



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Platte River orientation

June 26, 2024

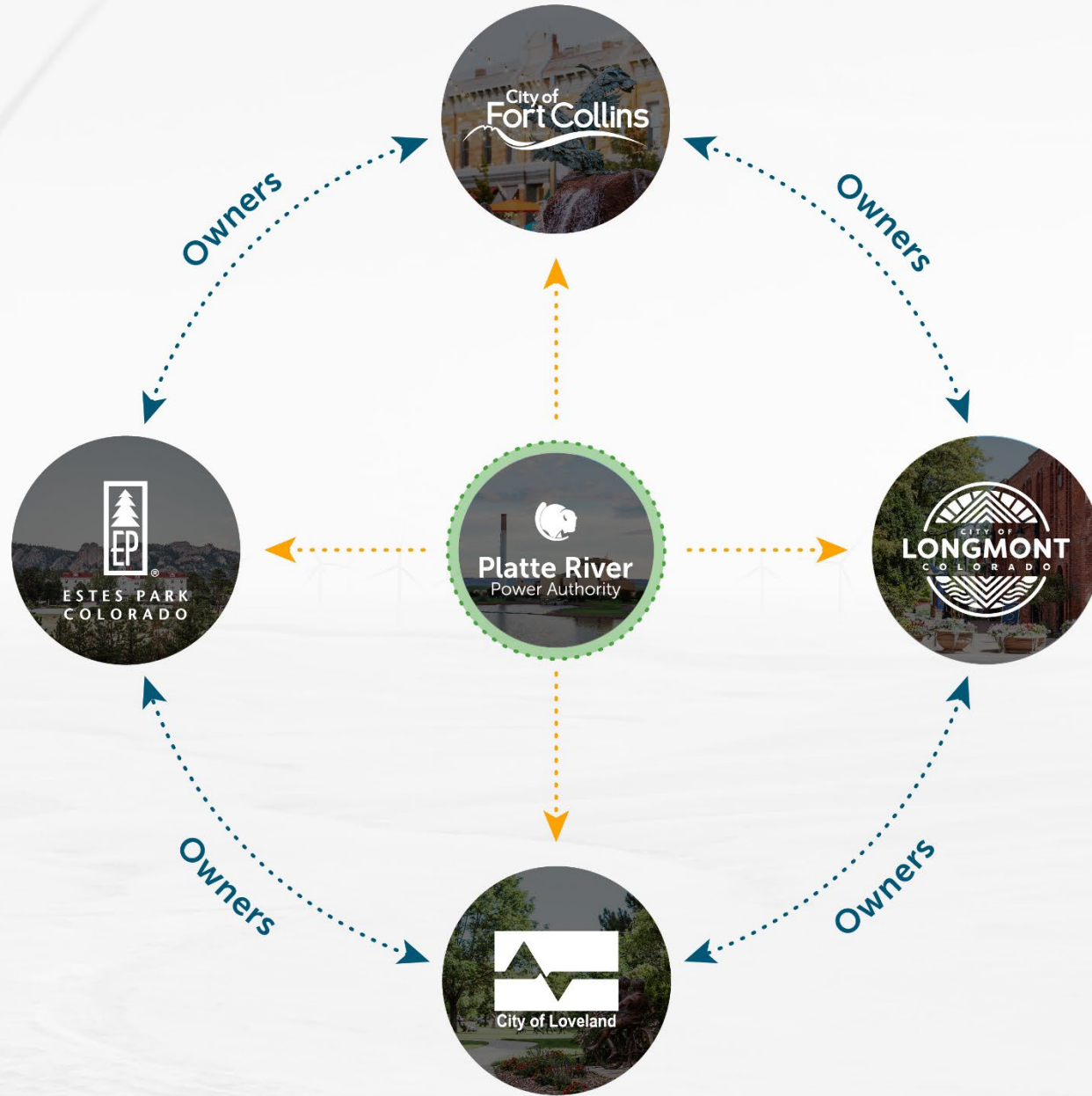
Agenda

- Welcome and Platte River overview, **Jason Frisbie**
- Administrative information, **Angela Walsh**
- Legal, environmental, compliance, **Sarah Leonard**
- Operations, **Melie Vincent**
- Clean energy transition and integration, **Raj Singam Setti**
- Finance, **Dave Smalley**
- Business strategies, **Eddie Gutiérrez**

Welcome and overview

Jason Frisbie







About Platte River Power Authority

Platte River Power Authority is a not-for-profit, community-owned public power utility that generates and delivers safe, reliable, environmentally responsible and financially sustainable energy and services to Estes Park, Fort Collins, Longmont and Loveland, Colorado, for delivery to their utility customers.

At a glance

 **Headquarters**
Fort Collins, Colorado

 **Peak demand**
707 MW on July 28, 2021


 **General manager/CEO**
Jason Frisbie

 **2024 projected deliveries of energy**
4,773,982 MWh

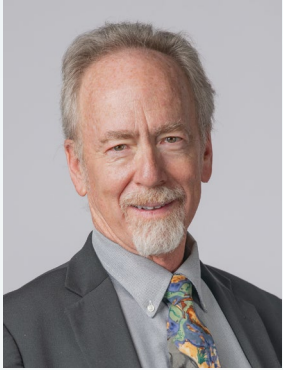
 **Began operations**
1973

 **2024 projected deliveries of energy to owner communities**
3,314,141 MWh (~36% renewable)

 **Employees**
~300

 **Transmission system**
Equipment in 27 substations, 263 miles of wholly owned and operated high-voltage lines and 522 miles of high-voltage lines jointly owned with other utilities.

Platte River's Board of Directors



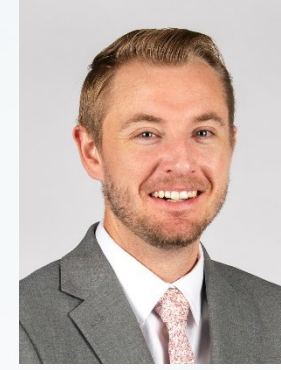
Gary Hall
Mayor
Town of Estes Park
Board member since April 2024



Reuben Bergsten
Director of utilities
Town of Estes Park
Board member since Jan. 2012



Jeni Arndt
Vice chair
Mayor
City of Fort Collins
Board member since April 2021



Tyler Marr
Deputy city manager
City of Fort Collins
Board member since Jan. 2024



Joan Peck
Mayor
City of Longmont
Board member since Nov. 2021



David Hornbacher
Assistant city manager
Longmont Power & Communications
Board member since Aug. 2019



Jacki Marsh
Mayor
City of Loveland
Board member since Nov. 2017



Kevin Gertig
Board chair
Director of Loveland
Water and Power
Board member since Dec. 2021

Platte River's Senior Leadership Team



Jason Frisbie
General
manager/CEO



Eddie Gutiérrez
Chief strategy
officer



Sarah Leonard
General counsel



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



Dave Smalley
Chief financial officer
and deputy general
manager

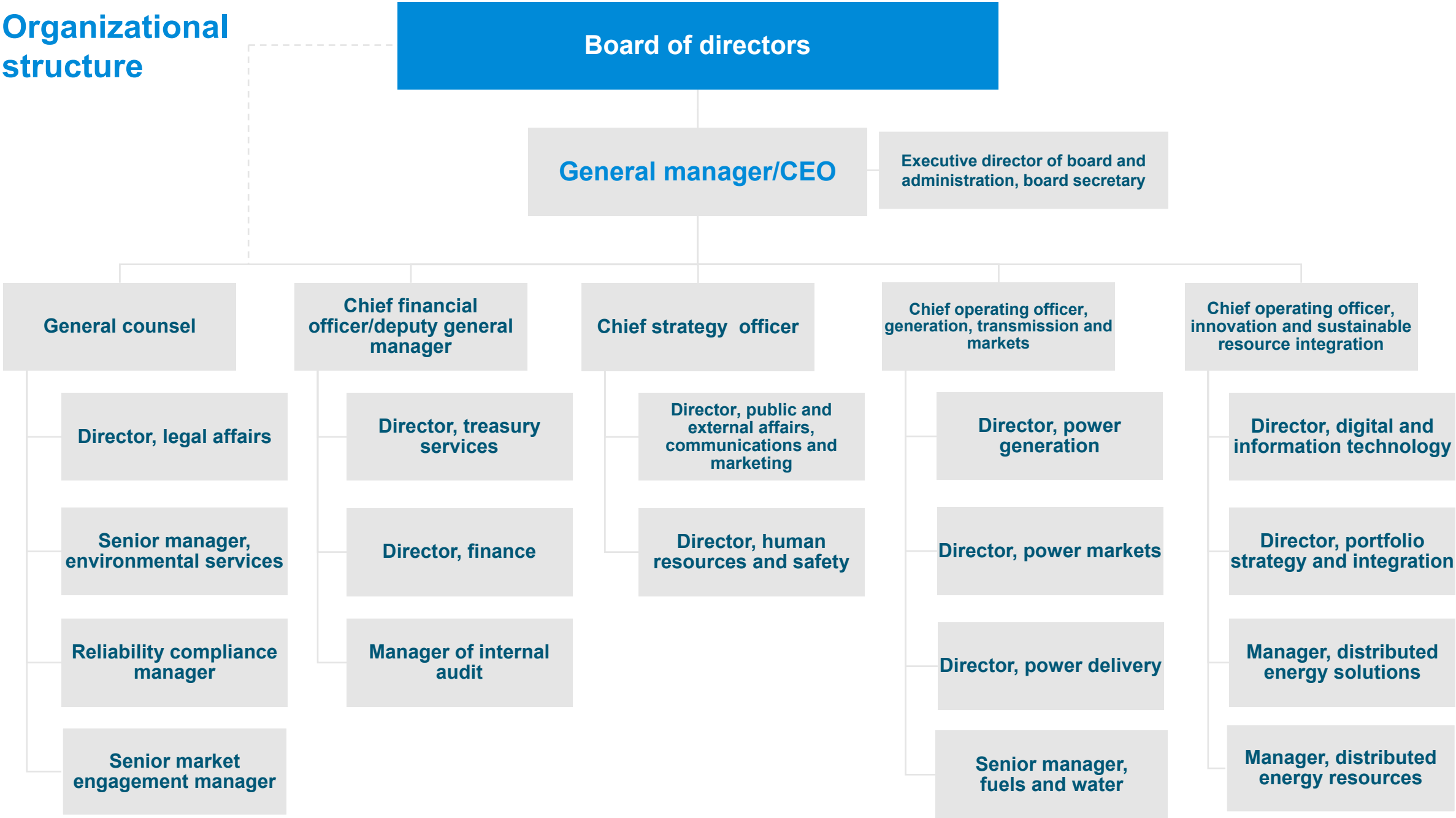


Melie Vincent
Chief operating officer, generation,
transmission and markets

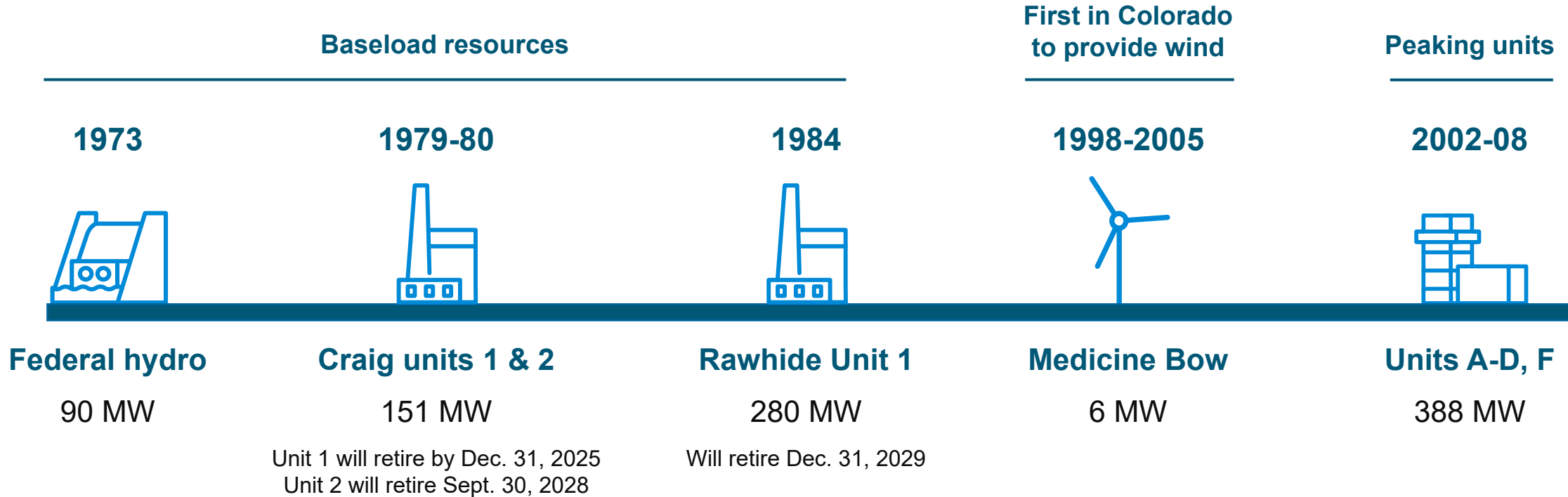


Angela Walsh
Executive director of
board and
administration, board
secretary

Organizational structure



Evolution of generation resources



Evolution of generation resources

Noncarbon energy

2009



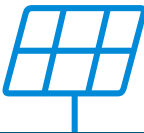
Silver Sage
12 MW

2014



Spring Canyon
60 MW

2016



Rawhide Flats Solar
30 MW

2018



**Resource
Diversification
Policy**



Evolution of generation resources

Noncarbon energy

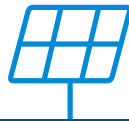


Evolution of generation resources

Noncarbon energy

Dispatchable capacity

2026



Black Hollow Solar 2
107 MW



VPP / DERMS



4-hour battery storage
75 MW

2027



Wind
250 MW

2028



Aeroderivative turbines
200 MW



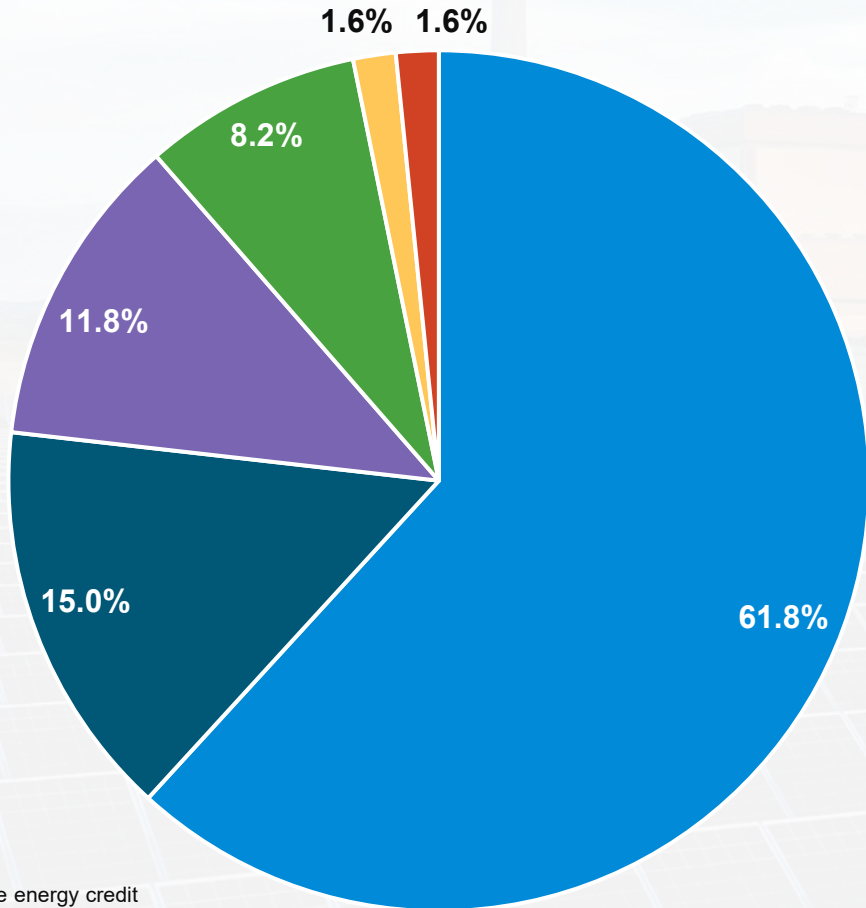
Foundational pillars

Platte River is committed to decarbonizing our resource portfolio without compromising our three pillars:

- Reliability
- Environmental responsibility
- Financial sustainability

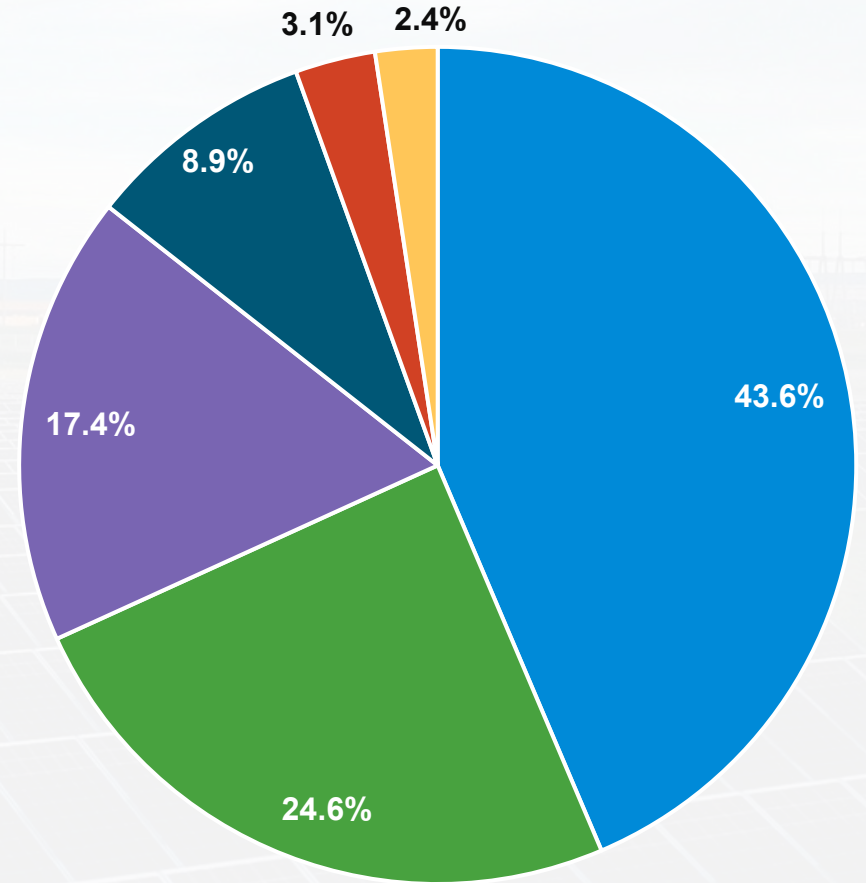
2018 system total

24.8% noncarbon resources



2024 budget system total

35.9% noncarbon resources



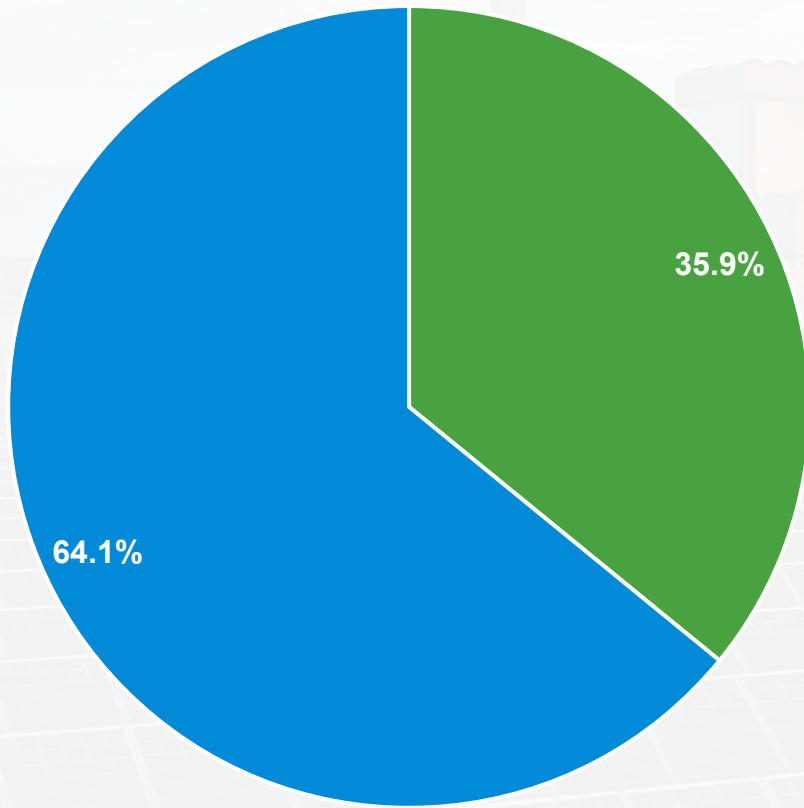
Includes renewable energy credit allocations to carbon resources

Due to drought conditions, not all hydropower may be considered noncarbon

- Coal
- Wind
- Hydropower
- Solar
- Other purchases
- Natural gas

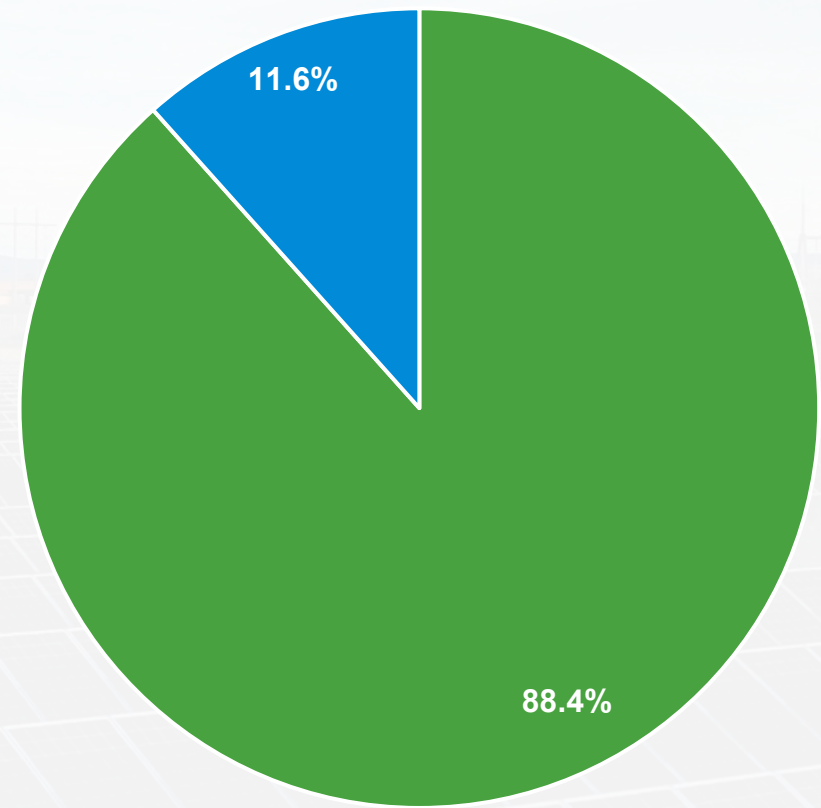
2024 budget system total

35.9% noncarbon resources



2030 projected system total

88.4% noncarbon resources



Includes renewable energy credit allocations to carbon resources

Due to drought conditions, not all hydropower may be considered noncarbon

■ Renewable resources ■ Dispatchable resources (includes purchases)

Collaboration

These initiatives represent the strategic investment of resources for the long-term benefit of Platte River and its owner communities and aligns with Platte River's vision, mission and values.



Innovative energy solutions

- Demand response
- Distributed generation
- Distributed storage
- Efficiency Works
- Electric vehicles
- Integrated resource plan
- Renewable supply options



Community responsiveness

- Community relations and communication
- Rates framework



Regional services

- Customer information system
- Disaster recovery
- Distributed system maintenance
- Engineering services
- Environmental services
- Joint dispatch agreement
- NERC compliance
- SCADA services
- Substation security



Joint infrastructure

- Fiber optics
- Joint Technical Advisory Committee
- Regional water exchange and storage



Board decision making process

1. Whitepaper
2. Presentation
3. Board action



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Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525
Thursday, Feb. 24, 2022, 9 a.m.

Call to order

1. Consent agenda *Motion to approve*
 - a. Minutes of the regular meeting of Dec. 9, 2021
 - b. Incorporation into record of resolution 12-21: 2022 board of directors regular meeting schedule
 - c. Transfer of 2021 capital budget carryover to 2022 Strategic Budget

Public comment

Annual meeting

2. Platte River Power Authority annual meeting *Resolution 01-22*
 - a. Annual election of officers *Resolution 02-22*
 - b. Annual retirement committee appointments *Resolution 02-22*
 - c. 2021 Platte River review

Board action items

3. Defined Benefit Plan amendment *Resolution 03-22*
4. Executive session *Motion (2/3 vote required)*
 - a. Legal matter subject to attorney-client privilege
Reconvene regular session

Committee reports

5. DER strategy committee update

Management presentations

6. Power market update
7. Board work session follow up

Management reports

8. General manager annual review process

Monthly informational reports

9. Q4 performance dashboard
10. Legal, environmental and compliance report
11. January 2022 operating report
12. January 2022 financial report
13. January general management report

Strategic discussions

Adjournment

Key organizational documents

Content origination, editing and production

- Annual report
- Integrated resource plan
- Strategic budget
- Strategic plan
 - Resource diversification planning and integration
 - Community partner and engagement
 - Workforce culture
 - Process management and coordination

Questions



Platte River
Power Authority

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Administrative information

Angela Walsh



Administrative information

As a board member or utility director, you will receive correspondence for:

- Board meeting materials
- Utility director meeting materials and coordination
- Scheduling quarterly check-ins and one-on-one meetings
- Platte River related travel and events per invitation

Administrative information

Board information page on website

- Board meeting materials and legal notices
- Utility directors' meeting materials and legal notices
- Board secretary email link

- All board orientation materials and major board-approved policies are located on a separate link on our website



Administrative services

- Travel Specialist
 - All employee and board member business travel
 - Training registration and support
- Events Specialist
 - Energy Engagement Center and training rooms logistics support
- Administrative Assistant
 - Main phone line receptionist
 - Employee recognition programs
 - Basic office management

Questions



Platte River
Power Authority

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Legal, environmental and compliance

Sarah Leonard



Creation of Platte River Power Authority

- Evolved from a nonprofit corporation to a joint action agency
- Platte River as a governmental body
 - Formed in 1975 when the four owner communities created and signed the organic contract
 - Functions as an independent, self-supporting enterprise
 - Is a political subdivision of the state (section 29-1-203 of Colorado Revised Statutes)
- The organic contract continues through 2060

Legal authority

Anything the owner communities can do, Platte River can do for them, as long as:

- All eight Platte River board members approve it
- Each participating owner community's attorney determines that the function, service or facility is lawful for that community
- Platte River's bond counsel determines that the function, service or facility is an "enterprise"
- Platte River minds the terms of the bond covenants and other relevant legal obligations under contracts and decrees

Governance characteristics

- Governed by an eight-member board of directors
- Two directors from each owner community
 - Historically the mayor and the utilities director or a council member selected for judgment, experience and expertise
- Intended to bring both technical and policy perspectives to decision-making process
- Strategic management model of board governance
 - Board provides oversight and policy guidance
 - General manager is responsible for operational management

Governance process document

- Reflects informal processes followed by previous boards
- Creates parliamentary rules of order
- Addresses additional areas, such as
 - General manager succession
 - Authority to sign agreements
- “Cheat sheet” of organic contract provisions

Regulatory and other characteristics

- Not subject to general rate-setting jurisdiction of
 - The Federal Energy Regulatory Commission
 - The Colorado Public Utilities Commission
- Preference customer for federal hydropower from the Western Area Power Administration
- Tax exemptions
- Public financing
- Subject to a range of Colorado statutes
 - Open meetings and public records laws
 - Budget and audit laws
 - Government immunity

Power supply agreements

- Agreement with each owner community
- Power supply agreements are the security for revenue bonds issued by Platte River
- Platte River supplies essentially all owner community electricity requirements
- Effective through 2060
- Board reviews power (and transmission) rates annually; revises as necessary

Questions



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Operations

Melie Vincent



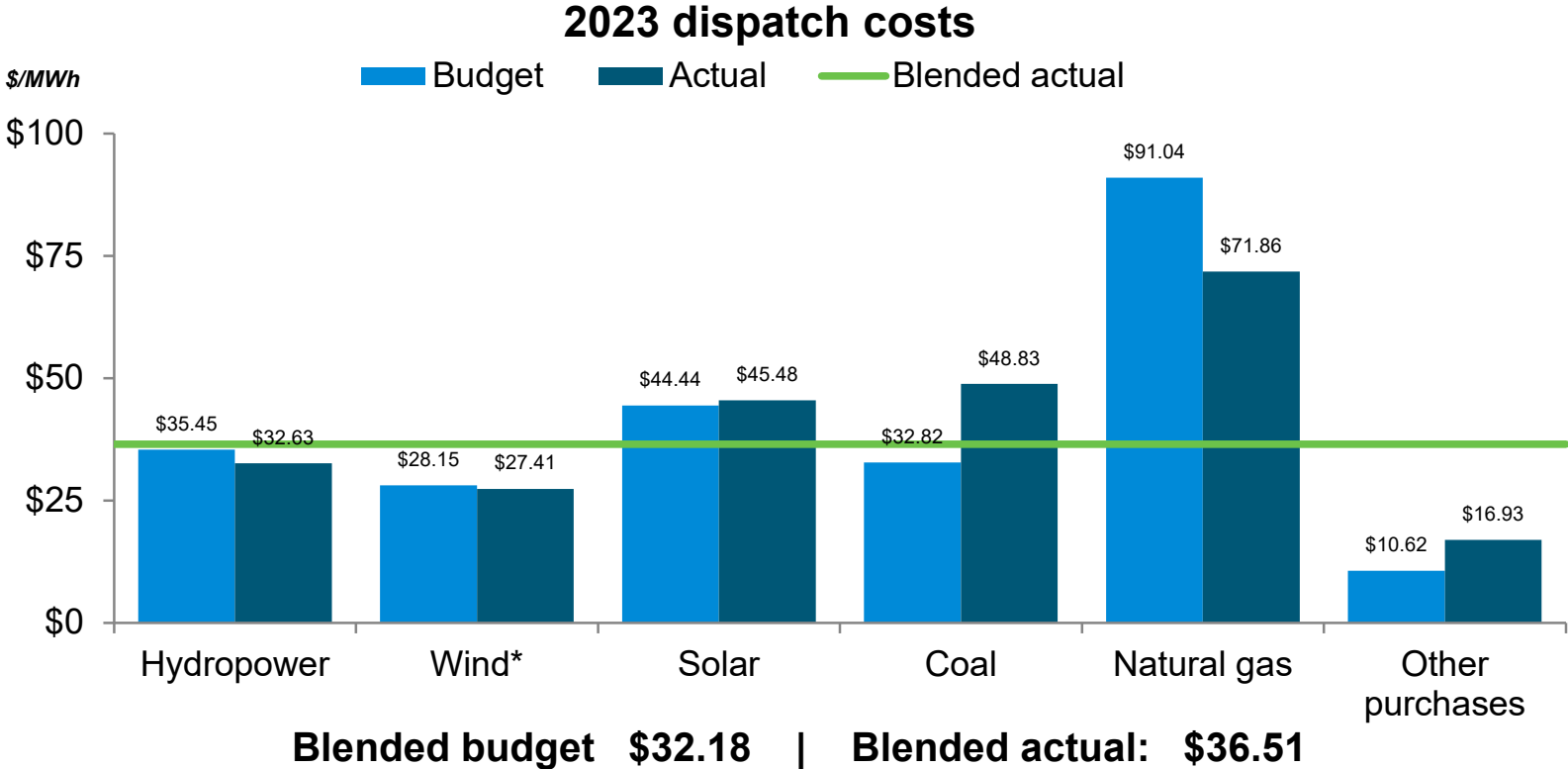
Power production and delivery



Current generation resources

Unit name	Fuel type	Net capacity (MW)	Commercial operation	Contract
Rawhide Unit 1	Coal	280	1984 (retiring 2029)	Original debt retired in 2018
Rawhide units A-D	Natural gas	260	Units A-C: 2002 Unit D: 2004	Debt retired in 2018
Rawhide Unit F	Natural gas	128	2008	No debt service
Loveland Area Project and Colorado River Storage Project	Hydropower	LAP summer: 30 CRSP summer: 60	1973	LAP contract: through 2054 CRSP contract: through 2057
Roundhouse Wind Energy Center	Wind	225	2020	Power purchase agreement through 2042
Medicine Bow Wind Project	Wind	6	1998	Power purchase agreement through 2033
Rawhide Flats Solar	Solar	30	2016	Power purchase agreement through 2036
Rawhide Prairie Solar and storage	Solar and storage	22, 2 MWh storage	2021	Power purchase agreement through 2041
Craig units 1 and 2	Coal	151	Unit 1: 1980 (r. 2025) Unit 2: 1979 (r. 2028)	Debt retired in 2009

2023 dispatch costs



*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.

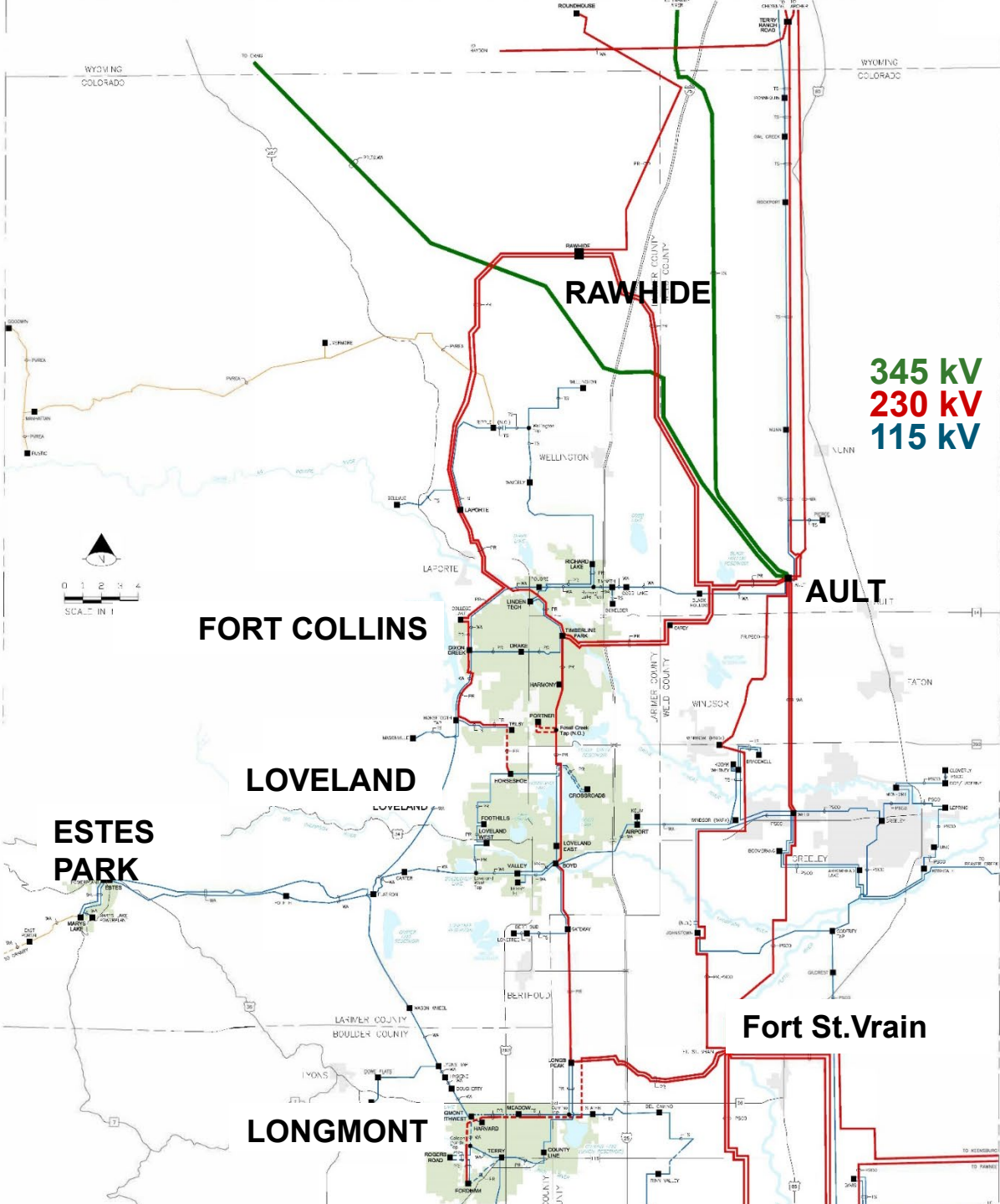
Transmission system facts

- 263 miles of **wholly owned** 115kV and 230kV lines
- 522 miles of **jointly owned** 230kV and 345kV lines
- The 19-mile 230 kV generation tie-line to the Roundhouse wind project in Wyoming



Transmission system

- Six wholly owned substations
- 21 city substations
- 47 points of delivery at city transformers
- Transmission planning



Fuels and water



Platte River fuel supply

Fuel supply for coal generation resources

Rawhide Energy Station

- Approximately 750,000 tons of coal per year
- Low-sulfur coal from Antelope Mine in the Powder River Basin in Wyoming
- Long-term coal and rail contract partners (current contracts through life of plant and December 2026, respectively)
 - Fuel cost volatility mitigated through flexibility of existing contracts

Craig Station

- Approximately 400,000 tons per year
- Fuel supply is Trapper Mine, which is adjacent to the Craig Station
 - Platte River is one of three joint owners of Trapper Mine
 - No transportation costs
 - Current coal supply agreement is through December 2025
- Fuel costs are based on production costs and not subject to market price volatility

Why Platte River needs water

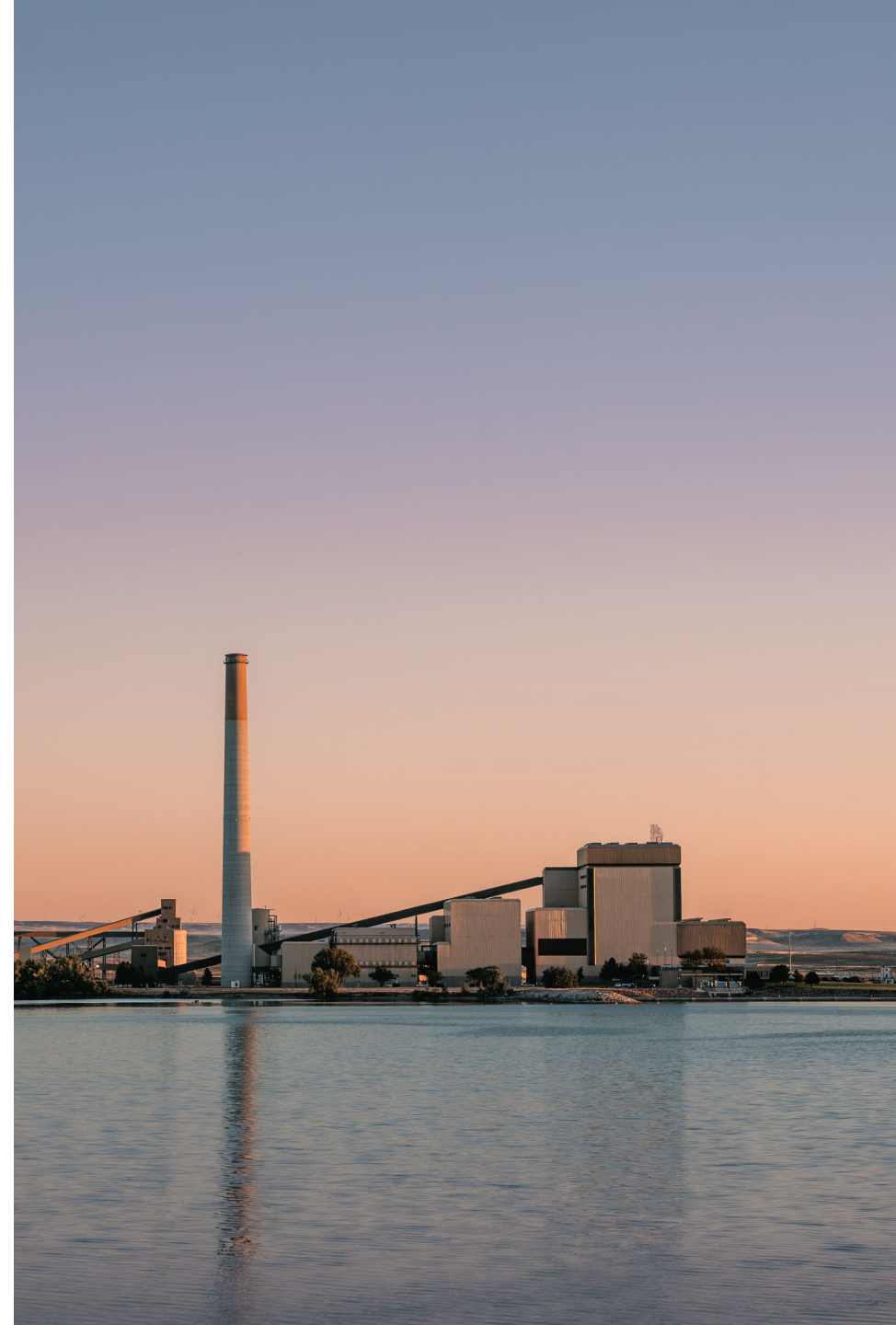
Electric generation at Rawhide Energy Station

Water needs

- Process water (400-500 acre-feet/year)
 - Sourced from Horsetooth Reservoir
- Cooling water (4,200 acre-feet/year)
 - Sourced from Drake water treatment facility
 - Reuse agreement with Fort Collins

Water supply sources

- Windy Gap project (primary)
- Poudre River (secondary)



Rawhide Energy Station water supply

Horsetooth Reservoir



Windy Gap
transfer to
Fort Collins



Process water
10-inch pipeline

Reusable
effluent

24-inch pipeline

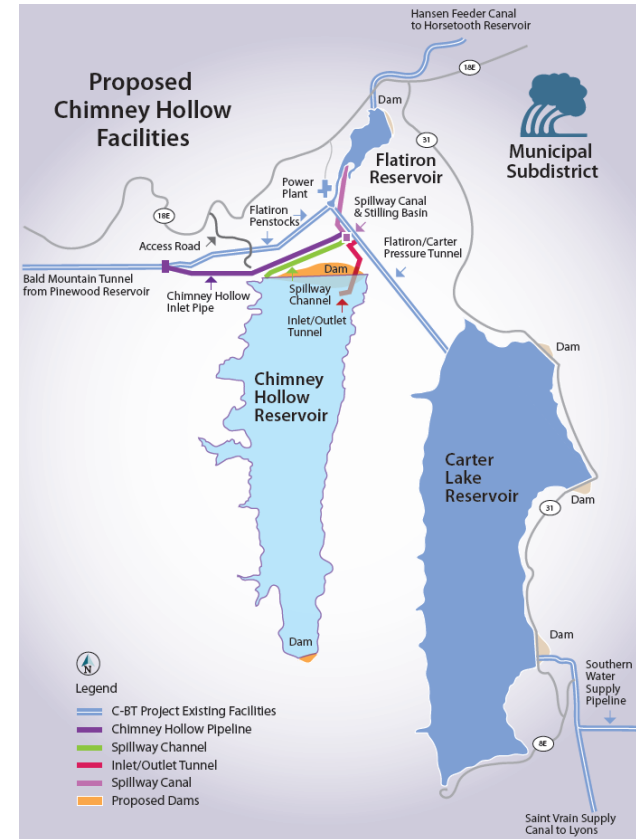
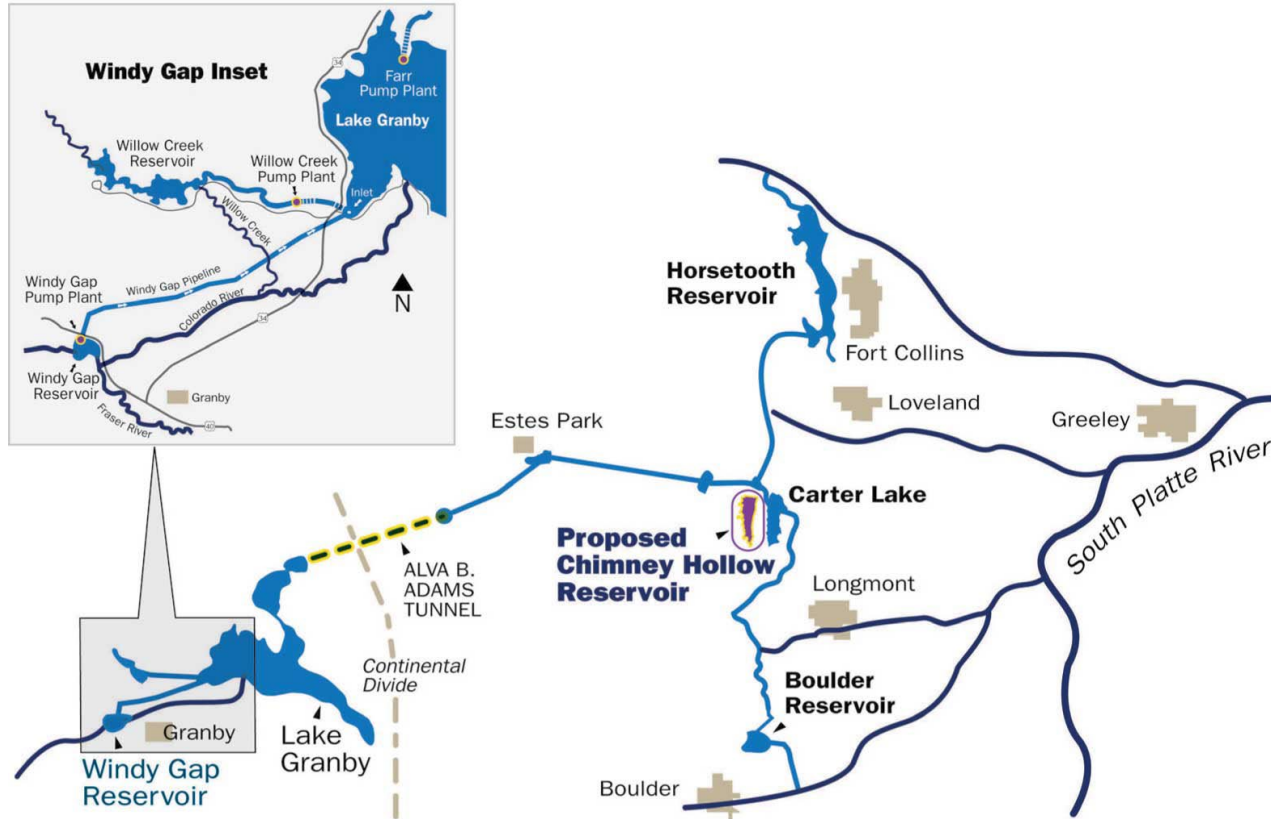
Rawhide Energy Station



Zero-discharge facility

Platte River water resources

Windy Gap Project and Chimney Hollow Reservoir Project



Platte River water resources

Windy Gap Project and Chimney Hollow Reservoir Project

Windy Gap Project

- Platte River has 107 units out of 480 units (started with 160 units)
- Yields between zero and 11,000 acre-feet/year
- Board approved the sale of up to 60 Windy Gap units
 - Sold 53 units to regional entities over the past few years
 - Received Firming Project storage capacity, rental water rights and approximately \$115 million in proceeds

Chimney Hollow Reservoir

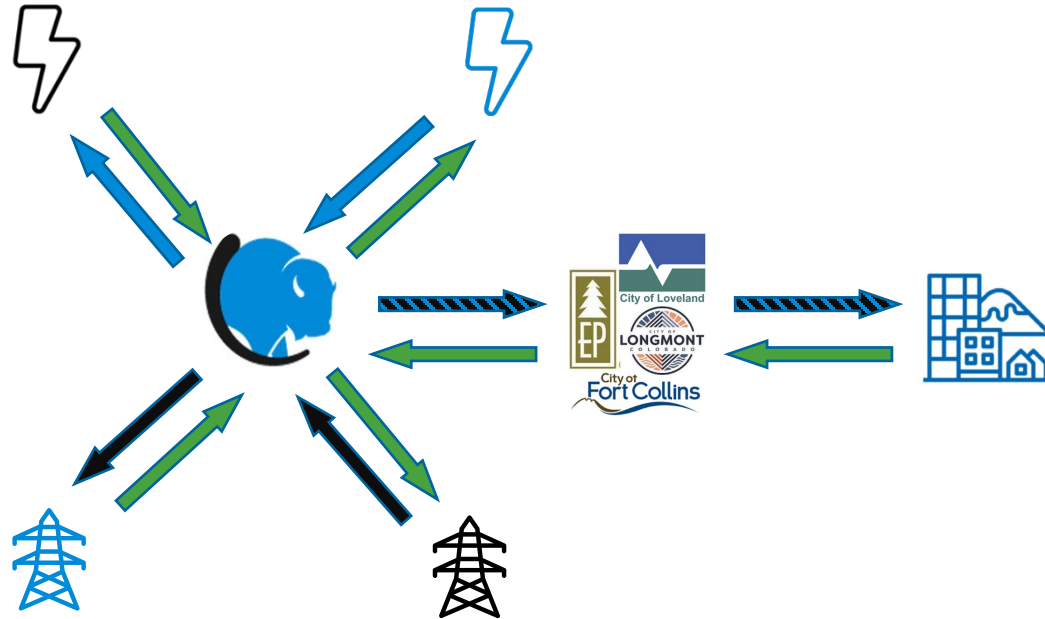
- Platte River's share provides 16,000 acre-feet of storage
- Will firm Platte River's annual water supply (current and future needs), even with a two-to-three-year drought period
- Construction began in 2021; target completion in 2025


Power markets








Market structure history

Bilateral market



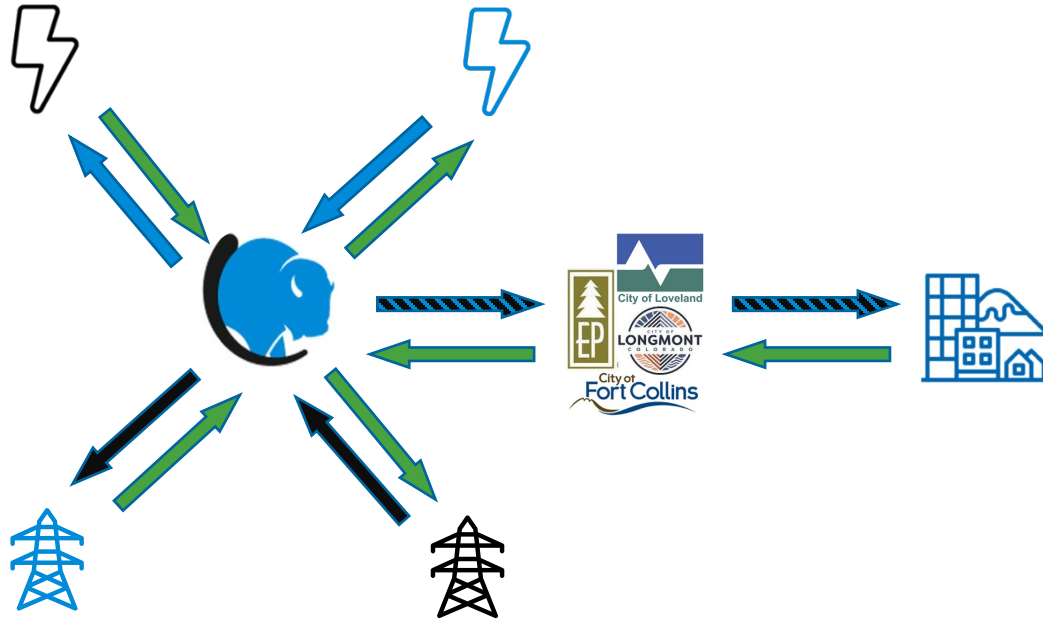
 Balancing Authority


Legend

-  Generation (MWh) sales/purchases
-  Transmission service sales/purchases
-  Energy delivered (MWh)
-  Demand (kW) & Energy (kWh) delivered
-  Money flow (\$)

Market structure history

Joint Dispatch Agreement (JDA)

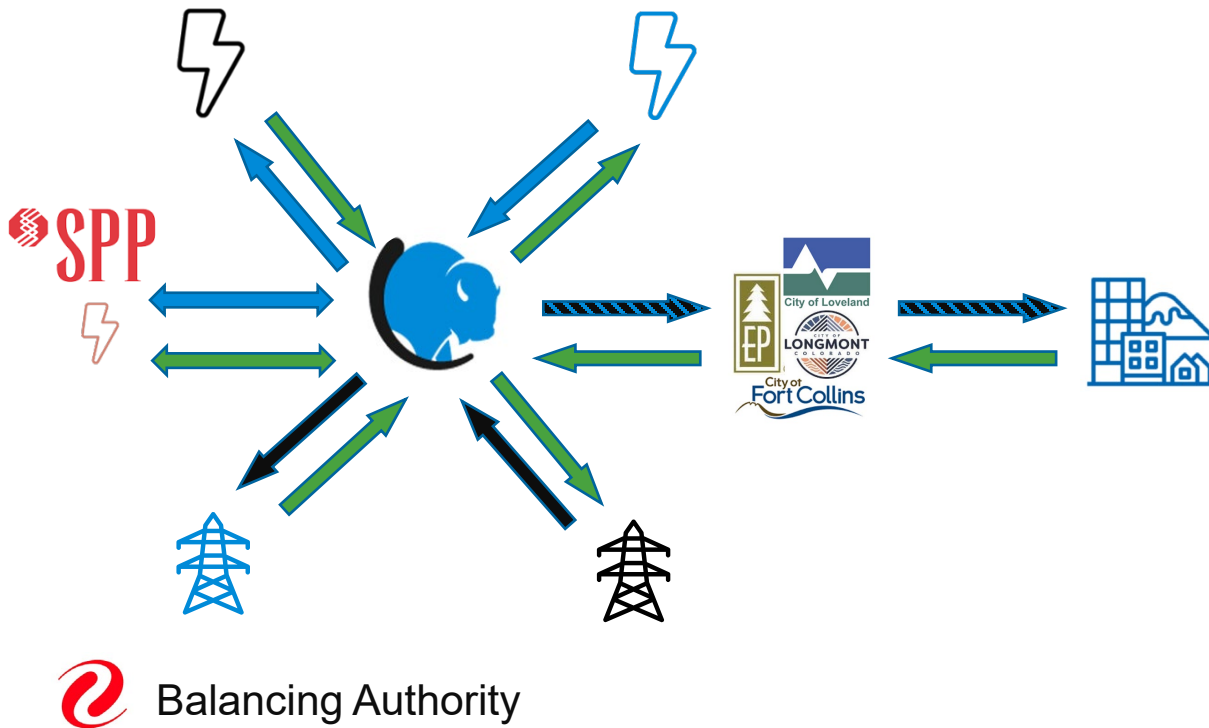


 Balancing Authority

- Maintains bilateral market prior to start of hour
- Public Service Company of Colorado (PSCo), as the Balancing Authority, dispatches least-cost resources in real time
- Minimum JDA market price is \$0/MWh
- Originally three market participants
 - PSCo
 - Black Hills
 - Platte River
- Colorado Springs Utilities joined later

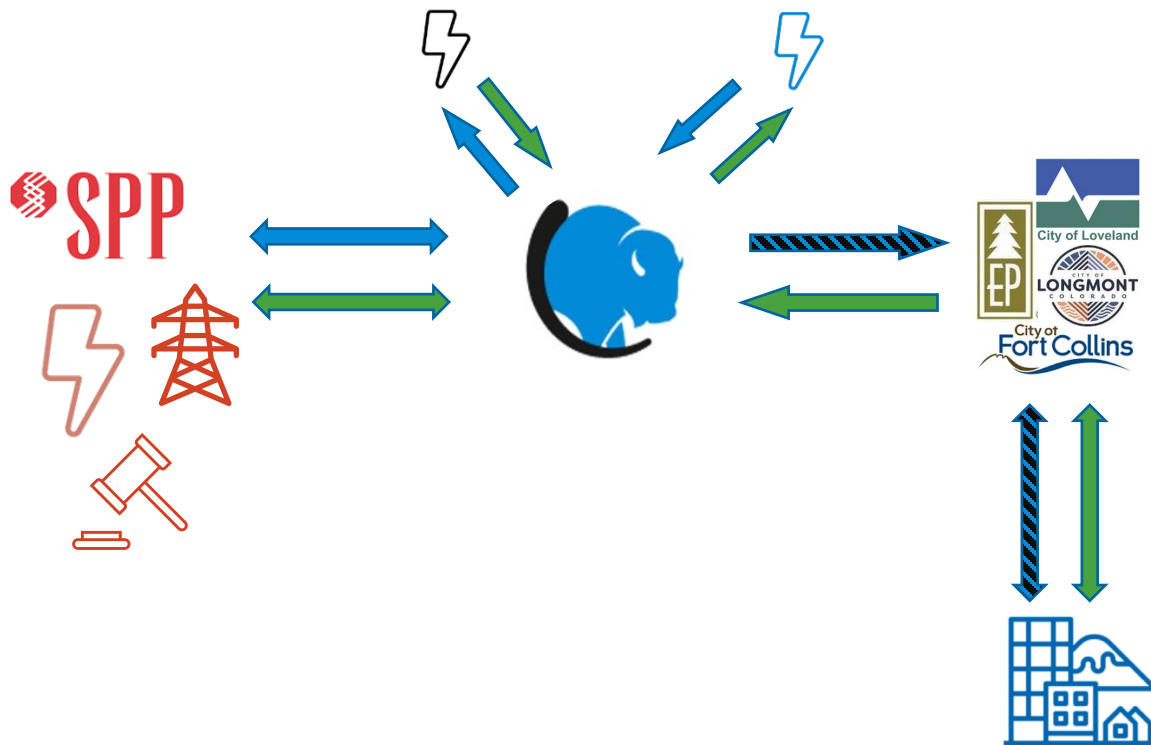
Market structure history

SPP WEIS



- Maintains bilateral market prior to start of hour
- PSCo remains Platte River's Balancing Authority
- SPP dispatches least-cost resources in real time
- Market price goes below \$0/MWh
- Market participants
 - Basin Electric Power Cooperative
 - Black Hills Energy
 - Colorado Springs Utilities
 - Deseret Power Electric Cooperative
 - Guzman Energy
 - Municipal Energy Agency of Nebraska
 - Platte River Power Authority
 - Tri-State Generation and Transmission Association (Tri-State)
 - Western Area Power Administration
 - Upper Great Plains West
 - Rocky Mountain Region
 - Colorado River Storage Projects

SPP RTOW



- Minimal bilateral activity
- SPP becomes Platte River's Balancing Authority
- SPP commits, schedules and co-optimizes ancillary services for least-cost resource use in day ahead
- SPP commits and dispatches least-cost resources in real time
- Market price can go below \$0/MWh
- Resource Adequacy requirement for all participants
- Congestion hedging via transmission revenue rights auction
- Expected market participants
 - Basin Electric Power Cooperative
 - Colorado Springs Utilities
 - Deseret Power Electric Cooperative
 - Municipal Energy Agency of Nebraska
 - Platte River Power Authority
 - Tri-State Generation and Transmission Association
 - Western Area Power Administration
 - Upper Great Plains West
 - Rocky Mountain Region
 - Colorado River Storage Projects

Questions



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Clean energy transition and integration

Raj Singam Setti



Clean energy transition and integration

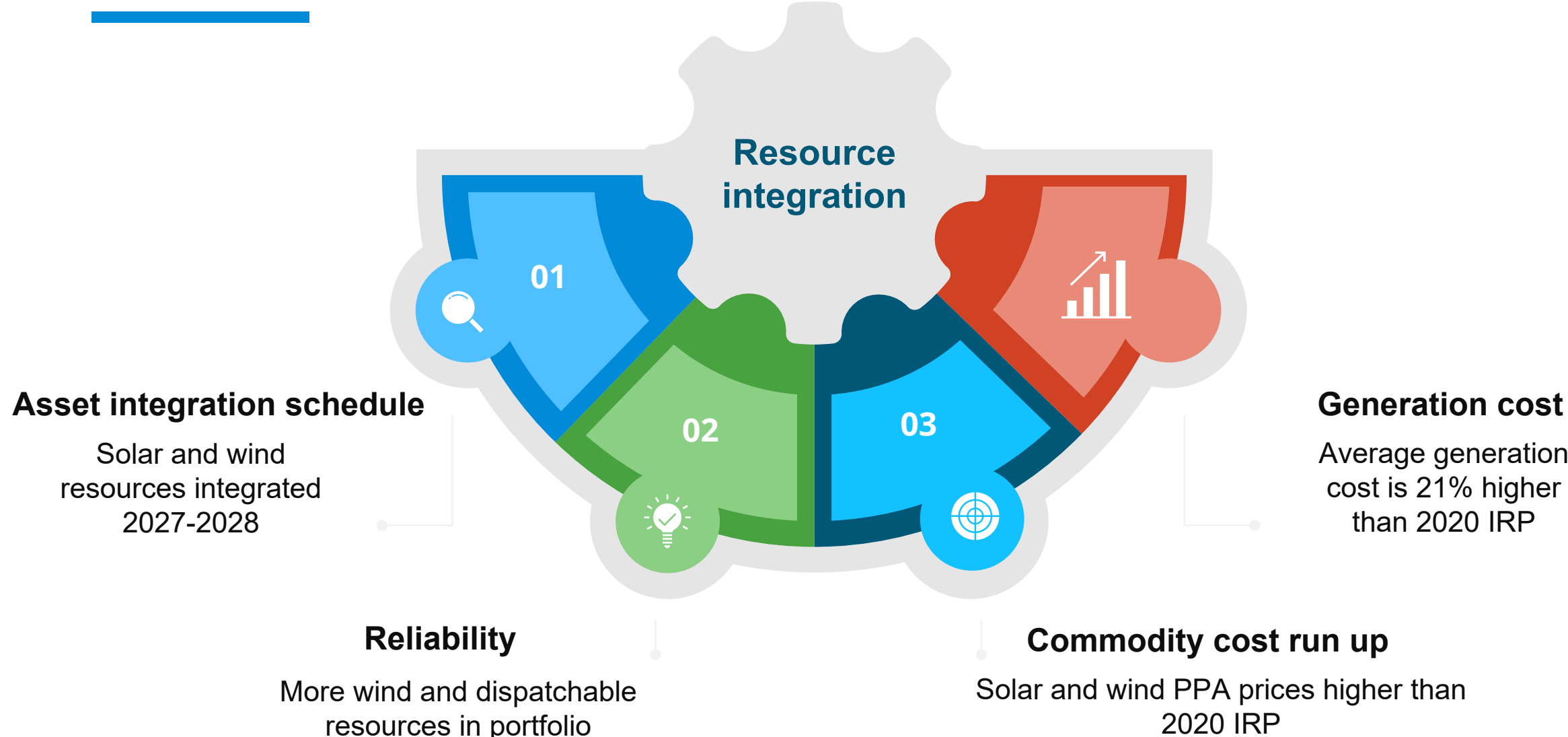
Focus areas

- Portfolio strategy and resource integration
- Distributed energy resources and solutions
 - Efficiency Works
- Digital and operational technologies

Outcomes

- Integrated resource planning (IRP)
- Distributed energy resources (DER) strategy
- Data and system integration

Clean energy integration



Key areas of emphasis

Reliability and resource adequacy

- Climate change, more extreme weather and dark calms
- Criticality of reliability with electric vehicles and beneficial electrification
- Hedge against extreme prices and outage risk
- Portfolio diversity and fuel reliability
- Planning reserve margin requirements

Distributed generation

- New DERs
- DER potential
- Distributed energy storage
- DER management system

Emerging technologies

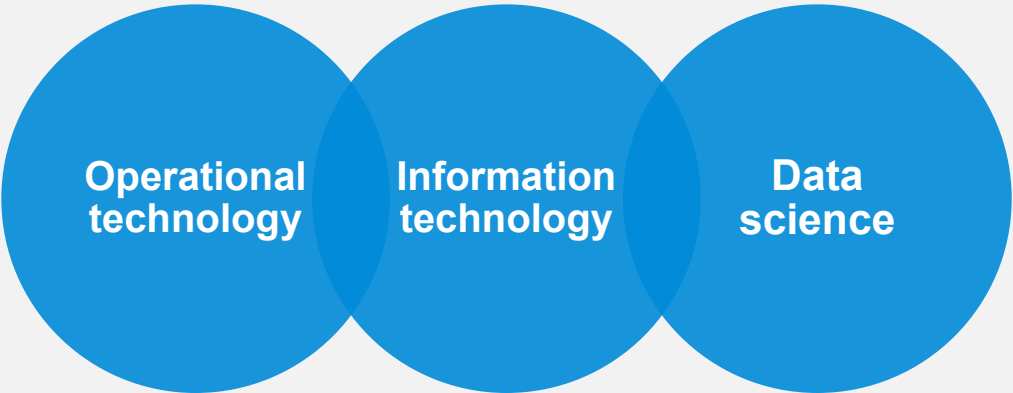
- Long-duration energy storage
- Hydrogen



Three Ds – digitalization, decarbonization, distribution

Integration

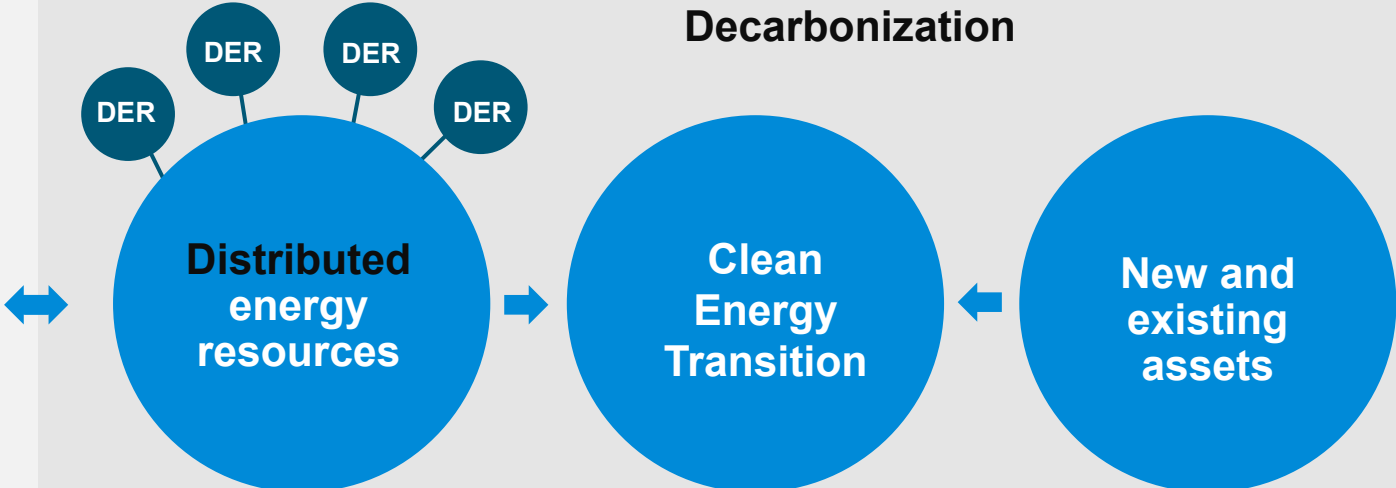
Digitalization



- DERMS
- SCADA/EMS
- DMS/ADMS
- Infrastructure
- Data communication
- Cybersecurity
- Dashboard/KPI
- Predictive analytics
- artificial Intelligence/machine learning

Transition

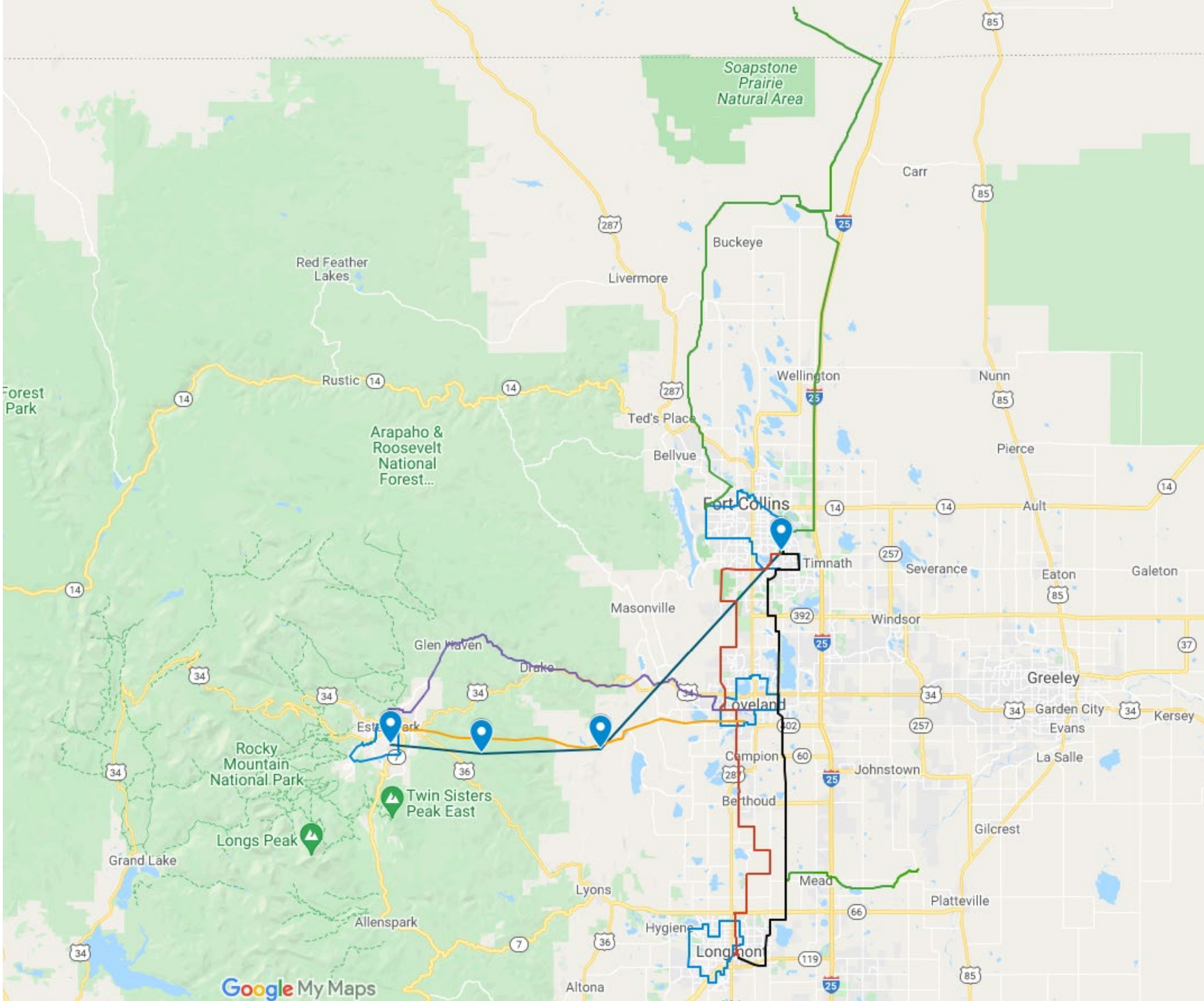
Decarbonization



- Distributed Energy solution
- Distributed Energy resources
- FERC
 - Order no. 2222
 - Order no. 841
- Resource Adequacy
- Ancillary services
- Request for proposals
- Evaluation/procurement
- Grid innovation
- Modeling
- Resource planning

Platte River's regional Optical fiber network

- Long haul east
- Long haul west
- Long haul 34
- City rings
- WAPA OPGW
- Estes-HQ microwave
- Lateral fibers



Efficiency Works™

Efficiency Works is a **regional utility collaboration** that provides guidance and resources to enable **customers** to **use energy effectively**

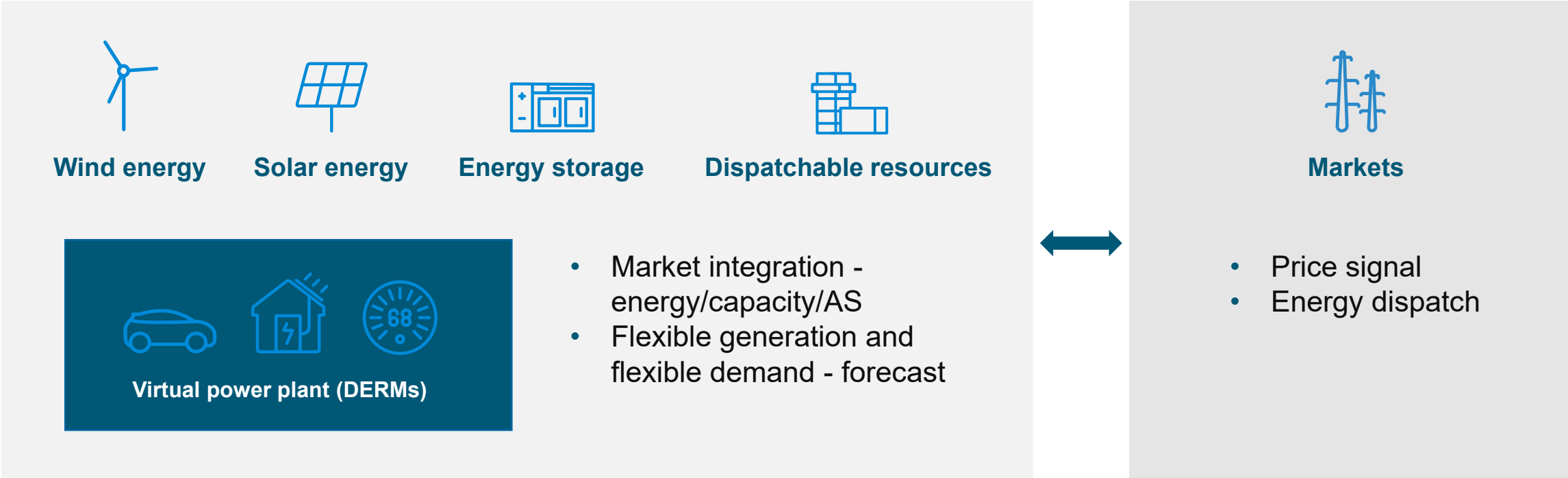
Providing distributed energy solutions:

- ✓ Energy advising
- ✓ Product information and education
- ✓ Facility and home assessments
- ✓ Targeted incentives
- ✓ Income qualified programs
- ✓ Electrification and efficiency (EVs and buildings)
- ✓ Enrollment in VPP programs

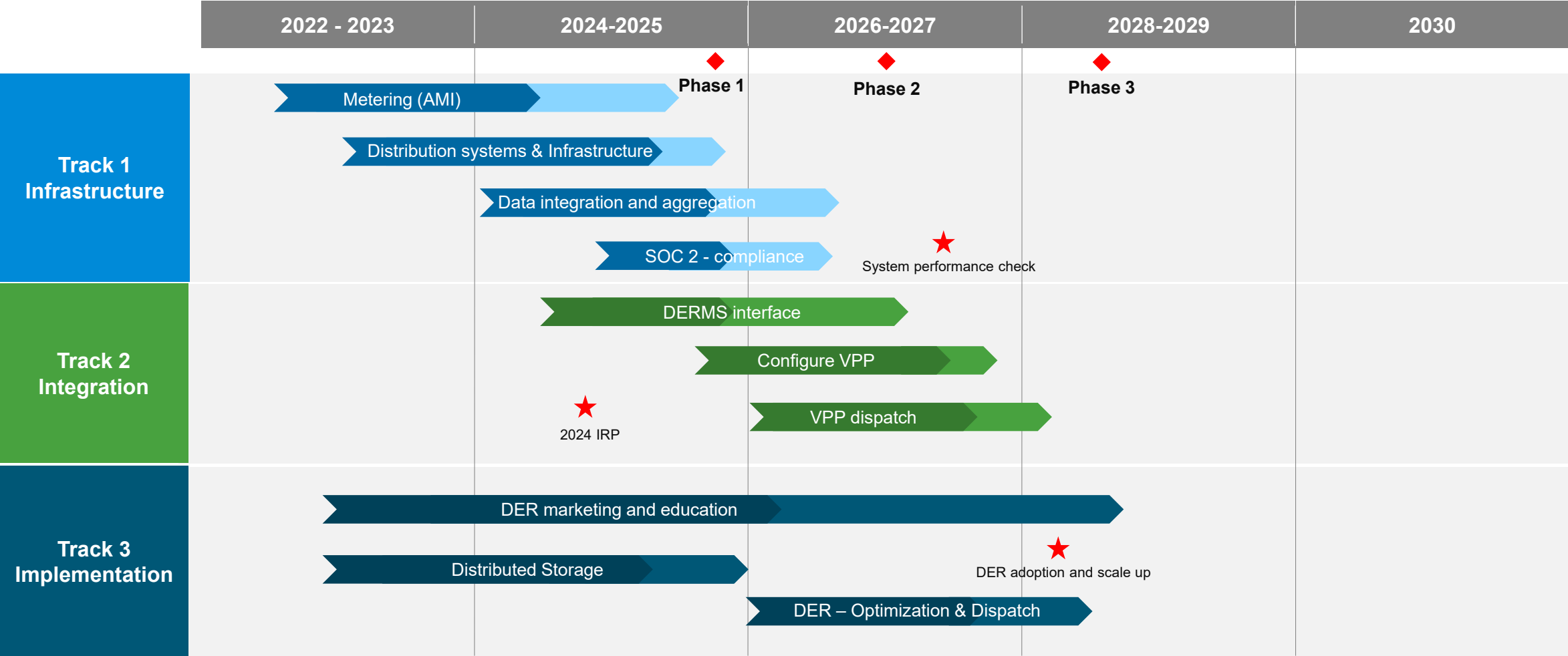


System integration

Platte River's resources will integrate VPP with the energy market



System integration roadmap – owner communities



Finance

Dave Smalley



Platte River financial governance framework

- List of items that govern or influence our financial decisions
- Focus on the Strategic Financial Plan and the 2024 Strategic Budget



Strategic Financial Plan

Provides direction to create long-term financial sustainability, manage financial risk and support Platte River's vision, mission and values

- Generate adequate cash flows
- Maintain access to low-cost capital
- Provide wholesale rate stability
- Maintain sufficient liquidity for operational stability

Strategic Financial Plan

To meet objectives and requirements, staff established financial metrics and rate stability strategies

- | | |
|----------------------------------|--|
| Financial metrics | <ul style="list-style-type: none">• Cash flow metric: Generate minimum 1.50 times fixed obligation charge coverage ratio<ul style="list-style-type: none">• Legal bond service coverage ratio requirement minimum 1.10 times• Earnings metric: Generate minimum change in net position equal to 3% of annual operating expenses• Leverage metric: Target adjusted debt ratio less than 50%• Liquidity metric: Target minimum 200 days adjusted liquidity on hand<ul style="list-style-type: none">• Includes rate stabilization fund - purpose is to reduce or eliminate the rate impact from an event that affects the ability to meet the minimum legal bond service coverage ratio requirement, but not to smooth the rate impacts of continued typical business operations• <i>Based on rating agency criteria targeting a “AA” category credit rating</i>• <i>Metrics provide adequate reserves and balance between financing capital investments with cash and debt</i> |
| Rate stability strategies | <ul style="list-style-type: none">• Fiscal responsibility<ul style="list-style-type: none">• Revenue generation• Expense management• Rate smoothing<ul style="list-style-type: none">• 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 |
-

Maintain AA credit rating

- Financial metrics
 - Provide balance between cash and debt financing
 - May not be met in all years if staff considers the deficiency temporary
- Financial flexibility
 - Obtain access to capital markets at a lower cost of capital
 - Take advantage of opportunities for capital investments, lower expenses and provide benefits to the owner communities
 - Manage industry-related financial risks
 - Respond in a timely and value-maximizing manner to unexpected changes
- Stable more predictable rates
- Long-term financial sustainability

See Strategic Financial Plan (SFP) whitepaper (September 2023) for more details

Credit rating factors	
Broad rating factors	Description
1. Participant credit quality and cost recovery framework (25%)	<ul style="list-style-type: none"> • Unregulated rate-setting • Strong customer base and service area economy • Owner communities have very high credit quality
2. Resource risk management and exposure to environmental regulation (10%)	<ul style="list-style-type: none"> • Very strong energy resource risk management • Long-term competitive supply contracts • Somewhat diverse proven assets • Limited exposure to environmental regulation
3. Competitiveness (15%)	<ul style="list-style-type: none"> • Very competitive current and expected rates in the region or compared with neighboring utilities on a consistent basis
4. Willingness to recover costs with sound financial metrics (25%)	<ul style="list-style-type: none"> • Above-average rate setting record • Rates in alignment with financial metrics for AA category
5. Financial strength and liquidity	
a) Liquidity (10%)	<ul style="list-style-type: none"> • SFP metric: Adjusted minimum 200 days adjusted liquidity on hand
b) Leverage and coverage: Adjusted debt ratio 5% Fixed obligation charge coverage ratio 10%	<ul style="list-style-type: none"> • SFP metric: Target adjusted debt ratio less than 50% • SFP metric: Generate minimum 1.50 times fixed obligation charge coverage and minimum 1.10 times bond service coverage margin • SFP metric: Generate minimum change in net position equal to 3% of annual operating expenses

Financial results

Strategic financial plan metrics	Target minimums	2023 budget	2024 budget	Increase (decrease)
Fixed obligation charge coverage ratio	1.50x	2.43x	1.89x	↓ (22.2%)
Change in net position as a percentage of annual operating expenses	3%	9% ⁽¹⁾	3%	↔ (66.7%)
Adjusted debt ratio	< 50%	25%	23%	↓ (8.0%)
Days adjusted liquidity on hand	200	422	443	↑ 5.0%

⁽¹⁾ Excludes projections for a portion of revenues that will be deferred to a future period and will be reflected in actual year-end results.

Budget results (\$ millions)	2023 budget	2024 budget	Increase (decrease)
Total revenues	\$ 305.0	\$ 313.0	↑ 2.6%
Total expenditures	\$ 298.6	\$ 300.6	↑ 0.7%
Board contingency	\$ 52.0 ⁽²⁾	\$ 56.0	↑ 7.7%
Average wholesale rate increase	5%	5%	↔ 0.0%

⁽²⁾ Contingency transfer to be determined at the end of the year.

2023 financial results



2023 strong financial results

- \$30.5 million of deferred revenue above strategic financial plan change in net position required
 - \$52.2 million cumulative balance
 - Under the board-adopted accounting policy for deferred revenue and expense for rate increase relief
- First year of market energy transactions and settlements – purchased energy exceeded owned generation
- \$12.3 million gain recognized on sale of three Windy Gap water units
- Significant unrealized gains on fair value of investments and increased interest income
- \$5.0 million forced outage exchange agreement (shaftshare) buy down by Tri-State

2023 strong financial results

Category – budget	Variance from budget (in millions)	Indicator
Revenues	(\$8.1)	■
Operating expenses	\$11.7	●
Capital additions ⁽¹⁾	\$16.8	●
Debt service expenditures ⁽²⁾	\$0	◆

Category	Actual (in millions)
Change in net position earned	\$40.8
Less deferred revenue	\$30.5
Change in net position reported ⁽³⁾	\$10.3

Change in net position of \$40.8 million was favorable to budget by \$18.4 million, which was primarily driven by nonoperational activities, including a gain on sale of Windy Gap water units of \$12.3 million, unrealized gain on investments of \$5.2 million and interest income of \$1.8 million.

⁽¹⁾ \$14.0 million of the below-budget capital variance will be carried over to the 2024 budget.

⁽²⁾ Contingency transfer total \$0.3 million required for debt service expenditures due to GASB 96 implementation.

⁽³⁾ Subject to Strategic Financial Plan metrics of a minimum of 3% of annual operating expenses and 1.50 times fixed obligation charge coverage ratio. The fixed obligation charge coverage ratio was the limiting metric in 2023 requiring an additional \$3.4 million.

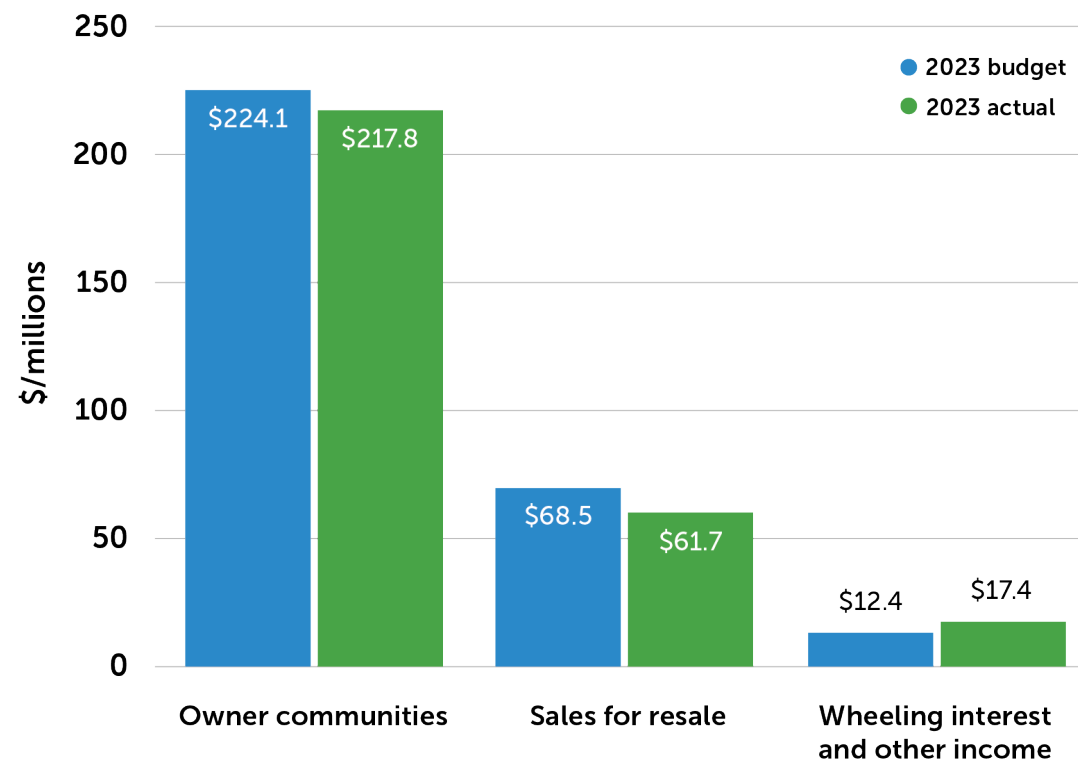
> 2% ● Favorable 2% to -2% ◆ At or near budget < -2% ■ Unfavorable

Revenues

Budget variances in millions – above/(below)

- **(\$6.3) – Owner communities**
 - **(\$0.9) – Demand** (coincident billing demand and metered coincident demand 1.1% and 2.1% below budget, respectively)
 - **(\$5.4) – Energy** (revenue and volume, 4.2% below budget)
- **(\$6.8) – Surplus sales**
 - **\$14.8 – Price** (31.6% above budget (contract sale))
 - **(\$21.6) – Volume** (31.6% below budget)
- **\$5.0 – Wheeling, interest and other income**
 - **\$1.8 – Interest and other income** (higher interest rates)
 - **\$3.2 – Wheeling** (higher point-to-point customers)

■ Variance from 2023 budget: (\$8.1) million

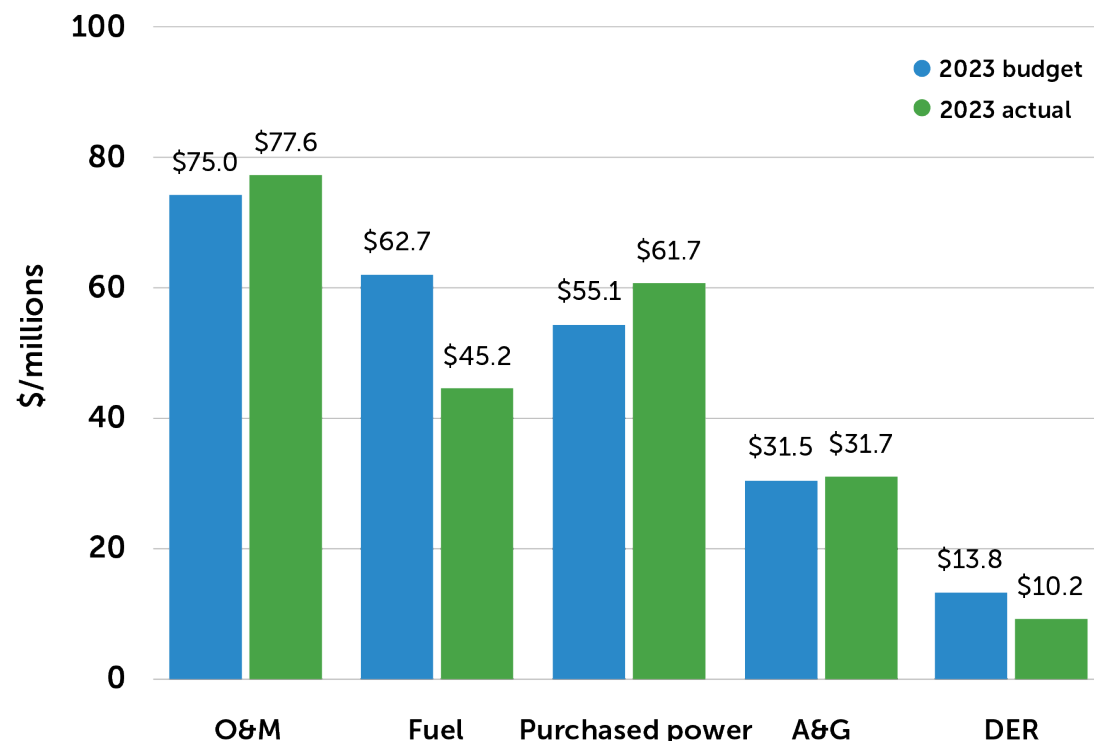


Operating expenses

Budget variances in millions – (above)/below

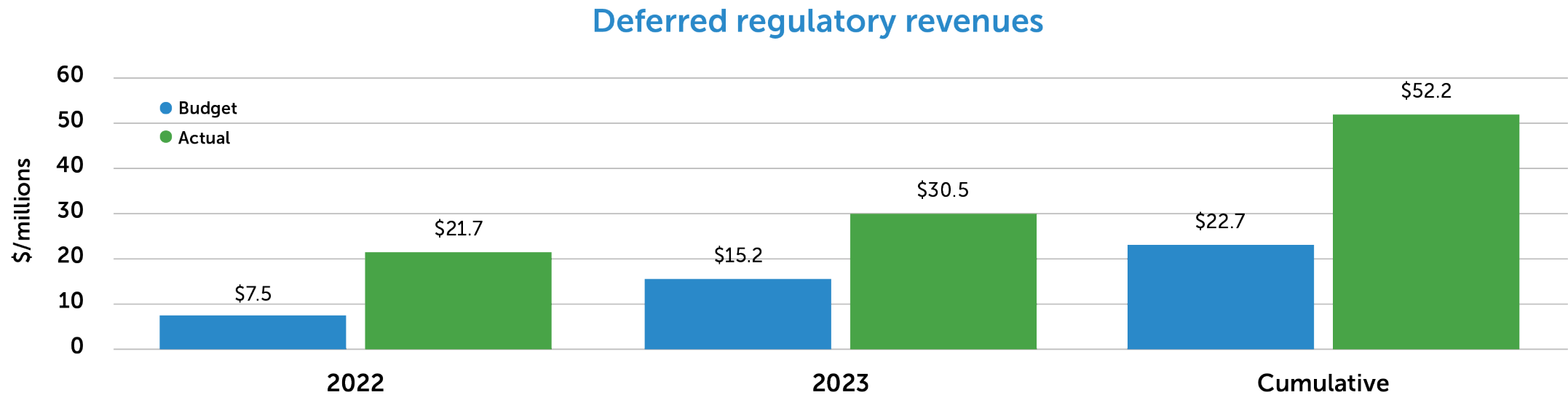
- **\$17.5 – Fuel**
 - **\$13.2 – Rawhide** (primarily replaced by WEIS market purchases)
 - **\$5.8 – Craig** (primarily replaced by WEIS market purchases)
 - **(\$1.5) – CTs** (capacity calls, serve load and make sales)
- **\$3.6 – DER programs** (economic recovery challenges (COVID-19) in small and medium businesses)
- **(\$0.2) – A&G** (personnel expenses)
- **(\$2.6) – O&M** (Craig units 1 and 2 operating and maintenance expenses)
- **(\$6.6) – Purchased power**
 - **(\$8.8) – WEIS** (higher volumes and higher prices)
 - **(\$1.9) – Other purchases** (higher volumes and lower prices)
 - **(\$0.1) – Purchased reserves**
 - **\$1.3 – Wind \$1.9, solar \$0.1 and hydropower (\$0.7)**
 - **\$2.9 – Forced outage exchange** (net to Tri-State)

● Variance from 2023 budget: \$11.7 million



Deferred revenue and expense accounting policy

Unaudited financial results



Purpose: Help reduce rate pressure and achieve rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. This policy will apply during the resource transition.

2023 financial summary

 All strategic financial plan targets were exceeded

 AA credit rating

Strategic financial plan	Target	3-year average	2023	2022 restated	2021
Fixed obligation charge coverage ratio	> 1.50x	2.10x	1.50x	2.0x	2.80x
Change in net position as a percentage of annual operating expenses	3.0%	8.7%	4.5%	3.0%	18.7%
Adjusted debt ratio	< 50%	28%	26%	28%	30%
Days adjusted liquidity on hand	> 200 days	428	464	408	412

2023 pending final year end adjustments and audit

Unaudited financial results

Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Business strategies

Eddie Gutiérrez



Communications, marketing and external affairs



Strategic communications and marketing

- Platte River and its owner communities work together to create unified and aligned messaging for Platte River and Efficiency Works through:
 - Press releases
 - Marketing for Platte River and Efficiency Works
 - Community meetings
- A communicators task force made up of communications staff from Platte River and each of its owner communities collaborate on shared messaging and goals
- Leads strategic planning

RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

Implementation areas

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



COMMUNITY PARTNER AND ENGAGEMENT

Implementation areas

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



WORKFORCE CULTURE



Implementation areas

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

PROCESS MANAGEMENT AND COORDINATION

Implementation areas

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



Community engagement

- Supports STEM education through:
 - Annual NoCo Time Trials middle school students solar and battery car race and scholarship
 - Colorado Science and Engineering Fair judging and stipends
 - Annual Roy J. Rohla Scholarship for high school seniors and college students
- Supports local nonprofits through donations, volunteer opportunities
- Sponsors community events, often in partnership with our owner communities, to share the Platte River story

External affairs

- Advocates strategy at the state and local levels leveraging legal affairs and legislative consultant
- Engages elected officials and stakeholders regarding Platte River's strategic vision on the energy transition
- Works with consultant to assess and pursue federal grants to support the Resource Diversification Policy

Resources for board members

- Media requests or community member inquiry support
- Support for city council/town board and community meeting presentations

Human resources and safety



Human resources

- Organizational partner to facilitate attraction, development and retention of our employees
 - Benefit offerings
 - Learning and development needs and initiatives
 - Proactive workforce planning
- Work with operating departments to facilitate positive change and support strategic initiatives



A culture of safety

Consistent with the organizational philosophy that no job is so important and no service so urgent that an employee must violate a safety rule or risk of injury/illness over taking the time to perform their work safely.

Proactive health and safety

- Soft tissue injury prevention through active release techniques
- Occupational health testing

Hands-on safety training

- Bucket truck rescue
- Fire extinguisher
- Crane operator



Safety statistics

	2020	2021	2022	2023
Recordable Incident Rate	1.29	1.67	1.25	1.98
Lost Time Case Rate	0.43	0.00	0.00	0.39
DART (Days away restricted)	0.43	0.00	0.83	0.39



Thank you



Platte River
Power Authority

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