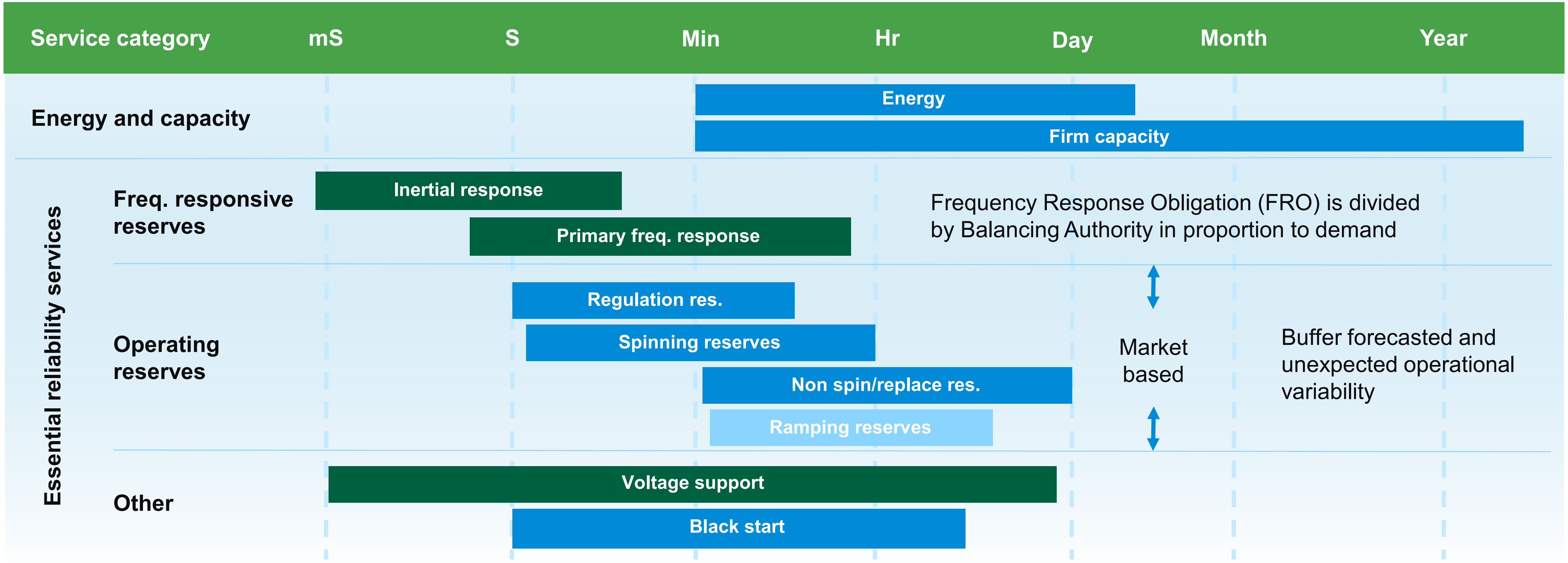
Essential reliability services

Resource reliability attributes and services

Resources have many attributes aside from energy and capacity that are critical to reliable operation.

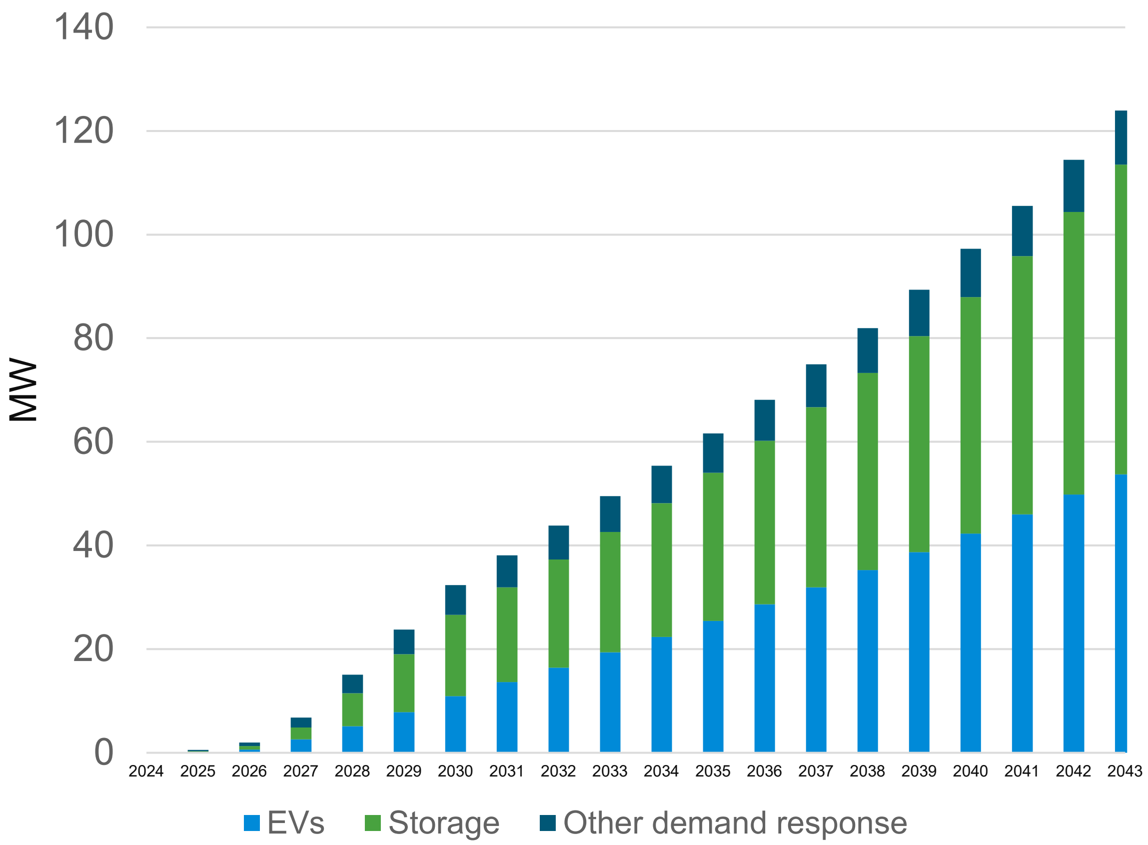
- Selecting a portfolio with the right attributes is crucial to ensure reliability and resilience
- Portfolio evaluation should account for their reliability attributes
- System needs for reliability attributes increases with higher levels of inverter-based resources (IBRs)

Resource reliability attributes and services



Corrected slide

Virtual power plant capacity



*EV/Other demand response were reversed.

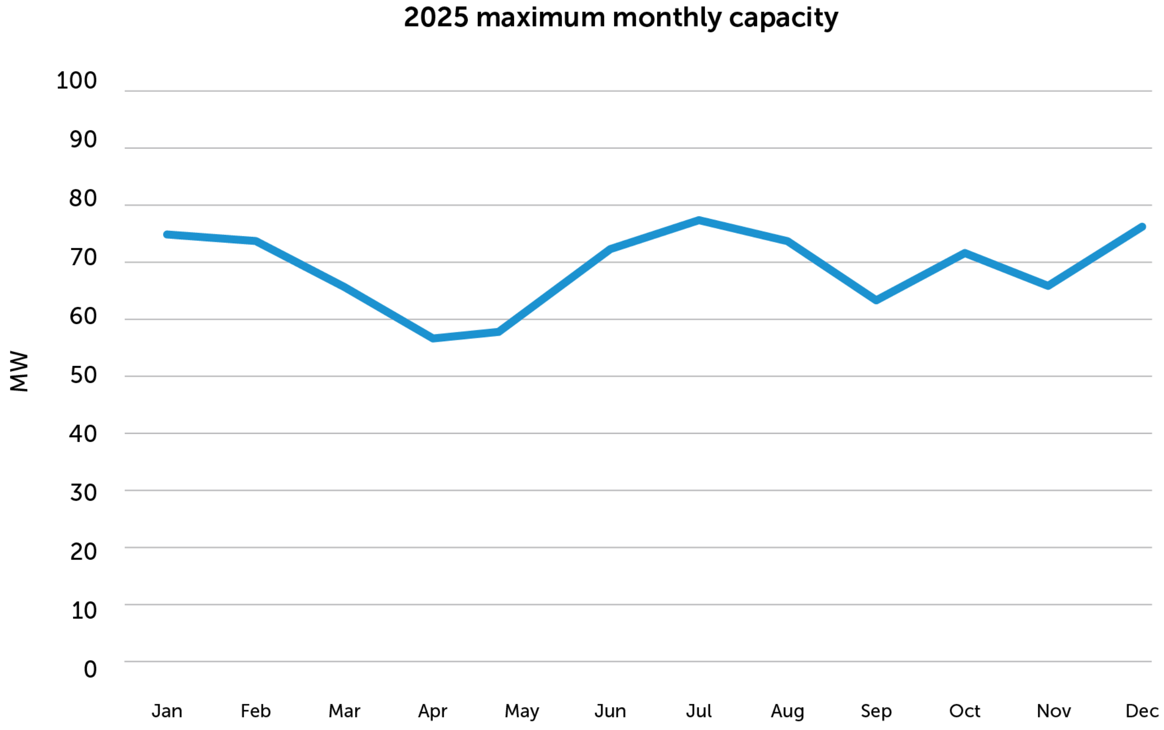
Platte River and owner community role:

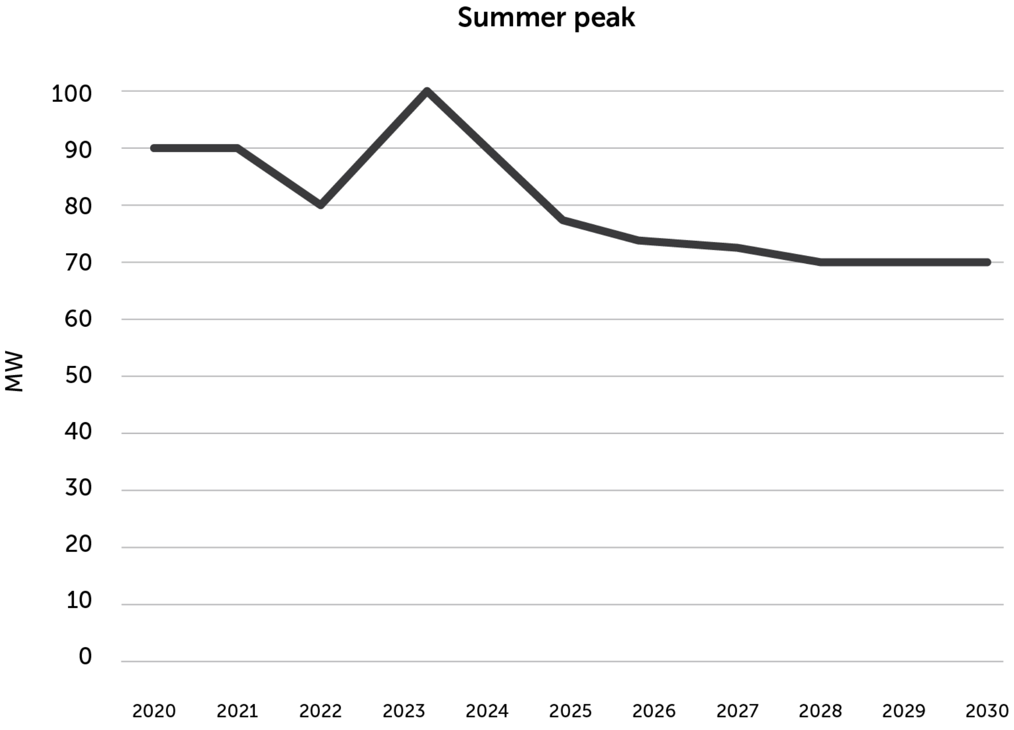
- Invest in new systems, e.g.,
  - DER management systems
  - Advanced distribution management systems
  - Data management systems
- Invest in VPP programs
  - Customer engagement and support
  - Incentives for participation
- Operate the VPP to achieve system benefits

Customer role:

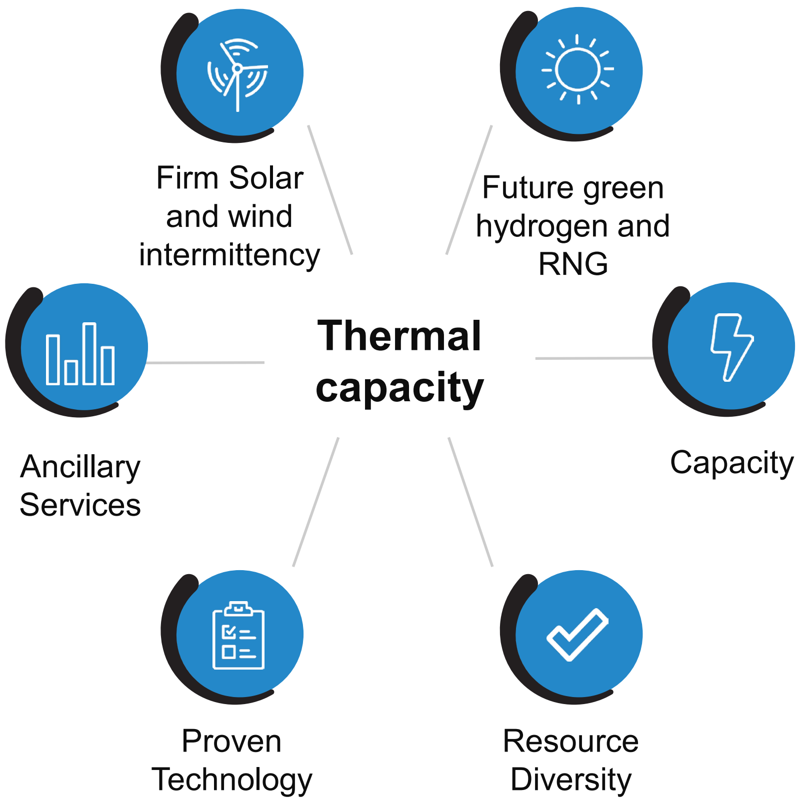
- Adopt DERs like storage, electric vehicles and smart devices
- Enroll and participate in the VPP

Hydro Capacity





Thermal capacity

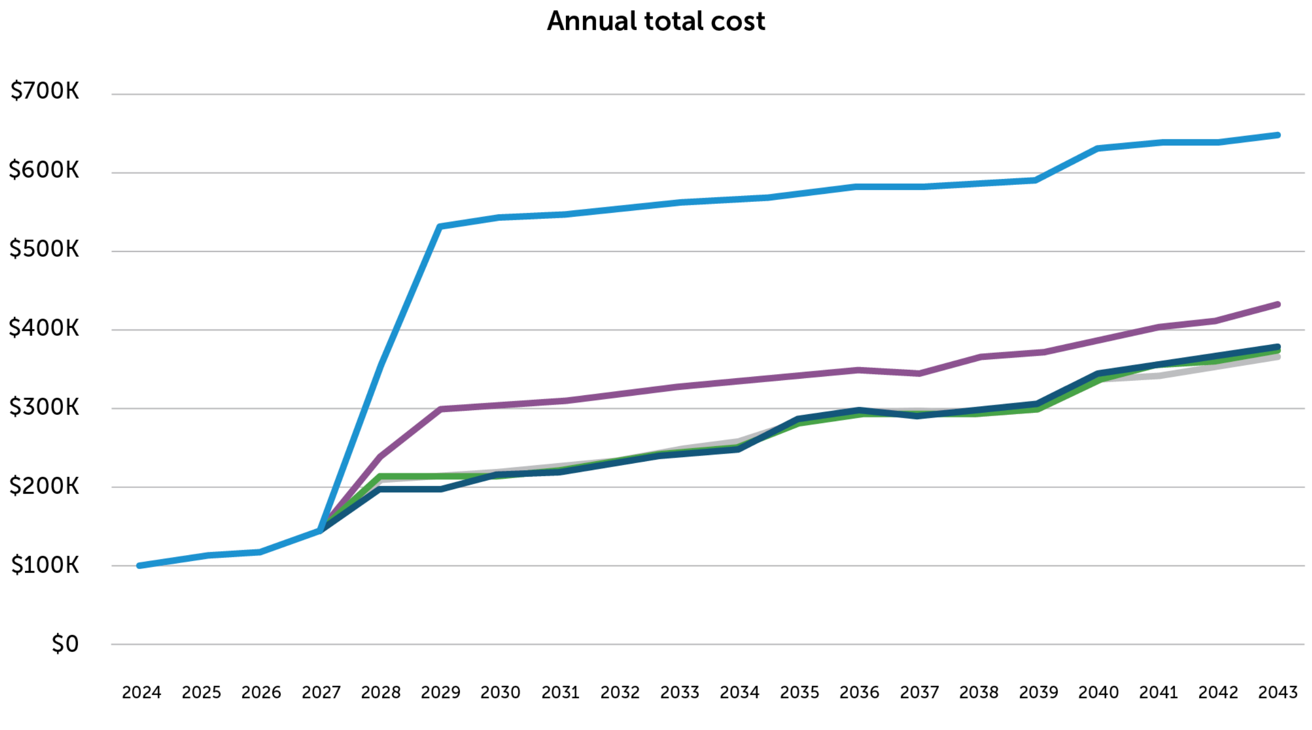


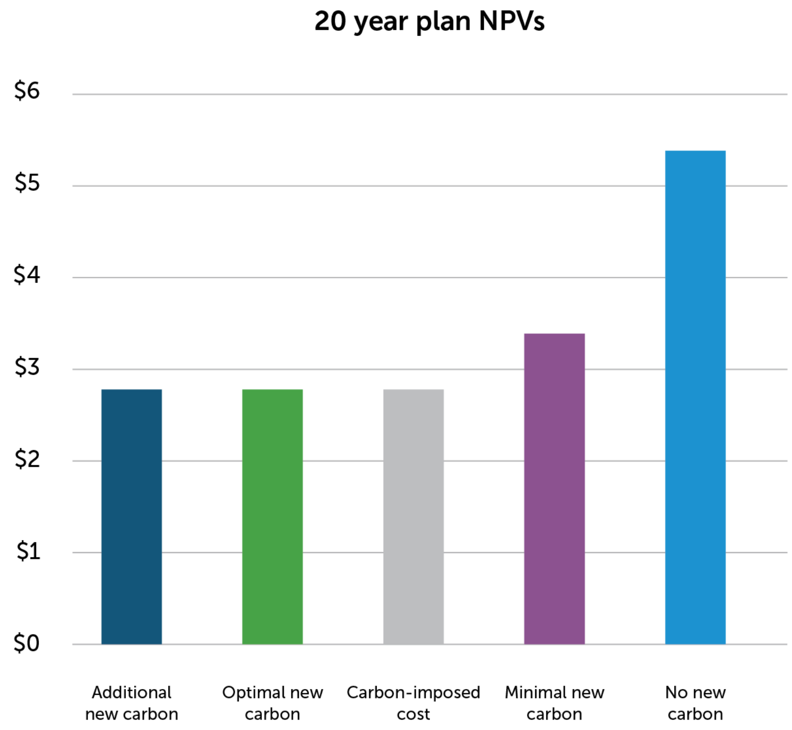
IRP results

Summary of five portfolios

Portfolio	Total resource addition in 20 years, MWs								Cost	2030	2035
	Solar	Wind	4-Hr Storage	LDES	Thermal	Distributed Solar	Distributed Storage	Total renewable + storage	NPV, $ billion	CO2 tons x000	CO2 tons x000
No new carbon	600	885	2850	10	0	337	123	**4,805**	**$5.34**	126	104
Minimal carbon	600	885	1100	110	80	337	123	**3,155**	**$3.37**	127	36
Carbon-imposed cost	550	985	400	160	160	337	123	**2,555**	**$2.78**	196	54
Optimal new carbon	600	885	275	160	200	337	123	**2,180**	**$2.77**	241	74
Additional new carbon	450	985	175	110	280	337	123	**2,380**	**$2.76**	329	98

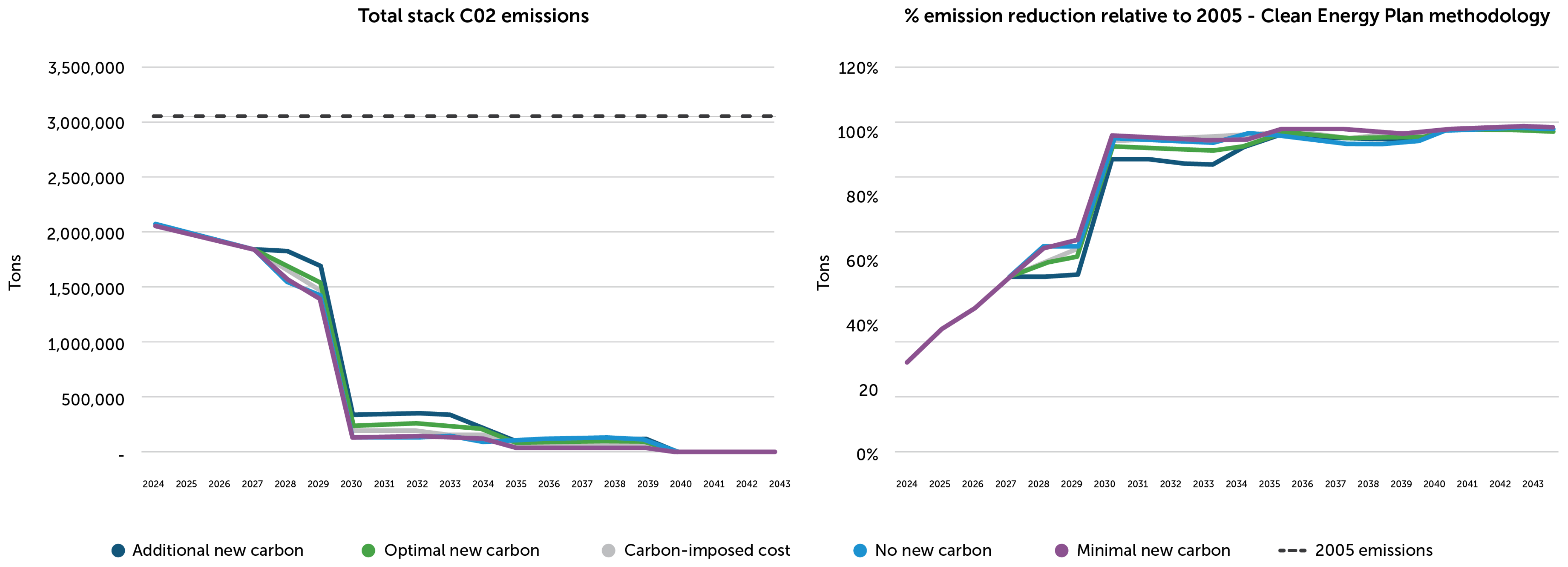
Comparative portfolio costs





Additional new carbon Optimal new carbon Carbon-imposed cost No new carbon Minimal new carbon

Comparative CO2 emissions and % reduction vs. 2005

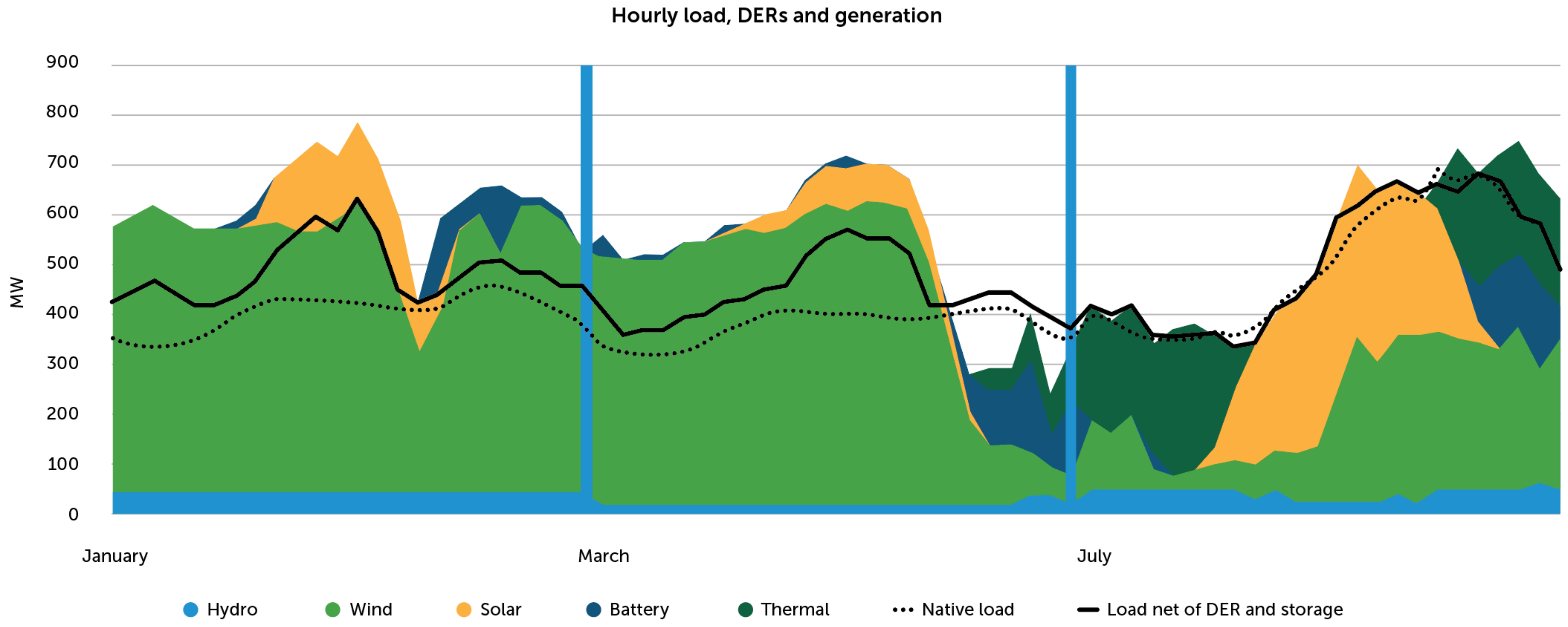


Recommended portfolio details

Maintains Optionality for the future

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	Total
Coal	-77			-74	-280															-431
Solar	150	150								100					50			100	50	600
Wind			200	200		60					100			100					225	885
Storage 4-hr		25	25	50	75		25	25	25										25	275
Storage Long Duration				10							50					50	50			160
Solar DER	16	21	22	21	15	14	13	12	10	10	10	13	14	14	15	16	17	18	19	291
Storage DER	3	5	7	7	8	7	8	8	8	7	6	5	4	4	5	6	7	7	7	120
Thermal				200																200

Market interaction/exposure



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Risk and opportunity

Renewable resource volatility

Customer/ prosumer volatility

Commodity price volatility

- **Plan execution risk**
  - Can we acquire all the renewables and storage in time we need?
  - Tariff and Supply chain issues
  - Cost of wind, solar and energy storage
- **Integration risk**
  - VPP readiness. Will need 50,000 customers to provide 30 MW
  - VPP system implementation and integration
  - DER and flexible load
- **Market risk**
  - Prices are very low, leading to curtailment when we have excess energy.
  - Congestion in delivering renewable energy to the load.
  - Market prices are expected to be low in 2027-2029 when we have excess power.

Next steps

- Finalize the IRP document with board input
- Continue public engagement in the next few months
- IRP approval in July and then file with WAPA
- Continue the plan execution on multiple fronts:
    - New resource additions: renewables, storage and dispatchable
    - DER implementation
    - Public engagement and education
    - Continue planning for just transition at Rawhide

Q&A

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Board of directors

May 30, 2024

Average wholesale rate projections and 2025 tariff schedule charges

Shelley Nywall, director of finance

Wade Hancock, senior manager, financial planning and rates

Discussion

- Platte River financial governance framework
- Historical average wholesale rates
- The short story
- What is driving rate increases?
- What actions are being taken to alleviate rate pressure?
- Why do rate projections change?
- What are the 2025 rate tariff schedules?
- What’s next?

Platte River financial governance framework

- Strategic Financial Plan and rate setting framework are components of the governance framework that drive rate making actions
- Many factors influence rate actions including
  - Integrated Resource Plan
  - Strategic budget
  - Colorado revised statutes
  - Power supply agreements

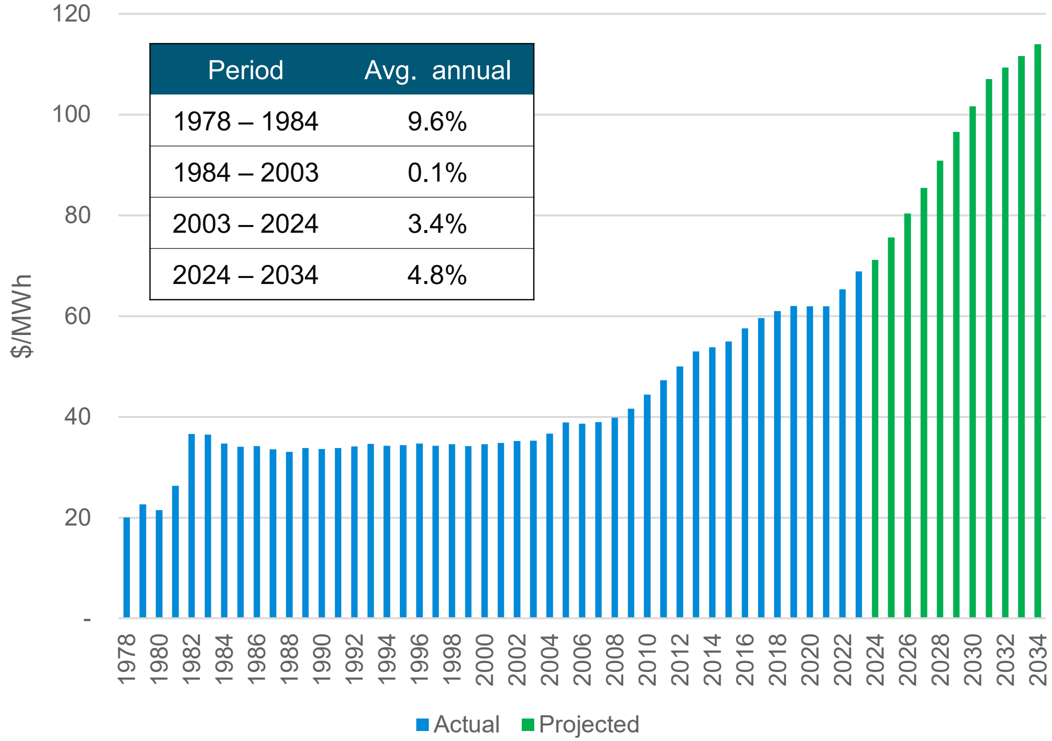
Financial sustainability: Rate setting

Strategic Financial Plan
(financial metrics and rate stability strategies)
	Rate requirements and practices
	• Review rates annually (Power Supply Agreements and General Power Bond Resolution)
	• Sufficient to cover all operating and maintenance expenses, purchased power costs, debt service expenses and provide reasonable reserves and adequate earnings margin to obtain favorable debt financing
	• Rate stability strategies
	  • Fiscal responsibility
	    • Revenue generation
	    • Expense management
	  • Rate smoothing
	    • Accounting policies to manage revenues and expenses for rate making purposes (GASB 62)
	    • Multi-year rate smoothing strategies will also be used to avoid greater single year rate impacts or to accomplish specified financial objectives

Rate setting policy and **rate setting reference document**	• Improve value added of Platte River in support of owner communities • Offer a desirable portfolio of services and rates that meet owner communities' needs • Better align wholesale pricing signals with cost of service and owner community retail pricing signals • Send pricing signals that result in system benefits

Historical average wholesale rates

Average wholesale $/MWh

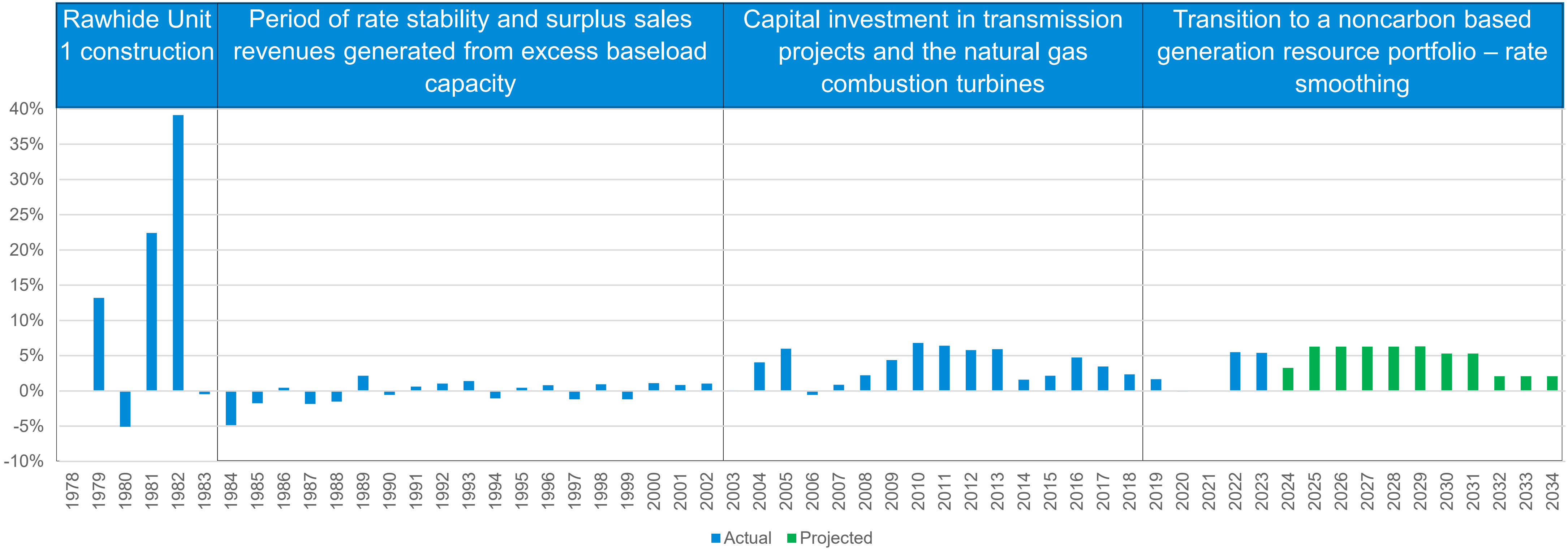


Period	Avg. annual
1978 – 1984	9.6%
1984 – 2003	0.1%
2003 – 2024	3.4%
2024 – 2034	4.8%

- 1978 - 1984
  - Significant rate increases (73%) with Rawhide Unit 1 construction
- 1985 - 1990s
  - Surplus sales from excess generation
- 2000s
  - Natural gas capacity expansion
  - Transmission capital investment
- 2018 – 2034
  - Noncarbon asset integration

Projections are subject to change

Average wholesale $/MWh percent changes



Projections are subject to change

The short story

The short story

Resource transition	• Resource Diversification Policy (RDP) - Board-adopted 2018 - Important advancements must occur - Maintain 3 foundational pillars • Replacing existing low-cost coal resources with - More expensive noncarbon energy - New dispatchable technologies to maintain reliability • Completed in less than 11 years
Expenses	• Costs increasing due to supply chain issues, labor, services and equipment • Increase in costs = increase in wholesale rates • Rate stability strategies implemented and maximized while meeting Strategic Financial Plan metrics • Projected rate increases will fluctuate - Not until new resources are secured with contracts and in service will there be less uncertainty and fluctuations - Uncertainty always exists but substantial during the transition period
Current rate projections	• Current average wholesale rate recommendation - 2025: 6.3% increase - Long-term: 6.3% (2025 – 2029), 5.3% (2030 – 2031), 2.1% (2032 – 2034) - Will vary to each owner community based on energy usage and load profiles

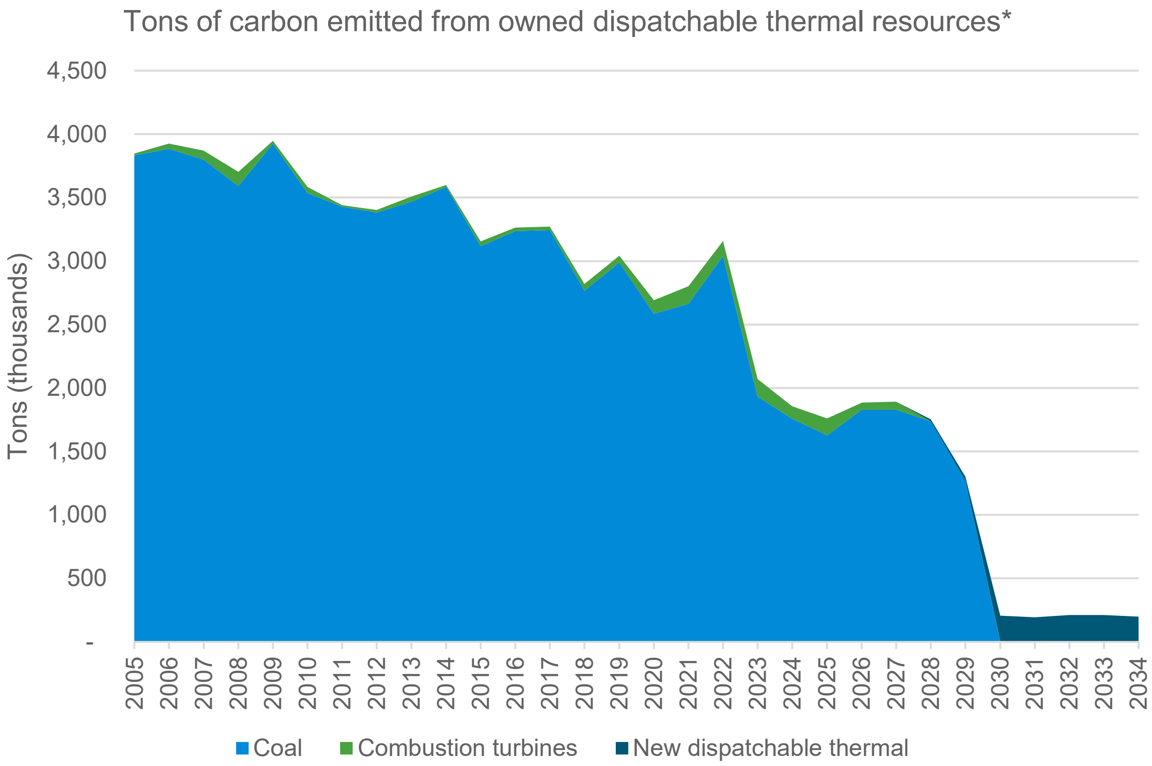
Projections are subject to change

What is driving rate increases?

Primarily the expenses associated with the transition of assets to achieve the board-adopted RDP goal

Our energy future

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

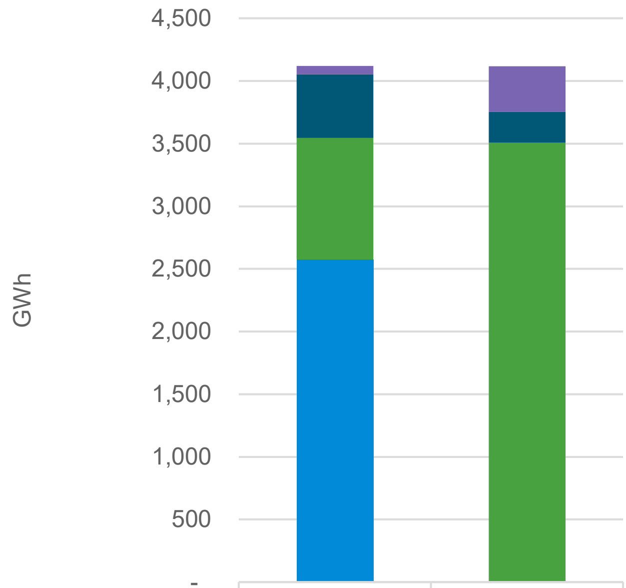


*Excludes carbon emissions from market purchases

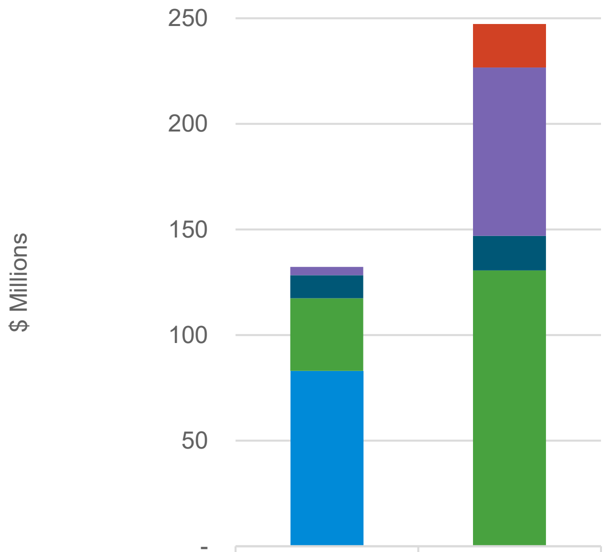
Projections are subject to change

Transition: generation assets 2018 to 2030

Noncarbon and lower carbon emitting natural gas replacing coal and current natural gas-based generation



	2018	2030
Natural gas	67	362
Purchased power	507	249
Noncarbon	970	3,507
Coal	2,576	-
Total	4,120	4,118



	2018	2030
Storage	$-	$20.4
Natural gas	$4.0	$79.8
Purchased power	$10.9	$16.4
Noncarbon	$34.5	$130.6
Coal	$83.0	$-
Total	$132.4	$247.2

Generation

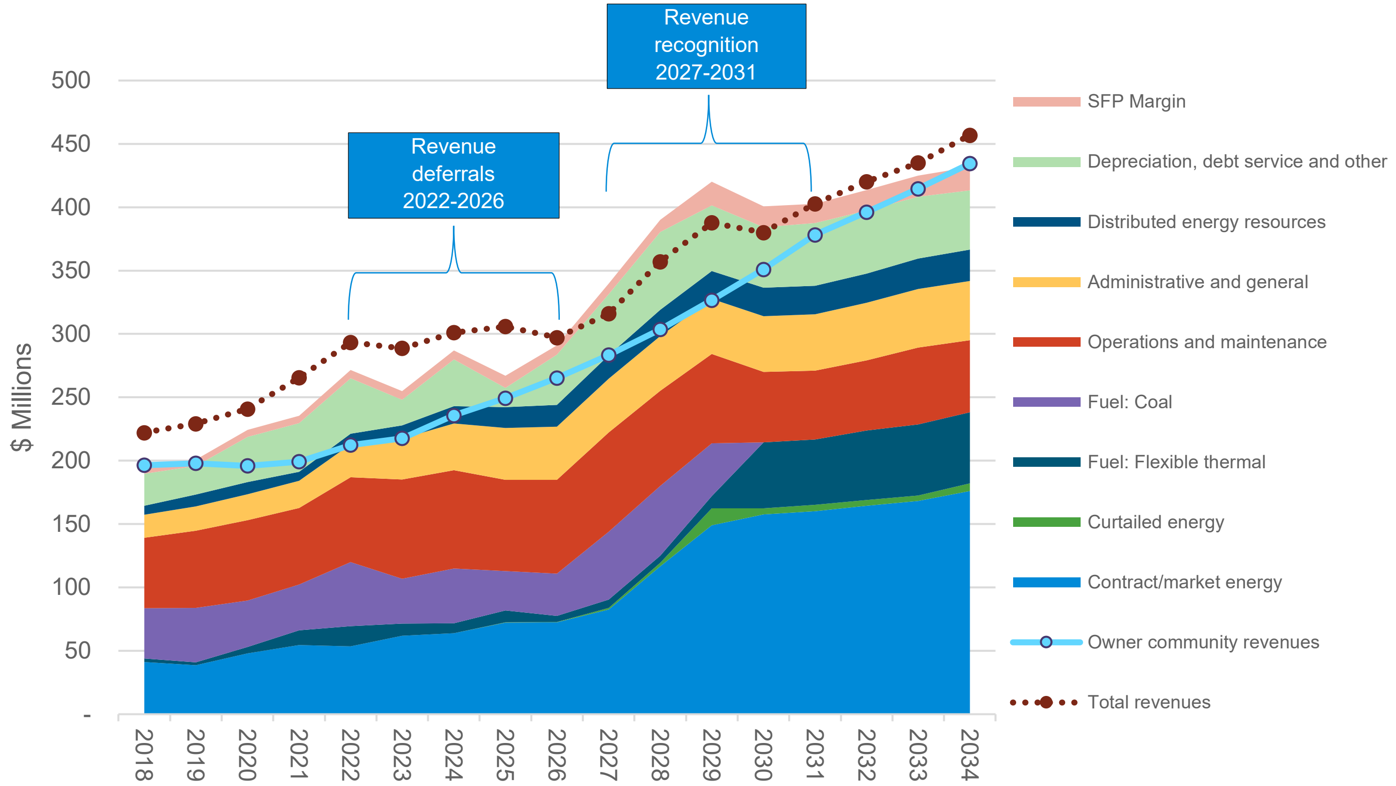
- Coal is retired
- Noncarbon expands from 24% to 85%
- Natural gas generation less than 10%

Expense

- Replacing current resource mix and general inflation approximately $115 million annually; ~87% increase

Projections are subject to change

Transition: financial overview 2018 to 2034



- Owner community revenues increase $238 million; 121% increase
- Contract energy and fuel increasing $155 million
- Other expenses increasing $82 million
- Surplus sales decreasing $3 million
- Deferred revenue and expense accounting policy 2022 to 2034

Projections are subject to change

Platte River Power Authority

Modeling uncertainties

Key assumptions are uncertain. Potential assumption changes include, but are not limited to, the items detailed below:

- Asset integration schedule
- Asset sales
- Capital investment forecast
- Commodity prices
- Debt issuance costs
- Decommissioning
- Deferred revenues and expenses
- Economic externalities
- Emissions expense
- Federal hydropower allocations
- Integrated Resource Plan
- Load forecast
    - Growth, electric vehicles, distributed energy resources, building electrification
- Noncarbon energy curtailments
- Organized energy markets
- Regulations
- Resource diversification policy
- Staffing
- Surplus sales prices and volumes

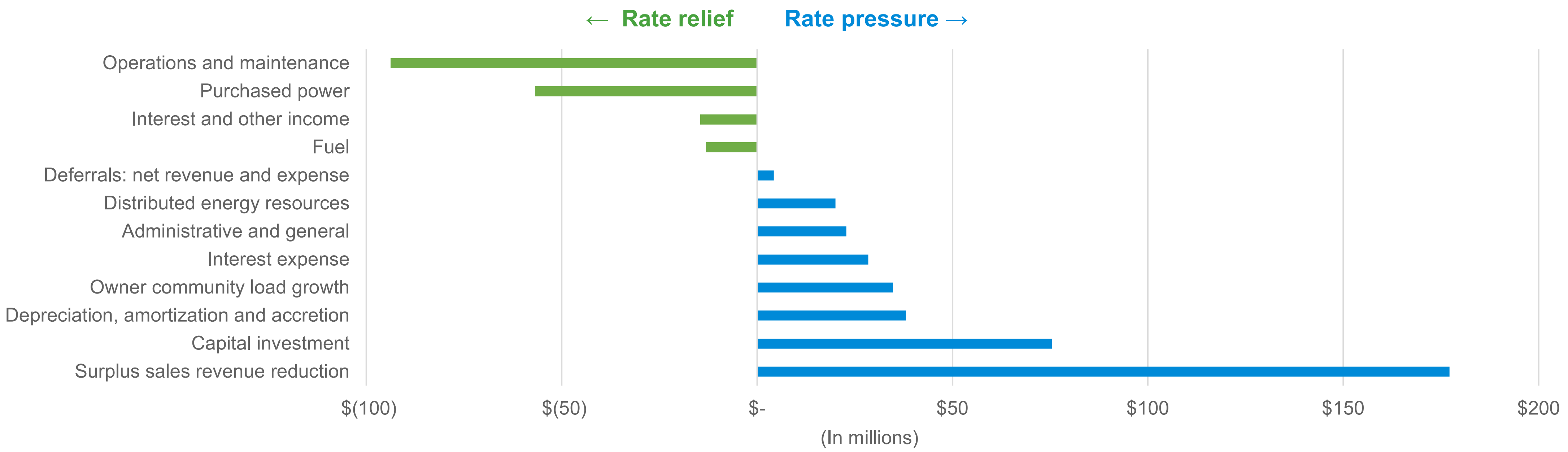
Financial projections

Case comparison: May 2023 to current

Case comparison of total revenue and expense

2025 – 2034

- $213 million owner community additional revenues attributable to rate increases
- $223 million net rate pressure (chart below)



Comparison is the sum of each category for the entire period 2025 – 2034; current less May 2023 case

Projections are subject to change

Case comparison details

2025 – 2034: $223 million increase

Category	Activity	Change (in millions)
Rate relief		
Operations and maintenance	• Transmission operations and maintenance expense because of Southwest Power Pool Regional Transmission Organization West (SPP RTO West) market participation	$(93.7)
Purchased power	• Projected prices under noncarbon purchase power agreements are higher than previous estimates offset by delayed in-service dates	$(56.8)
Interest and other income	• Increased rate of return	$(14.5)
Fuel	• Less emissions expense and less generation from coal and existing natural gas resources • Offset by higher use of flexible thermal resources and associated expenses	$(13.0)
Rate pressure		
Surplus sales revenue reduction	• Lower market prices, which decrease surplus sales revenue and associated margin; partially offsetting the lower sales are increased transmission revenue projections	$177.2
Capital investment	• Primarily reliability and transmission assets to integrate noncarbon generation resources	$75.4
Depreciation, amortization and accretion	• Increased capital investment (generation and transmission)	$38.1
Owner community load growth	• Long-term load growth lower relative to the previous forecast (net impacts of building electrification, electric vehicle penetration and distributed energy resources)	$34.8
Interest expense	• Increased debt to fund increased capital investment	$28.5
Administrative & general	• Inflation and personnel expenses	$22.8
Distributed energy resources	• Distributed energy resource expanded investment	$20.0
Deferrals: net revenue and expenses	• Mechanism to smooth rates; less net deferrals during the planning horizon	$4.3

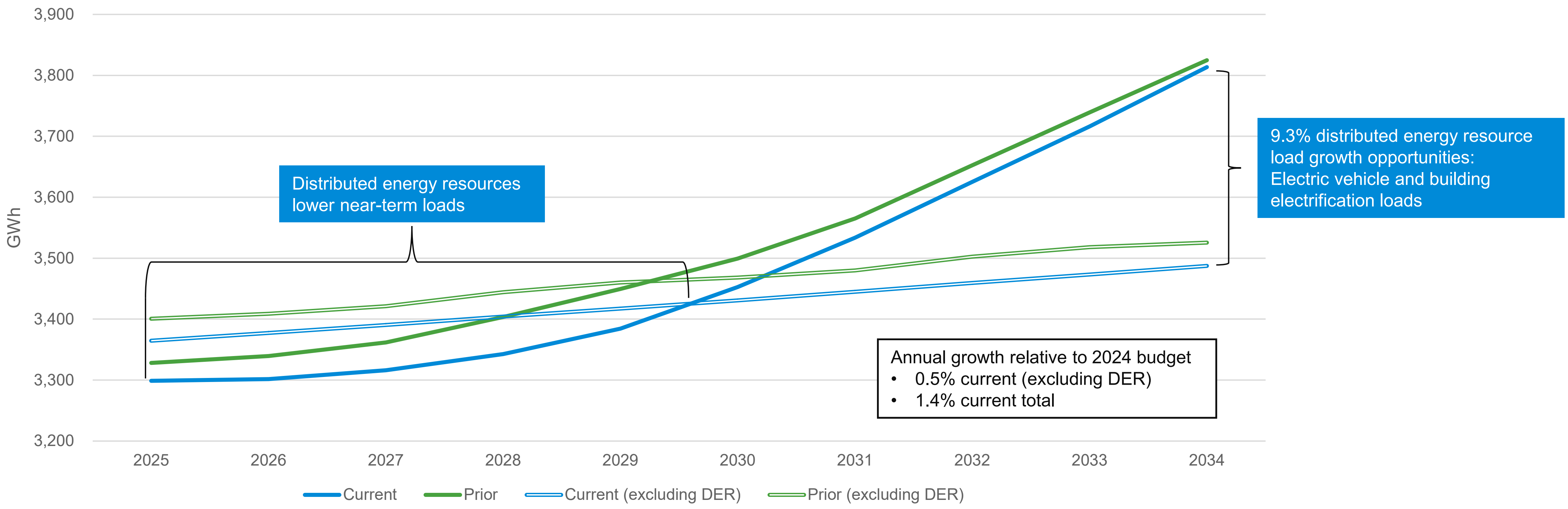
Projections are subject to change

Financial projection change summary

Case comparison: May 2023 to current

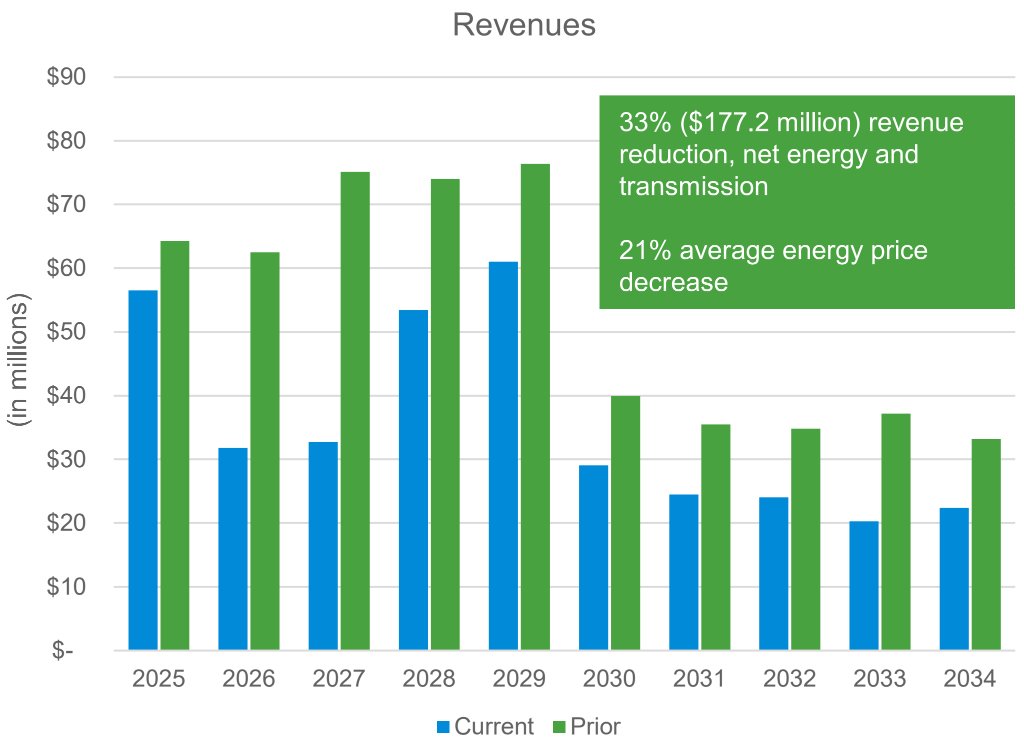
Decreased owner community loads + Decreased surplus sales revenues + Increased capital investments = Increased rate pressure

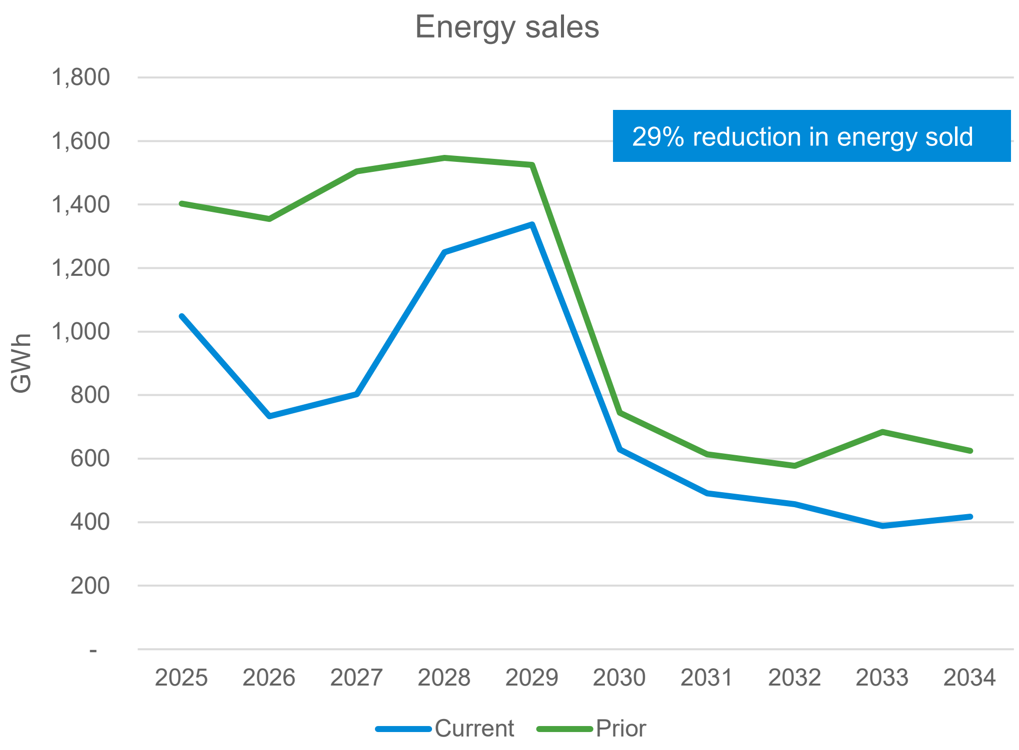
Owner community loads



Projections are subject to change

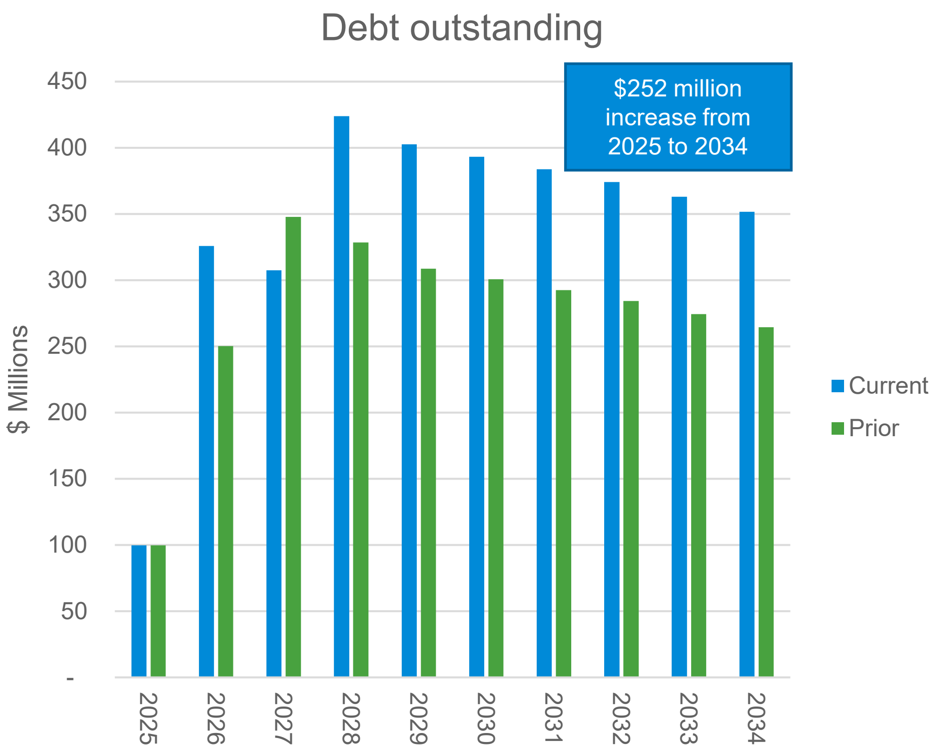
Surplus sales volatility





Projections are subject to change

Increased capital investment and debt

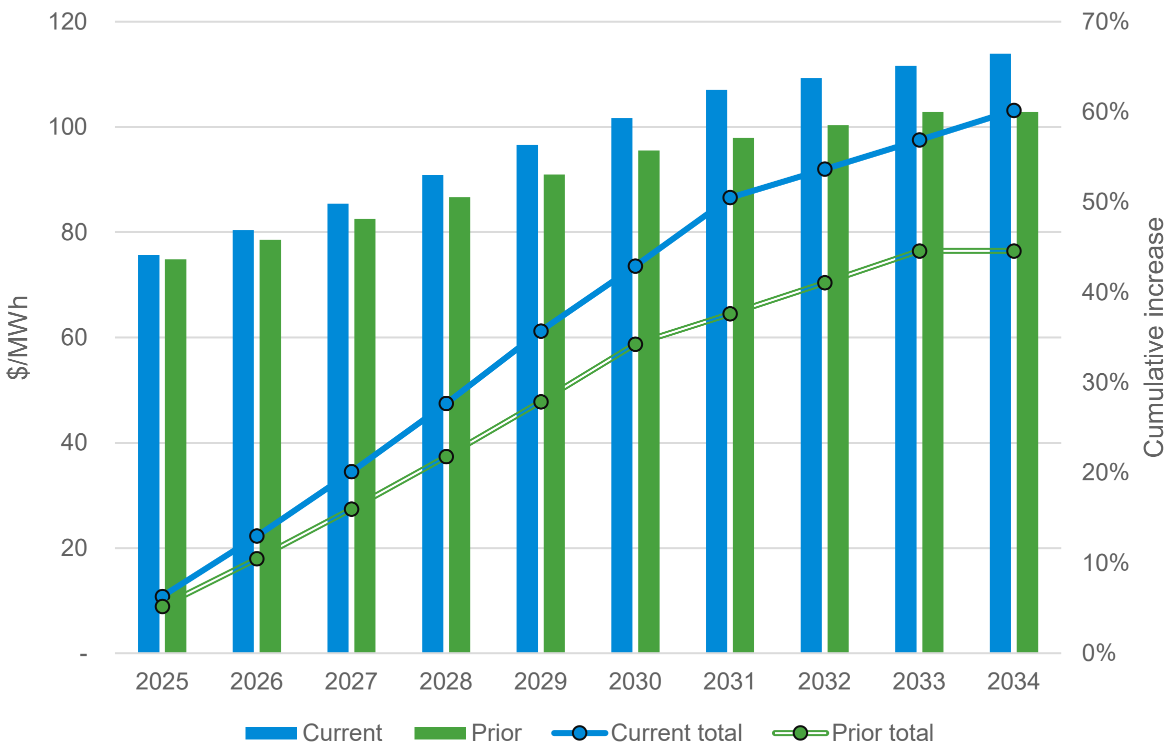


- $96 million debt increase
- Increased capital investments
  - Aeroderivative combustion turbines, natural gas and water infrastructure upgrades
  - Substations, interconnection, expansion and reliability upgrades
  - Distributed energy resource management system
- Issuance rate uncertainty

Debt issuance assumes ownership of new dispatchable thermal generating assets. Debt projections would change if equivalent generation is procured through purchased power agreements
Projections are subject to change

Increased rate pressure

- Current projections
  - 6.3% 2025 – 2029
    5.3% 2030 – 2031
    2.1% 2032 – 2034
  - 60.2% cumulative 2025 – 2034
- May 2023
  - 5.0% 2025 – 2030
    2.5% 2031 – 2033
  - 44.6% cumulative 2025 – 2034
- Increased sustained rate pressure



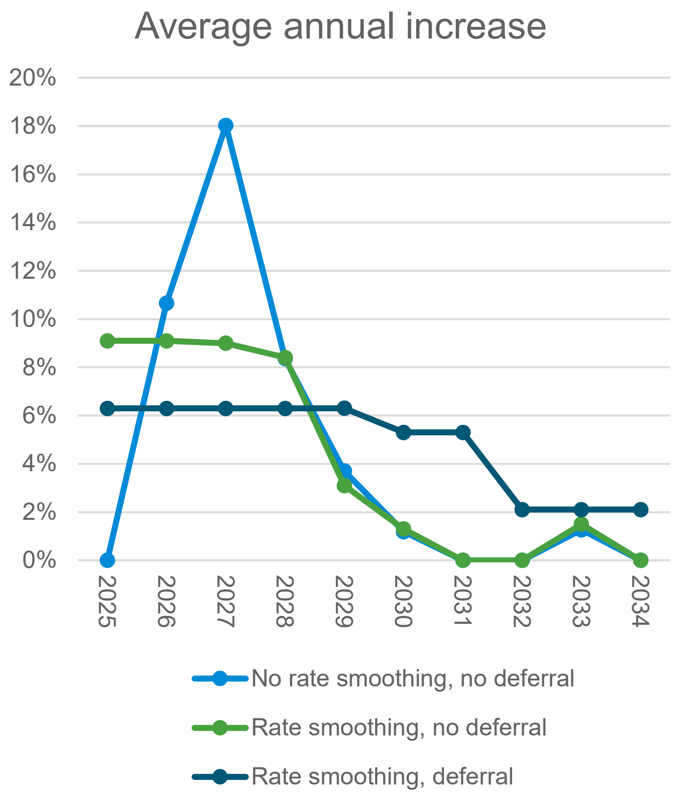
Projections are subject to change

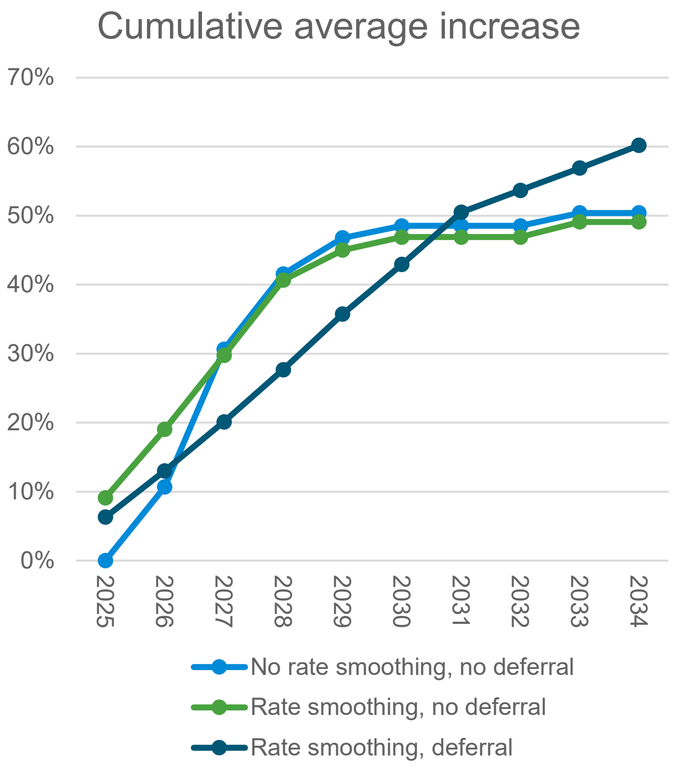
What actions are being taken to alleviate rate pressure?

Applying rate stability strategies set in the SFP

Rate stability strategies

- Strategies used to avoid single year rate spikes and to accomplish specified financial objectives
  - Rate smoothing
  - Accounting policies under GASB 62
- Revenue and expense deferral maximized, limited flexibility remaining
- Rate drivers
  - Resource transition plan
  - Changing assumptions due to uncertainty
  - General inflation





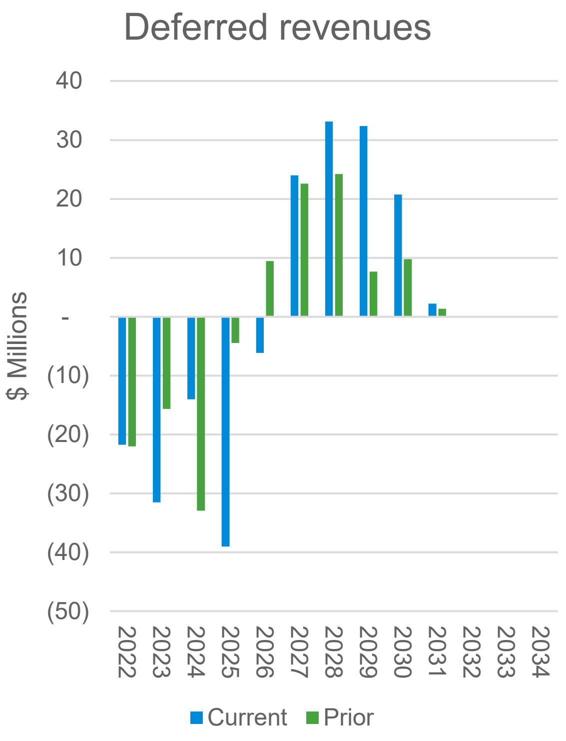
Projections are subject to change

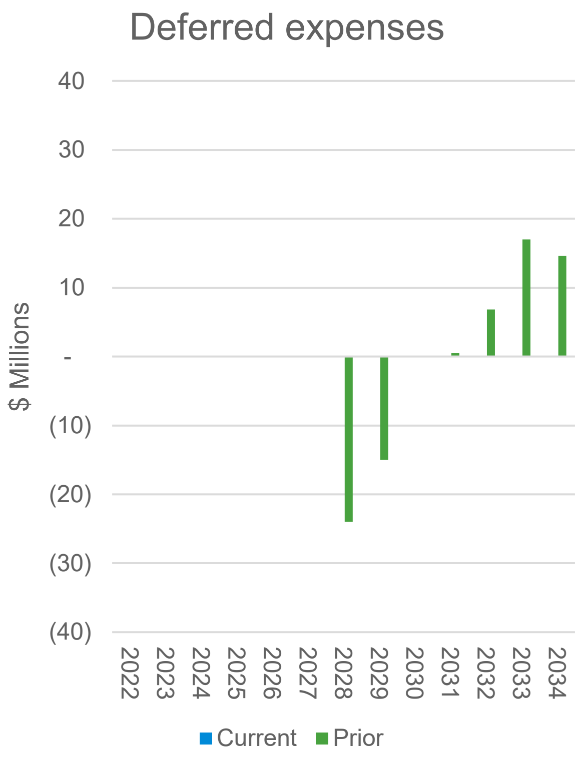
Rate stability strategy

Deferred revenue and expense accounting policy

- Background
  - In 2022, board adopted the deferred revenue and expense accounting policy to help reduce rate pressure and achieve rate smoothing
  - Mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods

Deferred revenue and expense accounting policy





<u>Deferred revenues</u>

- $111 million total
  - $53.2 million accumulated 2022 - 2023
  - $36 million increase, total
- Increased deferred revenues eliminate the need to defer expenses

<u>Deferred expense</u>

- $0
- $39 million decrease

Projections are subject to change

Strategic Financial Plan projections

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Metric target										
Fixed Obligation Charge Coverage Ratio	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Change in net position ($ Millions)	$7.3	$7.3	$8.5	$9.6	$10.5	$10.1	$10.1	$10.4	$10.8	$11.0
Adjusted Debt Ratio	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Adjusted Days Liquidity on Hand	200	200	200	200	200	200	200	200	200	200
Metric projections										
Fixed Obligation Charge Coverage Ratio	1.5	1.8	1.6	1.6	1.5	1.5	1.5	1.6	1.6	1.8
Change in net position ($ Millions)	$9.4	$7.3	$8.7	$9.6	$18.7	$16.6	$16.3	$22.9	$26.8	$43.6
Adjusted Debt Ratio	22%	37%	34%	41%	40%	40%	39%	37%	36%	34%
Adjusted Days Liquidity on Hand	356	470	202	259	213	203	211	232	255	295
Metric variance: Projection less target										
Fixed Obligation Charge Coverage Ratio	0.0	0.3	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.3
Change in net position ($ Millions)	$2.1	$0.0	$0.2	$0.0	$8.2	$6.5	$6.2	$12.5	$16.0	$32.6
Adjusted Debt Ratio	(28%)	(13%)	(16%)	(9%)	(10%)	(10%)	(11%)	(13%)	(14%)	(16%)
Adjusted Days Liquidity on Hand	156	270	2	59	13	3	11	32	55	95

Application of the deferred revenue and expense accounting policy can alleviate rate pressure to achieve Strategic Financial Plan metrics
Projections are subject to change

Why do rate projections change?

Changing assumptions due to uncertainty and the shortening time period to achieve the RDP goal

Modeling uncertainties

Key assumptions are uncertain. Potential assumption changes include, but are not limited to, the items detailed below:

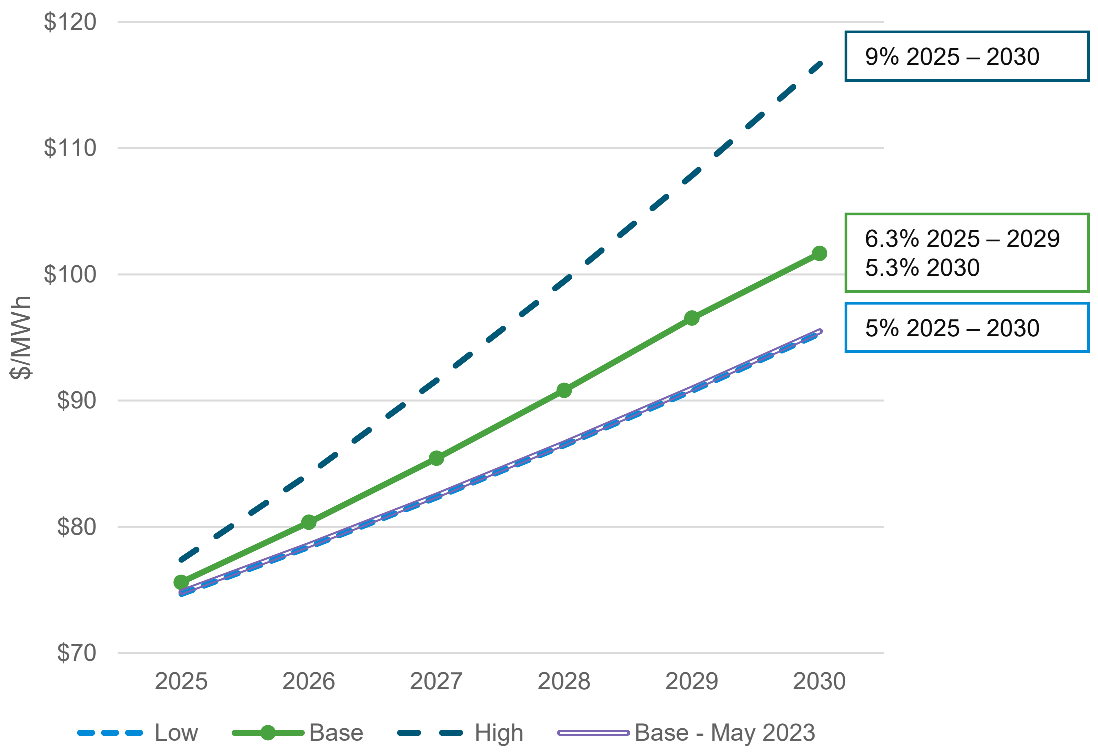
- Asset integration schedule
- Asset sales
- **Capital investment forecast**
- **Commodity prices**
- Debt issuance costs
- Decommissioning
- Deferred revenues and expenses
- Economic externalities
- **Emissions expense**
- Federal hydropower allocations

Bold items used in rate range development

- Integrated Resource Plan
- Load forecast
  - Growth, electric vehicles, distributed energy resources, building electrification)
- Noncarbon energy curtailments
- Organized energy markets
- Regulations
- Resource diversification policy
- Staffing
- Supply chain
- **Surplus sales prices and volumes**

Average wholesale rate ranges

- Assumptions changes: market prices, emissions expenses, capital investments
- Annual increases from 2025 to 2030 range from 5.0% to 9.0% annual increases
- All sensitivities
  - Achieve Strategic Financial Plan metrics
  - Apply rate smoothing strategies including the deferred revenue and expense accounting policy
  - Identical load forecast



Projections are subject to change

What are the 2025 rate tariff schedules?

Firm Power Service Tariff (Tariff FP-25)

Standard Offer Energy Purchase Tariff (Tariff SO-25)

Wholesale Transmission Service Tariff (Tariff WT-25)

Large Customer Service Tariff (Tariff LC-25)

Firm Power Service Tariff (Tariff FP-25)

Average wholesale rate recommendation

6.3% average wholesale rate increase (2024 Strategic Budget to 2025 estimate)

	2024 budget	2025 estimate	% change
Average rate ($/MWh) *	$71.13	$75.60	6.3%
Energy sales (GWh)	3,314.1	3,287.2	(0.8%)
Revenues (millions)	$235.7	$248.5	5.4%

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

Owner community charges and revenue

		2024 budget		2025 estimate		Change	
		Charge	Revenue	Charge	Revenue	Charge	Revenue
Owner community charge	$/month per owner community allocation	$13,059	$15.2	$15,351	$17.9	17.6%	17.8%
Demand charges							
Transmission	$/kW-mo of noncoincident billing demand	$6.68	$45.4	$6.70	$45.9	0.3%	1.1%
Generation: summer	$/kW-mo of coincident billing demand	$6.61	$17.3	$7.42	$19.5	12.3%	12.7%
Generation: nonsummer	$/kW-mo of coincident billing demand	$4.92	$20.3	$5.94	$24.7	20.7%	21.7%
Energy charges							
Fixed	$/kWh for all energy supplied	$0.01681	$54.0	$0.01770	$56.6	5.3%	4.8%
Variable	$/kWh for all energy supplied	$0.02427	$83.5[1]	$0.02458	$83.9[1]	1.3%	0.5%[1]
Revenues (millions)			$235.7		$248.5		5.4%
Energy sales (GWh)			3,314.1		3,287.2		(0.8%)
Average rate ($/MWh)			$71.13		$75.60		6.3%

[1] Includes large customer service

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

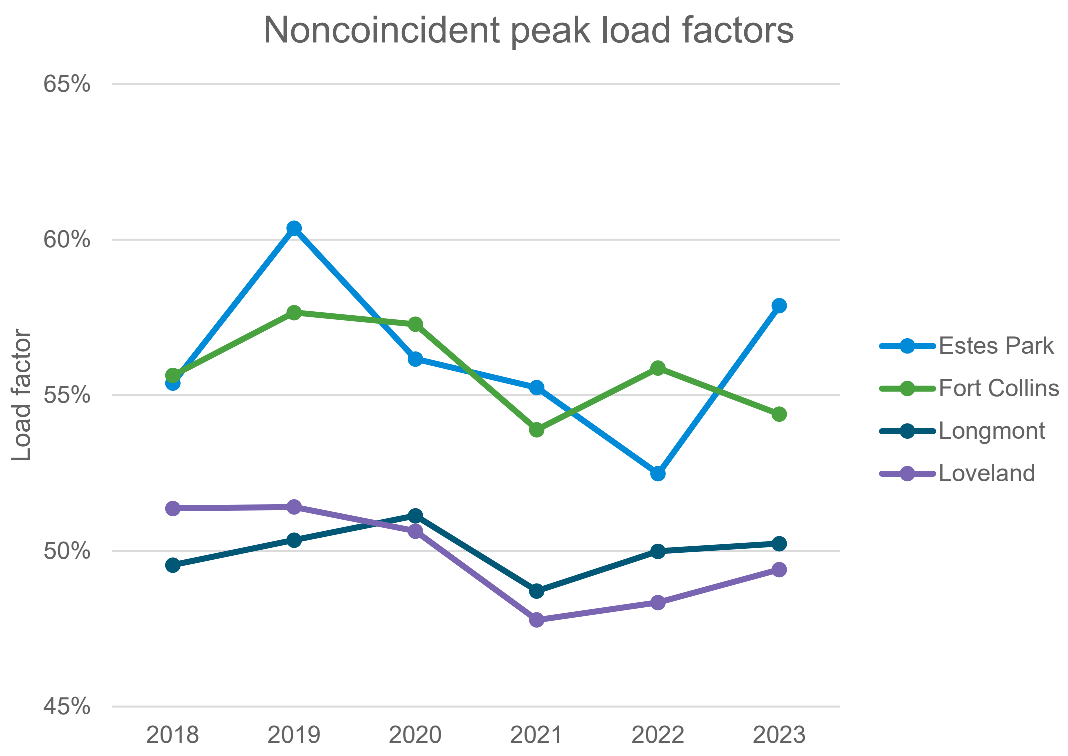
Firm Power Service change summary

Owner community charge	• Increased primarily due to expanded distributed energy resource investments
Transmission demand charge	• Changes are relatively flat
Generation demand charges	• Lower surplus sales revenues; the margin credits the fixed generation revenue requirement • Purchased power expense for hydropower demand charges and reserves increased • Summer and nonsummer generation demand charge • Combustion turbine usage and expenses increased. The allocation between nonsummer and summer are based on historical usage; nonsummer generation has increased in recent years
Fixed energy charge	• Net impact of lower surplus sales revenues; the margin credits the revenue requirement • Lower owner community load projections
Variable energy charge	• Increased solar purchases (Black Hollow Solar project) and SPP Western Energy Imbalance Service market purchases • Partially offsetting the increase are lower coal generation estimates resulting in lower fuel expenses • Lower owner community load projections

Owner community impacts

		Estes Park	Fort Collins	Longmont	Loveland*	Platte River
2024	Average rate ($/MWh)	$67.50	$70.29	$72.37	$72.08	$71.13
	Energy sales (GWh)	143.4	1,531.3	871.0	768.4	3,314.1
	Revenues (millions)	$9.7	$107.6	$63.0	$55.4	$235.7
2025	Average rate ($/MWh)	$71.17	$74.52	$76.90	$77.13	$75.60
	Energy sales (GWh)	142.9	1,527.9	865.0	751.4	3,287.2
	Revenues (millions)	$10.2	$113.9	$66.5	$58.0	$248.6
	Average $/MWh change	**5.4%**	**6.0%**	**6.3%**	**7.0%**	**6.3%**

*Includes large customer service



Firm Power Service charge changes

2023 actual loads

Load year Tariff charges*	2023 actual FP-24	2023 actual FP-25
Revenues (millions)	$228.2	$241.7
GWh	3,161.7	3,161.7
$/MWh	$72.18	$76.45
Change due to load		-
Change due to charges		5.9%
$/MWh change		5.9%

Budgeted loads

Load year Tariff charges*	2024 budget FP-24	2025 budget FP-24	2025 budget FP-25
Revenues (millions)	$235.7	$234.8	$248.5
GWh	3,314.1	3,287.2	3,287.2
$/MWh	$71.13	$71.43	$75.60
Change due to load		0.4%	-
Change due to charges		-	5.9%
$/MWh change			6.3%

Firm Power Service charges, owner allocations and demand minimums
Monthly 2025 budget estimate detail provided to the owner community rate staff

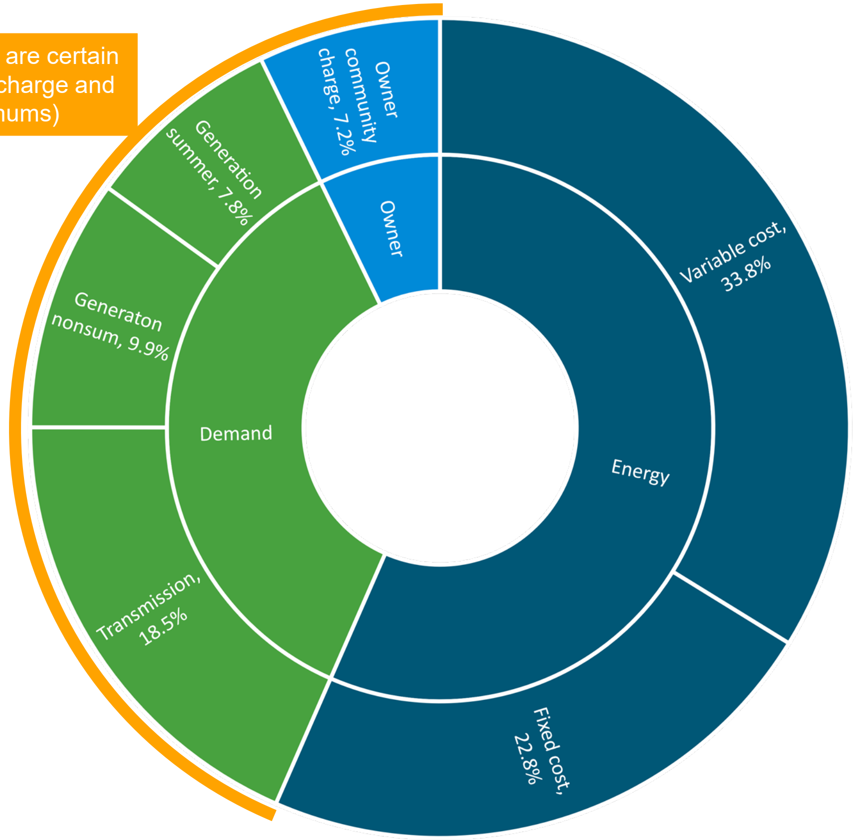
Owner community revenues

Revenue allocation: $248.5 million

	2025 revenue $ millions	% of revenues
Charges		
Owner community charge	$17.9	7.2%
Demand charges		
Transmission	$45.9	18.5%
Generation: summer	$19.5	7.8%
Generation: nonsummer	$24.7	9.9%
Energy charges		
Fixed	$56.6	22.8%
Variable*	$83.9	33.8%

*Includes large customer service

40% of all revenues are certain (owner community charge and demand minimums)



2025 other rate tariff schedules

Standard Offer Energy Purchase Tariff (Tariff SO-25)

Wholesale Transmission Service Tariff (Tariff WT-25)

Large Customer Service Tariff (Tariff LC-25)

Standard Offer Energy Purchase Tariff (Tariff SO-25)

Avoided energy rate

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

2025 rate	• 6.3% increase to $0.02328 from $0.02191 per kilowatt hour
	    • Increased frequency and higher associated cost of combustion turbines
	    • Partially offset by lower Western Energy Imbalance Service market price projections

Other tariff schedules

Wholesale Transmission Service Tariff (Tariff WT-25)

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

Large Customer Service Tariff (Tariff LC-25)

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

What’s next?

Summary and next steps

- Financial sustainability: Rate setting
  - Strategic financial plan
  - Rate setting policy and rate setting reference document
- Rates
  - 6.3% (2025 – 2029), 5.3% (2030 – 2031), 2.1% (2032 – 2034)
    - Long-term projections subject to change
  - 2025 Firm Power Service charges provided
    - Pending board direction and barring any unanticipated significant events, the recommended charges will remain unchanged
- Next steps
  - June: Meeting owner communities rates staff (information already provided)
  - September: Draft tariff schedules
  - October: Board approval of the 2025 Rate Tariff Schedules

Questions

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 30, 2024

April operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	422 MW	393 MW	(29 MW)	(6.9%)	■
Owner community energy	243 GWh	233 GWh	(10 GWh)	(4.3%)	■
Net variable cost* to serve owner community energy	$5.4M	$4.6M	($0.8M)	(10.3%)	●
	$22.27/MWh	$19.97/MWh	($2.30/MWh)		

*Net variable cost = total resource variable costs + purchased power costs - sales revenue

Market impacts to net variable cost

Downward pressure	
Generation and market outcomes pushing costs lower	
Coal generation fuel savings	$1.2M
Lower wind generation volume	$0.44M

Upward pressure	
Generation and market outcomes pushing costs higher	
Lower bilateral and market sales volume	$0.81M
Higher coal generation fuel pricing	$0.37M
Higher market purchases volume	$0.25M

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

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	1,845 MW	1,781 MW	(64 MW)	(3.4%)	■
Owner community energy	1,054 GWh	1,019 GWh	(35 GWh)	(3.3%)	■
Net variable cost* to serve owner community energy	$20.7M	$17.1M	($3.6M)	(14.6%)	●
	$19.60/MWh	$16.74/MWh	($2.86/MWh)		

*Net variable cost = total resource variable costs + purchased power costs - sales revenue

Market impacts to net variable cost

Downward pressure	
Generation and market outcomes pushing costs lower	
Coal generation fuel savings	$3.8M
Lower wind generation volume	$2.5M

Upward pressure	
Generation and market outcomes pushing costs higher	
Lower bilateral and market sales volume	$3.1M
Higher coal generation fuel pricing	$1.1M
Higher market purchases volume	$0.75M

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

Platte River
Power Authority

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Board of directors

May 30, 2024

Financial summary

Category	April variance from budget ($ in millions)		YTD variance from budget ($ in millions)	
Change in net position	$0.7	●	$5.0	●
Fixed obligation charge coverage	.44x	●	.45x	●
Revenues	$(1.1)	■	$(3.0)	■
Operating expenses	$2.6	●	$9.3	●
Capital additions	$2.1	●	$13.8	●

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

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 30, 2024