



Estes Park • Fort Collins • Longmont • Loveland

Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525
Thursday, Aug. 29, 2024, 9 a.m.

Call to order

1. Consent agenda *Motion to approve*
 - a. Minutes of the regular meeting of July 25, 2024
 - b. First amendment to intergovernmental agreement for fiber management *Resolution 09-24*

Public comment

Board action items

2. Declaration of official intent to reimburse prior capital expenditures *Resolution 10-24*

Management presentations

3. Battery energy storage update
4. Combustion turbine Unit F outage update
5. Enterprise Resource Planning update
6. Marketing campaign update
7. Alexander Mountain Fire response

Monthly informational reports – July

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

Strategic discussions

Adjournment



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2024 board meeting planning calendar

Updated August 21, 2024

Sept. 26, 2024

Board action items	Management presentations	Management reports	Monthly informational reports
	2025 proposed strategic budget work session	Staffing update (memo only)	Legal, environmental and compliance report
	2025 rate tariff schedules		Resource diversification report
			Operating report
Committee report			Financial report
Defined Benefit committee report			General management report

Oct. 31, 2024

Defined Benefit Plan committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
2024 FORVIS financial audit plan	2025 proposed strategic budget update – public hearing		Q3 performance dashboard
2025 rate tariff schedules	Long-term fuel supply strategy		Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

November 2024

No board of directors meeting

Dec. 12, 2024

Board action items	Management presentations	Management reports	Monthly informational reports
2025 proposed board of directors regular meeting schedule	Transmission rate design changes	Benefits update (memo only)	Legal, environmental and compliance report
2025 Strategic Budget review and adoption			Resource diversification report
			Operating report
			Financial report
Committee report			General management report
Defined Benefit committee report			

Topics to be scheduled:

-

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



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2024 board of directors

Owner communities

Term expiration

Town of Estes Park

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

Mayor Gary Hall

April 2028

Reuben Bergsten

December 2024

City of Fort Collins

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

Mayor Jeni Arndt—Vice Chair, Board of Directors

January 2026

Tyler Marr

December 2026

City of Longmont

350 Kimbark Street, Longmont, Colorado 80501

Mayor Joan Peck

November 2025

David Hornbacher

December 2026

City of Loveland

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

Mayor Jacki Marsh

November 2025

Kevin Gertig—Chair, Board of Directors

December 2025



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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.



Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 8/21/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Angela Walsh, executive director of board and administration

Subject: Consent agenda – August

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

Attachments

- Minutes of the regular meeting of July 25, 2024
- Proposed first amendment to intergovernmental agreement for fiber management
- Resolution 09-24: Approval of first amendment to intergovernmental agreement for fiber management



Estes Park • Fort Collins • Longmont • Loveland

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, July 25, 2024

Attendance

Board members

Representing Estes Park: Mayor Gary Hall
Representing Fort Collins: Mayor Jeni Arndt and Tyler Marr
Representing Longmont: Mayor Joan Peck
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

Absent

Reuben Bergsten and David Hornbacher

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, generation, transmission and markets)
Raj Singam Setti (chief operating officer, innovation and resource strategy integration)
Eddie Gutiérrez (chief strategy officer)
Angela Walsh (executive director of board and administration, board secretary)
Kaitlyn McCarty (senior executive assistant)
Josh Pinsky (IT service desk technician II)
Jeremy Clark (director, power markets)
Javier Camacho (director, public/external affairs, strategic communications/social marketing)
Darren Buck (director, power delivery)
Masood Ahmad (senior manager, resource planning)
Izzy Smith (communications and marketing specialist)
Maia Jackson (senior communications and marketing specialist)
Matt Scheppers (manager, system engineering)
Mark Siano (supervisor, system engineering design)
Jeff Menard (manager, facilities services)

Guests

Barton Barnhart, Western Area Power Administration

Call to order

Chair Gertig called the meeting to order at 9:01 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 30, 2024

Director Marsh moved to approve the consent agenda as presented. Director Peck seconded. The motion carried 6-0.

Public comment

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. Sixteen members of the public addressed the board.

Committee reports

2. Defined Benefit Plan committee report (presenter: Dave Smalley)

Dave Smalley, chief financial officer and deputy general manager, provided a summary of the Defined Benefit Plan committee meeting from May 30, 2024.

Mr. Smalley explained the actuary from Willis Towers Watson reviewed the plan's actuarial valuation report, which includes the required funding contribution for 2025. Due to positive portfolio returns in 2023, funding is decreasing from \$9.1 million in 2024 to \$8 million in 2025. As a reminder, during 2023, the board approved contributing \$3 million of the 2024 funding in 2023. This reduced the 2024 contribution from \$9.1 million to \$6.1 million. Mr. Smalley reminded the board that the defined benefit plan was closed to new participants in 2010. As of December 31, 2023, there were 72 active employees in the plan, down from 77 on December 31, 2022. The total number of participants, including retirees, is 303. If actuarial assumptions are met, the actuary projects a steady decline in funding from 2025 to 2045, with funding falling below \$1 million beginning in 2034.

The plan's investment consultant, Northern Trust, provided an asset and liability study, 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.

Northern Trust also reported on the plan's performance for the quarter ended March 2024, showing the assets increased \$3.7 million, as positive market returns and contributions exceeded benefit payments. The portfolio returned 4% while the plan's benchmark increased 5%. The plan's target return is 7.5%. Northern Trust noted the plan's underperformance has been the result of the portfolio's exposure to low-volatility, high-quality equities. The low-volatility

strategies gave the portfolio downside protection during turbulent markets but lagged market returns when riskier equity strategies performed well. To address the portfolio's underperformance, Northern Trust implemented a revised investment portfolio structure to enhance long-term expected returns with lower volatility than the prior investment portfolio. The changes were completed in March.

Mr. Smalley noted the committee discussed the disappointing performance of the investment portfolio relative to the benchmark. As part of the committee's fiduciary responsibility, the committee directed staff to move forward with a request for proposals for investment consulting services.

The next committee meeting is scheduled for August 29, 2024.

a. Defined Benefit Plan committee appointment

Director Arndt moved to approve Resolution 06-24: Defined Benefit Plan committee appointment of Director Gary Hall as presented. Director Marsh seconded. The motion carried 6-0.

Board action items

3. 2024 Integrated Resource Plan (presenter: Raj Singam Setti)

Raj Singam Setti, chief operating officer, innovation and resource strategy integration, reviewed the 2024 Integrated Resource Plan (IRP) results and staff recommendation to pursue the optimal new carbon portfolio.

Sarah Leonard, general counsel, noted a correction in the resolution to add the word "new" between "optimal" and "carbon" in two areas of the resolution to reflect the portfolio title of "optimal new carbon."

Director Peck asked if staff studied how other utilities of similar size to Platte River's load cover the dark calm weather events. Mr. Singam Setti explained the research completed on dark calm weather events focused on our region and their impact. He further explained other utilities within the Large Public Power Council and other regional entities have different portfolio resource mixes, but none of them were retiring their gas units and many were covering expanded resource needs through power purchase agreements. Director Peck asked if buying wind energy from other states could cover our dark calm events. Mr. Singam Setti responded Platte River always evaluates transmission costs and congestion when determining how to cover those events.

Director Marsh clarified her understanding that the aeroderivative units will not be used as a base load resource but will be used to cover extreme weather and dark calm events. She also questioned whether the aeroderivative units would cover other utilities' base load needs through the market. Mr. Singam Setti confirmed her clarifications and stated the aeroderivative units are essential reliability resources to stabilize the renewable, intermittent resources.

Director Arndt reflected on speaking at a local economist event and explained that Platte River does nothing in the theoretical and the proposed IRP is a plan that is attainable, because action is taken to make the plan work. Director Marr asked how the market will call upon the aeroderivative units. Mr. Singam Setti explained the modeling aspect to evaluate future market pricing and resource costs among the resource portfolios. Melie Vincent, chief operations officer, generation, transmission and markets, explained how locational market pricing determines what resources are called upon, and if available low-cost resources meet demand, there is no need or economic advantage to “turn on” more resources, such as the aeroderivative units, when they are not needed.

Director Hall commented on the progressive nature of the plan and noted that he will support the 2024 IRP recommended portfolio. Director Peck requested a future presentation on the owner communities’ plans to help reduce carbon. Director Marr commented on the importance of Platte River’s three pillars and expressed his support for the staff-recommended 2024 IRP portfolio of optimal new carbon.

Director Peck moved to approve Resolution 07-24: 2024 Integrated Resource Plan as presented. Chair Gertig complimented staff’s efforts in a thorough evaluation to develop a plan that meets the three pillars of the organization and accomplishes the goals. Director Marsh seconded. The motion carried 6-0.

4. Rawhide Just Transition Plan (presenter: Melie Vincent)

Ms. Vincent reviewed the Just Transition Plan commitment to retain employees through the energy transition and avoid involuntary separations due to Rawhide Unit 1’s retirement. The Just Transition Plan will be submitted to the Colorado Office of Just Transition and will also be included in the 2024 IRP.

Director Arndt thanked the staff for caring about the employees and creating a plan for transition. Director Hall commented on visiting the plant and enjoying the opportunity to meet employees that work there.

Director Hall moved to approve Resolution 08-24: Rawhide Just Transition Plan as presented. Director Arndt seconded. The motion carried 6-0.

Mr. Frisbie introduced the two videos shown to the board. The first one was produced to commemorate the 40th anniversary of Rawhide Energy Station on April 1 and the second video was the groundbreaking ceremony for the Black Hollow Solar project.

10-minute break (10:35 - 10:45 a.m.)

Management presentations

5. Fiber management intergovernmental agreement amendment (presenter: Shelley Nywall)

Shelley Nywall, director of finance, reviewed the proposed amendment to the Intergovernmental Agreement for Fiber Management and the draft resolution to adopt the recommended changes.

Staff will ask the board to approve the proposed amendment during the August board meeting. Director Peck asked if the four city councils need to approve the amendment by the August board meeting. Ms. Nywall said the Platte River board will approve the amendment at the August board meeting, but the amendment will not take effect until all city councils have an opportunity to review and approve the proposed amendment. Mr. Frisbie added that staff would like to have it approved by the end of the year for proper accounting of fiber revenues in 2025.

6. One-year WEIS participation and SPP RTO West update (presenter: Jeremy Clark)

Ms. Vincent introduced Jeremy Clark, director of power markets, to the board. Mr. Clark reviewed the first year of participation in the Western Energy Imbalance Service market and provided a status report on preparations for Platte River to join the Southwest Power Pool (SPP) Regional Transmission Organization – West, planned for April 2026.

Mr. Frisbie pointed out that the advancement of joining an organized market was just one of several bullet points spelled out in the Resource Diversification Plan passed by the board in 2018, but it has required significant additional staff, funding and coordination to prepare to participate in both markets.

7. Flatiron – Estes Park transmission line update (presenter: Melie Vincent)

Ms. Vincent summarized the three power outages Estes Park experienced during and after the transmission line replacement project by Western Area Power Administration (WAPA), actions taken by both Platte River and WAPA staff during and after each event and the continued evaluation of the electric system in Estes Park.

Barton Barnhart, senior vice president and regional manager of WAPA, described WAPA's strategies to prevent further outages in 2024 and a long-term solution for outage prevention.

Director Hall asked how shutting off the Granby line helped to keep power in Estes Park. Mr. Barnhart responded the Granby line does not have the capacity to serve the whole town and shutting it down helped with voltage regulation. Discussion ensued among directors and staff regarding taking lines out of service to prevent damage to the system, line capacity limitations and future operational investments to improve the system in Estes Park.

Chair Gertig discussed how the five entities work together on response management and how to improve the system and thanked WAPA for its commitment to strengthening the connection to Estes Park. Director Hall thanked the owner communities that sent staff to help after the last

outage.

8. Legislative session recap (presenter: Javier Camacho)

Javier Camacho, director, public/external affairs, strategic communications/social marketing, summarized the 2024 Colorado legislative session, including an overview of outcomes from legislation tracked by Platte River staff and Husch Blackwell Strategies, the state lobbyist. He also previewed expected legislation for the 2025 session.

Monthly informational reports for May/June

9. Q2 performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie reviewed the second quarter operations, finance and environmental compliance results. He explained that staff is working on an accounting function to show what generation resources provide surplus energy in the market to properly account for carbon emissions. Director Peck asked what energy Platte River sells in the market. Mr. Frisbie and Ms. Vincent explained the surplus energy could be a mix between thermal and renewable resources depending on the generation availability at the time and surplus above owner community load. Discussion ensued among directors and staff regarding renewable generation, selling generation into the market and how batteries will charge and discharge in the future.

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

Ms. Leonard highlighted three recent developments, including the Federal Energy Regulatory Commission's Order 1920 on regional transmission planning and cost allocation, the SPP petition for a declaratory order on tariff provisions and conflict with state law and the progress on SPP's western regional transmission organization.

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

Mr. Singam Setti provided a summary of the report including an update on the Distributed Energy Resource Management System (DERMS) request for proposals (RFP) with a pre-bid conference and issuing an energy utility scale storage project RFP. Director Arndt asked if there are challenges to installing battery storage. Mr. Singam Setti responded that there are questions being asked from the communities related to the sound ordinances, but he mentioned the bigger strategy is siting the locations to optimize the storage of new generation resources coming into the system.

12. Operating reports (presenter: Melie Vincent)

Ms. Vincent highlighted operating results for May and June. She noted that community demand and energy continue to be below budget for May and year to date. Net variable cost to serve owner community load came in better than budget due to fuel savings on coal and gas. Lower bi-lateral sales volume and higher fuel pricing continue to place upward pressure on the budget.



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For June, she stated that owner community demand was below budget 6.7%, but owner community energy was close to budget for the month. Net variable cost to serve owner community load was favorable for the month. June showed cost savings in coal generation fuel and higher bilateral sales volume, offset by higher purchase volume and higher wind generation volume than expected. Year to date, owner community demand and energy continue to be below budget, while cost to serve owner community load remains below budget, primarily driven by fuel savings and purchase power costs being lower than budget.

13. Financial report (presenter: Dave Smalley)

Mr. Smalley highlighted financial results for May and June. Change in net position is favorable by \$8.3 million year to date, operating expenses are below budget by 11.5%, and capital additions are below budget by \$13.1 million, slightly offset by revenues \$3.3 million below budget for the year. In response to a statement made during the IRP presentations claiming Platte River has higher rates than other Colorado utilities, he showed a slide with rate information from a recent rate survey provided by the Colorado Association of Municipal Utilities. He stated that each utility has a unique situation in how it determines rates and cannot be compared apples to apples.

14. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the Grid Resilience and Innovation Partnerships grant update, along with an award from the Colorado Department of Local Affairs and the Department of Energy for the battery project in Estes Park. He also encouraged the board to attend the summer picnic.

Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 12:15 p.m. The next regular board meeting is scheduled for Thursday, Aug. 29, 2024, at 9:00 a.m. either virtually or 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 _____, 2024.

Secretary

Adopted:
Vote:



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Memorandum

Date: 8/21/2024

To: Board of Directors

From: Jason Frisbie, general manager and chief executive officer
Dave Smalley, chief financial officer and deputy general manager
Shelley Nywall, director of finance

Subject: **First Amendment to Intergovernmental Agreement for Fiber Management – remove long-haul fiber account approval and resolution adoption**

Staff presented the amendment to the Intergovernmental Agreement for Fiber Management (Fiber IGA) to remove the separate long-haul fiber account. Platte River will retain ownership of long-haul fiber assets and the related lease revenues.

Staff recommends the board approve the amendment and adopt Resolution No. 09-24 to amend the Fiber IGA at the August board meeting.

Background

The Fiber Optic Executive Committee (Fiber Committee) met on Monday, April 8, 2024. The Fiber Committee includes Platte River's general manager and the broadband or utility directors of each of Platte River's owner communities. The committee provides policy direction to Platte River on the use of long-haul fiber (fiber connecting the local loops around each owner community).

At the meeting, the Fiber Committee recommended approval of an amendment to the Fiber IGA between Platte River and its owner communities. The amendment removes a requirement for Platte River to maintain long-haul lease revenues in a separate long-haul fiber account. Maintaining this separate account does not follow proper accounting practices as Platte River continues to own, operate and maintain the long-haul fiber assets. The account was initially created in response to SB 05-152, which restricted local governments' ability to engage in broadband activities. This bill has since been repealed. Although Platte River and the owner communities discussed distributing excess long-haul fiber to the owner communities, the parties determined that Platte River would retain ownership of this fiber and the related lease revenue.

Removing the separate long-haul fiber account will not affect the owner communities' or Platte River's maintenance responsibilities. As required, each owner community will ask its city council or town board to approve the amendment.

Attachments

- First Amendment to Intergovernmental Agreement for Fiber Management
- Resolution 09-24: Approval of First Amendment to Intergovernmental Agreement for Fiber Management

FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT FOR FIBER MANAGEMENT

This First Amendment to the Intergovernmental Agreement for Fiber Management (“**Amendment**”) is made and entered into _____, (the “**Effective Date**”) by and between The Town of Estes Park (“**Estes Park**”), the City of Fort Collins (“**Fort Collins**”), the City of Longmont (“**Longmont**”), the City of Loveland (“**Loveland**”), collectively the “**Municipalities**,” individually a “**Municipality**,” and Platte River Power Authority (“**Platte River**”), sometimes individually referred to in this Amendment as a “**Party**” and collectively as the “**Parties**.”

RECITALS

- A. The Parties entered into an Intergovernmental Agreement for Fiber Management, dated May 15, 2019, (“Fiber IGA”).
- B. To conform with standard accounting practices the Parties desire to amend the Fiber IGA to remove the Long-Haul Fiber Account as a separate account maintained by Platte River.

AGREEMENT

- 1. **Section 4.B** of the Fiber IGA is amended to delete the language shown in strikeout below:

4.B The Executive Committee consists of the utility or broadband directors of each of the four Municipalities and Platte River’s General Manager, each of whom shall have one vote. Provided, however, that Platte River shall have the final decision-making authority with respect to decisions of the Executive Committee that impact the reliability of Platte River’s electric system. The Executive Committee will meet as necessary or as requested by members of the Executive Committee. The Executive Committee will evaluate Platte River’s fiber management, provide policy direction to Platte River relating to the leasing of Excess Fiber on the Long-Haul ~~and operation of the Long-Haul Fiber Account~~, resolve any disputes that arise in the management of the Fiber Optic Network and address any other policy issues that require executive decision-making authority.

- 2. The first paragraph of **Section 9** of the Fiber IGA is amended to delete the language shown in strikeout below and add the new language shown in underlined, contrasting font:

9. **Excess Fiber Leasing.**

In October 1998, the Platte River Board of Directors adopted Resolution 17-98 which authorized the General Manager to negotiate dark fiber leases on behalf of the Municipalities. Since that time, Platte River has been leasing dark fiber within the Local Loops in Fort Collins, Loveland and Estes Park to third parties and returning the revenue associated therewith to the Municipality within whose electric service area the leased dark fiber is located. Platte River ~~has retained revenue from leases maintains ownership of dark fiber the Excess Fiber within the Long-Haul to cover its operating expenses. and will retain revenues from Long-Haul leases.~~

3. Section 9.d of the Fiber IGA is deleted.

~~9.d — So long as Platte River retains ownership of the Excess Fiber within the Long-Haul, net revenues (gross revenues less administrative expenses deducted in accordance with Section 6 of this Agreement) from Long-Haul Leases shall be maintained in an account to be managed by Platte River for the benefit of the Municipalities (the “Long-Haul Fiber Account”). The Long-Haul Fiber Account shall be used by Platte River, in a manner consistent with the policy direction provided by the Executive Committee, to pay for expenses associated with the Long-Haul which are not covered in the Fiber Optic Network Accounting Policy, including, but not limited to easement acquisition and technology upgrades to, or expansion of, the Long-Haul. Expenses shall not exceed the balance in the account. In the event that ownership of the Excess Fiber within the Long-Haul is transferred to the Municipalities, funds remaining in the Long-Haul Fiber Account shall be transferred with such ownership in the same proportion (i.e., if ownership is transferred to each Municipality equally, the account balance shall be distributed equally); and~~

SIGNATURE PAGES FOLLOW

SIGNATURES

PLATTE RIVER POWER AUTHORITY

ATTEST:

By: _____
General Manager/CEO

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Senior Counsel

TOWN OF ESTES PARK, COLORADO

ATTEST:

By: _____
Mayor

By: _____
Town Clerk

Date: _____

CITY OF FORT COLLINS, COLORADO

ATTEST:

By: _____
City Manager

By: _____
City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Deputy City Attorney

CITY OF LOVELAND, COLORADO

ATTEST:

By: _____
City Manager

By: _____
City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

CITY OF LONGMONT, COLORADO

ATTEST:

By: _____
Mayor

By: _____
City Clerk

Date: _____

APPROVED AS TO FORM AND SUBSTANCE:

By: _____
Executive Director, NextLight~~Director of Longmont Power & Communications~~

APPROVED AS TO FORM:

By: _____
DeputyAssistant City Attorney

PROOFREAD:

By: _____

RESOLUTION NO. 09-24

Background

A. In 2019 Platte River Power Authority (Platte River) and the communities of Estes Park, Fort Collins, Longmont, and Loveland (owner communities) signed an Intergovernmental Agreement for Fiber Management ("Fiber IGA").

B. Under C.R.S. § 29-1-203, the owner communities and Platte River are empowered to enter into intergovernmental agreements through which the parties may cooperate to provide any function, service, or facility lawfully authorized to each.

C. Platte River and the owner communities wish to amend the existing Fiber IGA to remove all provisions concerning the long-haul fiber account.

D. Staff recommends in a memorandum dated August 21, 2024, that the board adopt the attached amendment to the Fiber IGA.

Resolution

The board of directors of Platte River Power Authority adopts and approves the attached amendment to the Intergovernmental Agreement for Fiber Management.

AS WITNESS, I have signed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this _____ day of _____, 2024.

Secretary

Adopted:

Vote:



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Memorandum

Date: 8/21/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Dave Smalley, chief financial officer and deputy general manager
Julie Depperman, director, treasury services

Subject: Declaration of “official intent” to reimburse prior capital expenditures

In October 2023, the board unanimously passed Resolution 11-23, formally expressing its support for Platte River’s efforts to proactively develop the dispatchable capacity necessary to protect system reliability and financial sustainability (including battery storage systems, virtual power plant capabilities, and flexible aeroderivative combustion turbine technology).

In July 2024, the board unanimously passed Resolution 07-24 approving the 2024 Integrated Resource Plan (IRP). Aeroderivative combustion turbine technology is a critical component of the IRP. Platte River will need new dispatchable resources to help support system reliability as remaining coal units retire.

The costs of procuring and installing aeroderivative combustion turbines are included in Platte River’s five-year capital plan. Overall, Platte River projects capital investment of \$630 million over the next five years, including costs for dispatchable resources, transmission, distributed energy resources management system, and substations.

To maintain adequate cash reserves and meet Strategic Financial Plan targets while funding capital projects, Platte River plans to issue approximately \$300 million of debt in 2026 and \$100 million in 2028. Actual timing will depend on project schedules, which may change. This table shows the current five-year capital plan, projected reserves and anticipated bond financings.

(\$ thousands)	2025	2026	2027	2028	2029	5-year total
Aeroderivatives purchase	\$ 58,274	\$ 58,274	\$ 62,936	\$ 18,647	\$ -	\$ 198,131
Other capital expenditures	\$ 76,148	\$ 120,695	\$ 135,531	\$ 54,326	\$ 45,114	\$ 431,814
Cash reserves	\$ 231,731	\$ 391,421	\$ 203,531	\$ 232,973	\$ 215,902	NA
Debt financings (new money)	\$ -	\$ 300,000	\$ -	\$ 100,000	\$ -	\$ 400,000

Platte River staff recommends the board adopt a reimbursement resolution to capture aeroderivative combustion turbine procurement costs incurred between 2024 and 2026 (before we issue bonds). The initial downpayment for the turbines will be made in August or September 2024 and totals \$35 million *(not included in the 2025-2029 capital plan shown on the prior page)*. The reimbursement resolution allows Platte River to reimburse itself for these procurement expenses through a future reimbursement bond.

Internal Revenue Service Code Section 1.150-2 requires entities that intend to issue reimbursement bonds to “declare” their “official intent” to reimburse designated expenditures later with bond proceeds. The reimbursement bond captures project expenditures incurred up to 60 days before the resolution declaring “official intent.” Platte River must issue the reimbursement bonds and make the reimbursement allocation within three years following the initial project expenditure date.

This action gives Platte River greater flexibility to meet future cash flow requirements. The attached resolution authorizes a maximum reimbursement bond principal of \$240 million. **This resolution does not authorize Platte River to issue the debt; it only allows Platte River to capture costs for a future bond issue.** Actual authorization to issue debt requires further board action.

Depending on when Platte River issues the reimbursement bond, we may request another reimbursement resolution to capture costs of turbine installation and transmission projects.

Staff recommends the board adopt the reimbursement resolution and will answer any questions at the August board meeting.

Attachment

- Resolution 10-24: Declaration of official intent to reimburse prior capital expenditures

RESOLUTION NO. 10-24

Background

- A. Platte River Power Authority (Platte River) is a separate governmental entity and a political subdivision of the state of Colorado, formed under Colorado Revised Statutes §§ 29-1-203 and 29-1-204 and related provisions (the Act) and the Organic Contract establishing Platte River.
- B. As allowed by the Act, Platte River's Board of Directors (board) authorized Platte River to acquire and construct electric power and energy facilities (collectively, the System); Platte River now owns and operates the System.
- C. Platte River has authority under the Act and the Organic Contract to issue bonds to finance projects for the System secured by net revenues from operating the System.
- D. In the years since the board adopted the 2018 Resource Diversification Policy, Platte River has taken many steps to advance the Resource Diversification Policy goals, including adding new renewable resources and battery energy storage systems, joining a real-time energy dispatch market, committing to join a full regional transmission organization by 2026, and collaborating with our owner communities to lay the foundations for a virtual power plant.
- E. To maintain reliability and financial sustainability as coal-fired generation retires and effectively integrate increasing intermittent renewable resources, Platte River will need flexible combustion turbine technology.
- F. Comprehensive analyses show new aeroderivative combustion turbine technology is best suited to protect system reliability and financial sustainability in the near term as Platte River works toward fully noncarbon options for the long term.
- G. Aeroderivative combustion turbines will use natural gas as their primary fuel source initially, but
 - have the potential to use green hydrogen or other alternative fuels as the necessary technology and infrastructure develop,
 - most effectively support variable renewable resource integration because they can start up and ramp from zero to full output (and back down again) within minutes, and

- will not become stranded assets because they can provide critical reliability support to the grid (in some cases, without consuming fuel) and help Platte River hedge ancillary services costs for decades to come.
- H. In October 2023, the board unanimously passed Resolution 11-23, formally expressing its support for Platte River's efforts to proactively develop the dispatchable capacity necessary to protect system reliability and financial sustainability (including battery storage systems, virtual power plant capabilities, and flexible aeroderivative combustion turbine technology) as Platte River continues to pursue the Resource Diversification Policy goal of a 100% noncarbon resource mix.
- I. In July 2024, the board unanimously passed Resolution 07-24 approving the 2024 Integrated Resource Plan (IRP), which calls for aeroderivative combustion turbines to help support system reliability. Aeroderivative combustion turbine technology is a critical component of the IRP.
- J. To develop the dispatchable capacity, Platte River wishes to acquire, construct, and equip the aeroderivative combustion turbine technology (the Project) and expects to issue Power Revenue Bonds, currently estimated not to exceed \$240,000,000 (the Revenue Bonds).
- K. Platte River expects to incur capital expenditures for the Project before issuing the Revenue Bonds for the Project, and Platte River reasonably intends to reimburse itself for the prior capital expenditures with proceeds from the Revenue Bonds.
- L. This Resolution is intended to constitute Platte River's declaration of "official intent" (as defined in Section 1.150-2 of the regulations under Section 103 of the Internal Revenue Code of 1986, as amended) to reimburse itself for the prior Project-related capital expenditures.

Resolution

The board of directors of Platte River Power Authority therefore resolves that:

1. To permit Platte River to reimburse itself for prior capital expenditures for the Project from proceeds of the Revenue Bonds (with the interest on the Revenue Bonds to be excluded from gross income for federal income tax purposes), the board of directors of Platte River Power Authority declares that:

- a. Platte River intends to incur Project-related capital expenditures before issuing the Revenue Bonds and reasonably expects to reimburse the expenditures from Revenue Bond proceeds;
 - b. The Project consists of the acquiring, constructing, and equipping aeroderivative combustion turbine technology; and
 - c. The maximum principal amount of the Revenue Bonds Platte River expects to issue to finance the Project is \$240,000,000.
2. The board will take the actions required to authorize, issue, and sell the Revenue Bonds (in one or more series) to pay the costs of the Project (together with the costs of authorizing, issuing, and selling the Revenue Bonds), all on terms Platte River finds acceptable when it issues the Revenue Bonds.
3. The officers of Platte River are authorized and directed to take all actions necessary or appropriate to carry out the purposes of this Resolution.
4. If any part of this Resolution is held invalid or unenforceable, it will not affect the validity or enforceability of the remainder of this Resolution.
5. This Resolution is effective immediately.

AS WITNESS, I have signed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this _____ day of _____, 2024.

Secretary

Adopted:

Vote:



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Memorandum

Date: 8/21/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Paul Davis, manager, distributed energy resources
Zach Borton, distributed energy resources services manager

Subject: **Battery energy storage update**

Platte River requires dispatchable capacity to maintain reliability and financial sustainability as it works to decarbonize its portfolio. Energy storage is a critical element of dispatchable capacity. The recently approved 2024 Integrated Resource Plan (IRP) calls for 275 MW of four-hour storage over the next 20 years.

The distributed energy storage project, consisting of five MW in each owner community and aggregating up to 20 MW, is a significant first step in developing the needed storage. Locating storage within the owner communities' distribution systems also serves as a strategic initiative. It can be a testing ground for distributed energy resources and a platform for exploring joint-dispatch concepts across distribution and transmission systems, which will enhance our understanding of future virtual power plant operations.

Platte River, in coordination with owner community staff, has successfully selected a vendor and is working toward project completions by the end of 2026. Achieving operation by this date requires continued progress on multiple fronts. The legal teams of the owner communities and Platte River are finalizing land agreements. Platte River and the selected vendor are developing a master service agreement that will set the stage for these projects.

The vendor and Platte River will soon begin in-depth engineering and permitting processes, which are critical for the next steps, including interconnection. All parties will soon return to the field to analyze the sites and initiate this process. Staff will give a presentation to the board about this project and be prepared to answer the board's questions.

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



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Memorandum

Date: 8/21/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Melie Vincent, chief operating officer, generation, transmission and markets
Preston Johnson, senior plant mechanical engineer

Subject: Combustion turbine Unit F outage update

Between December 2023 and June 2024, Platte River performed a planned outage on combustion turbine Unit F. The outage scope included inspection of the combustion and turbine section, upgrade of the compressor section and the implementation of fast start/fast ramp logic. The outage work will benefit Platte River by reducing operation and maintenance costs and increasing flexibility in unit operation. Staff will give a presentation describing the outage at the August board meeting.

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



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Memorandum

Date: 8/21/2024

To: Board of Directors

From: Jason Frisbie, general manager and chief executive officer
Dave Smalley, chief financial officer and deputy general manager

Subject: Oracle Enterprise Resource Planning Project

Platte River is nearing completion of the enterprise resource planning software project that has been underway for the last few years. In September, Platte River will go live with Oracle Fusion Cloud. This has been a major endeavor for Platte River and the project team. This project will impact nearly all employees as the new systems span across the organization. System replacements or enhancements include general ledger, fixed assets, accounts receivable, accounts payable, cash management, supply chain management, work order management, budgeting and forecasting. At the August board meeting, staff will provide a brief overview of the project.

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



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Memorandum

Date: 8/21/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Javier C. Camacho, director of public and external affairs, strategic communications and social marketing

Subject: **Marketing campaign update**

This presentation will provide background on Platte River's public education and marketing efforts in 2023-24. In 2023, Platte River began a large-scale effort to educate those in the owner communities about Platte River and the energy transition. This presentation will summarize the campaign efforts, including key messages and campaign results through July 2024.

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



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Memorandum

Date: 8/21/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Melie Vincent, chief operating officer, generation, transmission and markets
Derek Book, manager, power system operations

Subject: Alexander Mountain Fire response

Platte River staff will give a presentation on the Alexander Mountain fire at the August board meeting.

The Alexander Mountain fire ignited on July 29, requiring responses from Platte River and several other regional utilities. Platte River personnel worked through significant challenges during this event to maintain transmission reliability, manage fiber-optic communication paths and ensure proper coordination with other entities. These activities continued until the majority of the fire was contained on August 9. Platte River personnel initiated an internal after-action review on August 13. Platte River identified several lessons learned to improve its response to future events of this type.

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



Platte River
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Legal, environmental and compliance report

July 2024





Overview of recent developments

Legal matters

Southwest Power Pool's petition for a declaratory order on tariff provisions and conflict with state law

On May 23, 2024, the Southwest Power Pool (SPP), Platte River's proposed future regional transmission organization (RTO) operator, filed a petition with the Federal Energy Regulatory Commission (FERC) for a declaratory order on whether SPP's tariff requires SPP to file an unexecuted generator interconnection agreement that an SPP RTO member (Omaha Public Power District) determined violated state law. This question has broader implications for public power's participation in RTOs, including in SPP's proposed western regional transmission organization (RTO West). But on July 19, 2024, Omaha Public Power District and the interconnection customer filed a joint motion to delay resolution of this petition so that they can attempt to resolve the dispute without the need for FERC to weigh in. The full report is on page [3](#) of this document.

Progress on SPP's western regional transmission organization

Platte River entered SPP's Western Energy Imbalance Service market on March 31, 2023. Over the past year or so, Platte River has collaborated with other regional utilities, as well as SPP, to explore the potential for SPP to expand its current 14-state regional transmission organization into RTO West. RTO West will include day-ahead as well as real-time operational and tariff services. The target "go-live" date for RTO West is April 2026. On June 4, 2024, SPP filed its proposed tariff changes with FERC, reflecting revisions to expand the RTO into the western interconnection and initiate RTO West. Platte River, with its partners Colorado Springs Utilities and Municipal Energy Agency of Nebraska, filed supportive comments on July 3. The full report is on page [4](#) of this document.

Environmental matters

There are no new environmental matters to report.

Compliance matters

There are no new compliance matters to report.



Monitoring—status unchanged

Page [6](#) of this document provides a list of matters previously reported but unchanged since our last report.

Recently concluded matters

Page [7](#) of this document provides a list of matters that have concluded within the last three months.



Active matters

Legal matters

Southwest Power Pool's petition for a declaratory order on tariff provisions and conflict with state law

Background:

On May 23, 2024, the Southwest Power Pool (SPP), Platte River's proposed future RTO operator, filed a petition with the Federal Energy Regulatory Commission (FERC) for a declaratory order on whether SPP's tariff requires SPP to file an unexecuted generator interconnection agreement that an SPP RTO member (Omaha Public Power District or OPPD) determined violated state law.

The question before FERC is what tariff language controls in a dispute between OPPD and a battery project developer (Eolian) over whether Nebraska state law allows private entities to own and operate battery projects in the state. OPPD's board of directors determined Nebraska law does not permit Eolian's proposed battery projects. OPPD therefore refused to sign generator interconnection agreements with Eolian. Both section 39.1 of SPP's tariff and section 3.12 of the SPP membership agreement state that, if (with respect to a public power utility) there is a conflict between the tariff and a state law, regulation, or rate schedule, the state requirements excuse the public power utility from complying with the tariff. But SPP's tariff also requires SPP, as the transmission provider for all RTO members, to file unexecuted generator interconnection agreements if the interconnecting transmission owner and the generation interconnection customer cannot agree on terms and the interconnection customer requests filing. So SPP petitioned FERC to determine SPP's obligations.

This question has broader implications for public power's participation in RTOs, including in SPP's proposed western regional transmission organization (RTO West). Section 39.1 of the tariff and section 3.12 of the membership agreement assure public power utilities they will not be required to violate state laws because they participate in RTOs or similar markets. Platte River filed comments supporting OPPD's position that the tariff protects OPPD from taking actions its board has determined violate state law. Our trade group representatives at the American Public Power Association and Large Public Power Council also filed supporting comments.

Current Status:

On July 19, 2024, OPPD and Eolian filed a joint motion to postpone resolution of this petition to give them time to resolve the issues outside of the FERC process. If the parties can resolve their dispute, FERC would not need to decide what tariff language controls. We and others in the public power community will continue to keep a close eye on this proceeding and its potential effects on public power.



Progress on SPP's western regional transmission organization

Background:

Platte River entered the SPP Western Energy Imbalance Service market on March 31, 2023. Over the past year or so, Platte River has collaborated with other regional utilities, as well as SPP, to explore the potential for SPP to expand its current 14-state regional transmission organization into RTO West.

RTO West will include day-ahead as well as real-time operational and tariff services. Potential participants include Basin Electric Cooperative, Colorado Springs Utilities (Springs Utilities), Deseret Generation and Transmission Cooperative, Municipal Energy Agency of Nebraska (MEAN), Platte River Power Authority, Tri-State Generation and Transmission Association, and the Western Area Power Administration (encompassing three divisions—the Rocky Mountain Region, the Upper Great Plains Region, and the Colorado River Storage Project) (together, WAPA). The target “go-live” date for RTO West is April 2026.

To begin the RTO West expansion, SPP required prospective participants to make financial commitments. Platte River worked with the legal teams from SPP and the other participants to draft the template for a series of bilateral agreements (Commitment Agreements) to enable SPP to recover its development costs if RTO West does not go forward as planned. (If RTO West launches as planned, SPP will recover its development costs over time through its administrative fees.) Most participants, including Platte River, signed Commitment Agreements by June 30, 2023.

SPP's current cost estimate for the RTO West expansion is approximately \$40 million. Platte River's estimated share is roughly \$5 million. Under the Commitment Agreements, the obligation to reimburse SPP for its development costs arises only for participants that withdraw before the go-live date or if RTO West does not launch in the Western Interconnection. On Jan. 19, 2024, the participants voted to endorse SPP tariff Attachment AE, setting up the market structure RTO West will use going forward.

Current Status:

On June 4, 2024, SPP filed proposed tariff revisions with FERC, reflecting revisions to expand the RTO into the western interconnection and initiate RTO West. Platte River, with its partners Springs Utilities and MEAN, filed supportive comments on July 3. The Colorado Utility Consumer Advocate, the Colorado Public Utilities Commission, Black Hills Energy, Public Service Company of Colorado (PSCO), WAPA, and others also filed comments, with varying levels of support and concern, including concerns about market “seams” (where one market meets another) and greenhouse gas tracking. The only formal protest was from Electrical District No. 4, Pinal County, Arizona and other southwestern WAPA customers, seeking a formal and enforceable commitment from WAPA to implement a “pseudo-tie” arrangement to protect their hydropower allocation. On July 23 and July 24, SPP and WAPA (respectively) responded to the various comments and the protest. SPP requested action from FERC by Oct. 1, 2024, and we anticipate that FERC may act sooner. We will update the board as this tariff proceeding progresses.



Environmental matters

There are no active environmental-related matters to report.

Compliance matters

There are no active compliance-related matters to report.



Monitoring—status unchanged

Legal matters

Municipal Energy Agency of Nebraska complaint challenging Colorado’s Power Pathway

Comments on MEAN’s complaint were due March 21, 2024. Various parties, including the Colorado Utility Consumer Advocate, commented in the docket or moved to intervene. PSCo filed a Motion to Dismiss the complaint, which MEAN answered on April 12, 2024. Platte River will closely follow this proceeding and update the board with any developments that may affect our transmission planning or rates.

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

On Aug. 21, 2023, a coalition of non-governmental organizations, including GreenLatinos, 350 Colorado, and Earthworks, sued the Air Quality Control Commission (Air Commission) in Denver County District Court. The lawsuit alleges that the rules the Air Commission adopted on May 18 do not comply with Colorado’s Environmental Justice Act and are otherwise arbitrary and capricious. The parties completed briefing in this case in July and now await a decision from the District Court. If the lawsuit succeeds, the likely outcome is a remand to the Air Commission for a new rulemaking. Platte River will monitor this lawsuit and update the board with any developments.

Environmental matters

There are no environmental matters in monitored status this month.

Compliance matters

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



Recently concluded matters (last three months)

Legal matters

Federal Energy Regulatory Commission's Order 1920 on regional transmission planning and cost allocation

On May 13, 2024, FERC issued Order No. 1920, a final rule to reform its policies on regional transmission planning and cost allocation. Order No. 1920 follows a notice of proposed rulemaking in April 2022, seeking comment on how to best reform transmission planning, cost allocation, and generator interconnection. The rule was published in the Federal Register on June 11, 2024, and the first compliance filings will be due June 12, 2025 (unless the rule is stayed or extended).

Order No. 1920 follows previous FERC transmission planning rules, including Order No. 888 (issued in 1996), Order No. 890 (issued in 2007), and Order No. 1000 (issued in 2011). Order No. 1920 requires transmission providers to engage in long-term planning processes over a 20-year timeframe (instead of the current practice of five- or 10-year timelines), with at least three different plausible scenarios that include different resource additions, natural gas and other prices, and extreme weather events. The scenarios must incorporate and consider seven mandatory benefits, including avoided or deferred maintenance, reduced outage risk, reduced planning reserve margins, cost savings, reduced energy losses, extreme weather mitigation, and capacity cost benefits. Transmission providers may consider more scenarios, factors, and benefits than the required minimum. Transmission providers must coordinate transmission planning with generator interconnection processes, consider alternative transmission technologies, and propose cost allocation for planned projects. Although the notice of proposed rulemaking considered requiring transmission providers to consult with state entities (public utility commissions), the final rule does not mandate consultation but does allow for input from state entities. Transmission providers must also comply with new transparency requirements and publicly post the criteria, models, and assumptions used in local and regional planning. In sum, Order No. 1920 represents a major change to transmission planning rules, and will require local and regional planning entities to rewrite their processes to incorporate long-range planning and transparency.

Order No. 1920 was issued 2-1, with Chairman Willie Phillips and Commissioner Allison Clements in concurrence. Commissioner Mark Christie wrote a strong dissent, alleging that the order, as issued, is a jurisdictional overreach that will cost consumers trillions of dollars and should not have eliminated the need for state agreement, allowing cost allocation to apply to transmission projects in "non-consenting" states. There are already multiple lawsuits challenging the rule, so its future status is uncertain. Order 1920 does not apply directly to Platte River, but we will monitor the ongoing proceedings and how Order No. 1920 may affect us as we enter into a regional transmission organization (RTO).



Environmental matters

Environmental Protection Agency's new regulations for greenhouse gas emissions from power plants

On April 25, 2024, the U.S. Environmental Protection Agency (EPA) issued final rules to regulate carbon dioxide emissions from the power sector, replacing the Clean Power Plan from 2015 and the Affordable Clean Energy rule from 2018. This follows last year's proposed rules, in which the EPA proposed more stringent source performance standards for greenhouse gas (GHG) emissions from new and reconstructed fossil fuel-fired stationary combustion turbines based on highly efficient generation, hydrogen co-firing, and carbon capture and sequestration technologies. The EPA also proposed to establish new emission guidelines for existing fossil-fueled steam generators.

The EPA's final rules exempt existing coal-fired units that permanently end operations before Jan. 1, 2032. This means Rawhide Unit 1 is excluded from the scope of the rule. The EPA also removed existing natural gas-fired combustion turbines from the scope of the final rules because it plans to issue another rule to regulate GHG emissions from existing units later this year.

On May 9, 2024, a coalition of 23 states and the National Rural Electric Cooperative Association filed a lawsuit challenging the final EPA GHG rules. The lawsuit could take many years, but it is possible the court could stay the rule so it does not go into effect until the court issues a ruling. In the meantime, Platte River will evaluate how these rules affect its proposed new generation units and modeling scenarios with both low-load and intermediate-load use cases.

EPA's new regulations under the Mercury and Air Toxics Standards for coal-fired power plants

Also on April 25, 2024, the EPA issued a final rule updating the Mercury and Air Toxics Standards (MATS) for coal-fired power plants. The new MATS rule lowers the mercury and toxic metals emissions limits by 67% for all coal plants. The new rule, as written, would require Platte River to install a continuous monitoring emissions system (CEMS) for particulate matter emissions. There is no exclusion in the MATS rule for units with planned closure dates before 2030.

Platte River's Rawhide Unit 1 currently complies with the stricter MATS standards. But Platte River is evaluating the potential costs to install CEMS on Unit 1 and determining if it is subject to other compliance obligations.

EPA's new regulations on legacy impoundments of coal combustion residuals

Also on April 25, 2024, the EPA issued a final rule updating the requirements that apply to legacy surface impoundments of coal combustion residuals (CCR, commonly known as coal ash). Under the new rule, all areas where a utility disposed of CCR are now subject to groundwater monitoring, corrective action, and closure, including areas outside of previously regulated and managed impoundments.



Platte River's environmental team will work with its consultants to determine if Platte River has any new regulatory requirements at its Rawhide facility. If we find any currently unknown legacy CCR management units, Platte River will work with the state of Colorado and the EPA to meet the monitoring and other requirements of the updated CCR rule.

Compliance matters

There are no recently concluded compliance matters.



Platte River
Power Authority

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Resource diversification report

July 2024



Resource integration

Platte River recently issued a request for proposals (RFP) to purchase 75-100 megawatts (MW) of four-hour battery storage under an Energy Storage Services Agreement with flexibility to use the full capability of this resource over a 20-year term. We received the RFP responses in July 2024. Platte River has evaluated the proposals and is working with preferred developers to agree on key terms that will be incorporated into the Energy Storage Services Agreement.

In late 2023, Platte River had issued a separate RFP to acquire 150-250 MW of additional nameplate wind capacity. Platte River continues to collaborate with preferred developers to understand the total effective cost of delivering the output of each wind project to Platte River's load. By partnering with legal, the team has been exchanging term sheets with the developers to reach an agreement on the key terms to be incorporated into a power purchase agreement, with the ultimate goal for this additional wind capacity to come online in 2027.

Platte River and Qcells have both started construction on the 150 MW Black Hollow Sun Solar project and the transmission facility improvements necessary to interconnect to the Platte River transmission system. The anticipated commercial operation date of the project is before summer 2025.

Platte River has recently finalized terms to secure an additional 107 MW of nameplate solar capacity, increasing the Black Hollow Sun Solar project to 257 MW. The anticipated commercial operation date for this incremental 107 MW of solar is before summer 2026. The total 257 MW of nameplate solar has already obtained the necessary construction permits from the Town of Severance.

2024 Integrated Resource Plan

The resource planning team continued to support finalization of the 2024 Integrated Resource Plan (IRP) report and presented the second update of the Power Supply Plan (PSP) for the 2025 budget development. Key activities included:

- 2024 IRP:
 - Supported final review of the IRP report.
 - Prepared and delivered the final of the three presentations for public engagement event.
 - Prepared and supported delivery of the IRP board presentation.
- Resource procurement process:
 - Developed scenarios for different MW size blocks of battery storage procurement.
 - Developed scenarios of various levels of solar and wind procurement.
- PSP for the 2025 budget.
 - For the first time, used a blend of power market price projections from two different market price consultants. In the past, we relied on just one vendor, but due to increased complexity and uncertainty in future power market prices, we used projections from two vendors.
 - Updated assumptions for near-term resource additions based on market information.

- Provided intra-year updates.
- Continued evaluating options from different price forecast vendors to produce an additional price forecast for the Regional Transmission Organization (RTO) - West.
- Attended Southwest Power Pool (SPP) RTO-West Resource Adequacy study meeting, provided technical input, which helped to make decisions for the study scope and inputs. SPP team is performing the study, with guidance and review from planning area representatives of the future market participants.
- Continued support of operations department with daily updates of Western Energy Imbalance Service market data and dashboards.

Distributed Energy Resource system integration

Work continued to develop distribution-scale storage projects, which are intended to provide one five-MW, four-hour storage project per owner community for a total of 20 MW and 80 MWh. The August meeting presentation materials include further details on project status.

The DER department manager participated on a panel at the 2024 Net Zero Cities conference. The session titled, “From Ratepayer to Partner” focused on how utilities are shifting from the old model in which customers only purchase energy from the utility to a newer model in which utilities and customers achieve a partnership through Virtual Power Plants (VPP). Bryan Hannegan, president and CEO of Holy Cross and Mike Kruger, president and CEO of the Colorado Solar & Storage Association, were also on the panel.

DER planning forecast (MW)

	2023 actual	2030 forecast	2040 forecast
Customer DER adoption forecast [1]			
Distributed solar, rated output, MW	36.6	155	282
Distributed storage, rated output, MW	1.4	47	135
Electric vehicles, summer peak, MW	2.5	26	107
Utility DER forecast [2]			
Distributed solar, rated output, MW	6.3	6.3	6.3
Distributed storage, rated output, MW	0	20	20
VPP: DERs enrolled [3]			
Electric vehicles, enrolled MW	0	10	38
Distributed storage, enrolled MW	0	67	155
Demand response, enrolled MW	0	15	31
Total VPP, enrolled MW	0	92	224
Total VPP, achievable MW	0	52	113

[See accompanying notes on next page.]

1. Customer DER adoption forecast is the projected customer-driven uptake of solar, storage, and electric vehicles based on costs, incentives, and customer evaluations of technology and fuel expenses.
2. Utility DER forecast includes existing distributed solar owned by or procured by Loveland Water and Power and Fort Collins Utilities and distributed storage projects currently in development by Platte River and the owner communities.
3. VPP enrolled MW capacities represent the capacity of DERs projected to be enrolled in VPP management, including customer and utility DER. Achievable MW capacities are projected to be dispatchable after adjusting for customer and DER vendor usage limitations.



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Operating report

July 2024



Executive Summary

The region experienced hot weather which made for a strong market for several days throughout the month of July. Despite the hot weather, owner community demand and energy came in below budget. Owner community demand and energy are below budget, year to date. The overall net variable cost to serve owner community load was below budget for the month, due to higher bilateral sales volume offset by higher Craig generation and pricing. Year to date, the net variable cost to serve owner community load is below budget.

Thermal resources

Rawhide Unit 1 had a great operational month with no outages or curtailments. Rawhide equivalent availability factor was above budget and net capacity factor was below budget for the month, due to lower dispatch in the Southwest Power Pool Western Energy Imbalance Service (SPP WEIS). Year to date, Rawhide equivalent availability factor is slightly above budget and net capacity factor is significantly below budget.

Craig units 1 and 2 experienced generation limitations and curtailments in July. Regardless, Craig equivalent availability factor was above budget and net capacity factor was significantly above budget for the month. Year to date, Craig equivalent availability factor is slightly above budget and net capacity factor is slightly below budget.

The combustion turbines (CTs) were run to serve contracts, facilitate sales, serve owner community load and to replace baseload generation, due to Craig units 1 and 2 generation limitations and curtailments during the month of July. CT equivalent availability factor was below budget. Net capacity factor was slightly below budget for the month, due to lower dispatch in SPP WEIS. Year to date, CT equivalent availability factor and net capacity factor are slightly below budget.

Renewable resources

Wind generation was slightly below budget for the month. The Roundhouse Wind project produced slightly above budget generation, despite WEIS market curtailments. Solar generation was below budget and the Rawhide Prairie Solar project experienced WEIS market curtailments. Net capacity factor for wind was slightly below budget and solar was below budget for the month. On July 9, the Rawhide Prairie Solar project experienced a fire in an inverter cabinet causing the project to be out of service for nearly four days. The Rawhide Prairie Solar battery system was out of service during the entire month of July. As such, the battery was not charged or discharged. Year to date, net capacity factor for wind is below budget and solar is slightly below budget.

Surplus sales

Surplus sales volume was above budget mainly due to a higher bilateral sales volume, as a result of the hot weather in the region. Average surplus sales pricing was above budget for the month. Year to date, surplus sales volume is below budget and average surplus sales pricing is above budget.

Purchased power

Overall purchased power volume was below budget and pricing was above budget for the month. The SPP WEIS average purchased power price was above budget for the month, but below generation costs. Bilateral purchased power volume and pricing were significantly above budget, as July bilateral purchased power volume and pricing were not budgeted. Year to date, purchased power volume is above budget and pricing is slightly below budget.

Total resources

Total blended resource costs were above budget for the month, mainly due to significantly above budget natural gas costs per megawatt hour. Year to date, total blended resource costs are above budget.

Variances

July operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	713 MW	666 MW	(47 MW)	(6.7%)	■
Owner community energy	332 GWh	311 GWh	(21 GWh)	(6.5%)	■
Net variable cost* to serve owner community energy	\$4.0M	\$2.8M	(\$1.2M)	(24.7%)	●
	\$11.96/MWh	\$9.01/MWh	(\$2.95/MWh)		

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

Market impacts to net variable cost

Downward pressure		Upward pressure	
Generation and market variances pushing costs lower		Generation and market variances pushing costs higher	
Higher bilateral sales volume	\$1.09M	Higher Craig generation volume and pricing	\$0.47M
Lower natural gas costs	\$0.37M	Higher market purchase pricing	\$0.30M

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

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	3,683 MW	3,501 MW	(182 MW)	(4.9%)	■
Owner community energy	1,922 GWh	1,850 GWh	(72 GWh)	(3.8%)	■
Net variable cost* to serve owner community energy	\$34.1M	\$27.5M	(\$6.6M)	(16.1%)	●
	\$17.74/MWh	\$14.88/MWh	(\$2.86/MWh)		

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

Market impacts to net variable cost

Downward pressure		Upward pressure	
Generation and market variances pushing costs lower		Generation and market variances pushing costs higher	
Coal generation fuel savings - Rawhide	\$5.65M	Lower bilateral and market sales volume	\$3.08M
Lower wind generation and pricing	\$2.86M	Higher coal generation fuel pricing - Craig	\$1.40M
Higher bilateral sales pricing	\$2.77M	Higher market purchase volume	\$1.02M

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

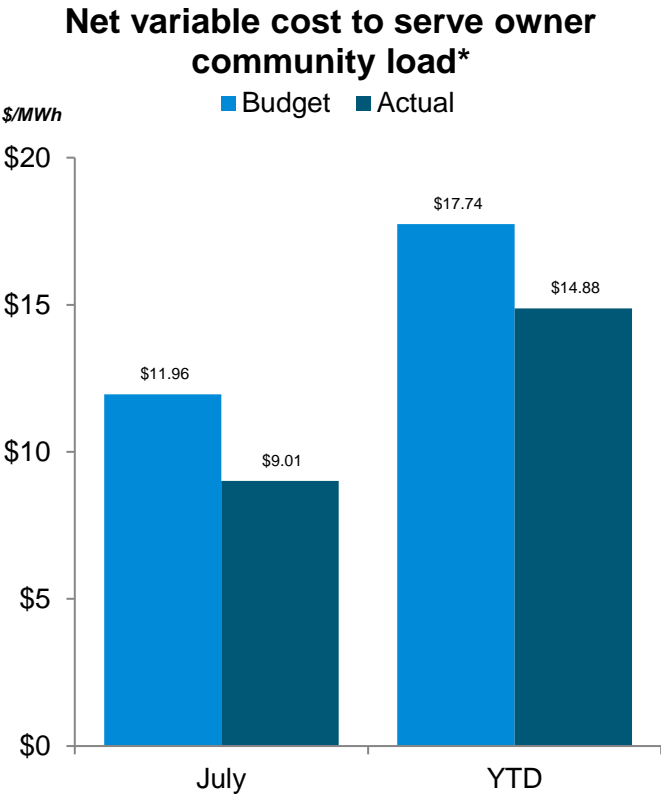
Loss of load

System disturbances

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

2024 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

- July brought 20 days where temperatures were at or above 90°F. As such, all five combustion turbines were online for several days throughout the month to facilitate bilateral sales.
- The CTs experienced various issues throughout the month of July:
 - CT Unit A was declared unavailable for approximately three hours, on July 11, due to the continuous emissions monitoring system not performing correctly. On July 22, CT Unit A was declared unavailable for approximately 24 hours to move equipment from CT Unit A to CT Unit D.
 - CT Unit C was declared unavailable for approximately two hours, on July 21, due to emission issues requiring investigation.
 - CT Unit D had a planned outage for approximately five hours, on July 17, to inspect fogging nozzles. On July 19, CT Unit D was declared unavailable for nearly three days due to environmental issues until a part could be swapped from CT Unit A to CT Unit D.
 - CT Unit F tripped offline due to Rawhide working on dead band issues, though the unit remained available, on July 25.
- Craig units 1 and 2 had several curtailments throughout the month:
 - Craig units 1 and 2 experienced generation limitations several times called by SPP RC operating instruction. Additional generation limitations occurred on July 13 for approximately eight hours, to avoid tripping due to high temperatures. On July 22, generation limitations were put in place for a transmission outage, which lasted approximately three days.
 - Craig Unit 1 had a curtailment on July 9, July 11 and July 13 due to ID fan issues, a scrubber booster fan trip and ambient temperature issues, respectively.
 - On July 11 and July 30, Craig Unit 2 was curtailed, for less than one hour each day, due to a lost mill.
- At 10:35 p.m. on July 14, the Harmony – Portner 230-kV line tripped. Though multiple voltage alarms were generated across Platte River's system, relay action prevented loss of load. The line returned to service at 7:16 a.m. on July 15. Lightning is the suspected cause of the trip, as lightning was reported in the area. Since part of the line is underground, Platte River protocol is to not test the line until it is inspected.
- On July 17, a low gas target was reported by Longmont at Harvard on circuit switcher 1264 B phase. In coordination with Longmont, the load was shifted to other sources in the evening and the station was offloaded to safely isolate the unit. Repairs were made and the transformer was back in service by 1:00 p.m. on July 18.
- On July 29, Roundhouse was limited for approximately two hours for emergency maintenance. Roundhouse also had varying curtailments throughout the entire month due to turbine availability.

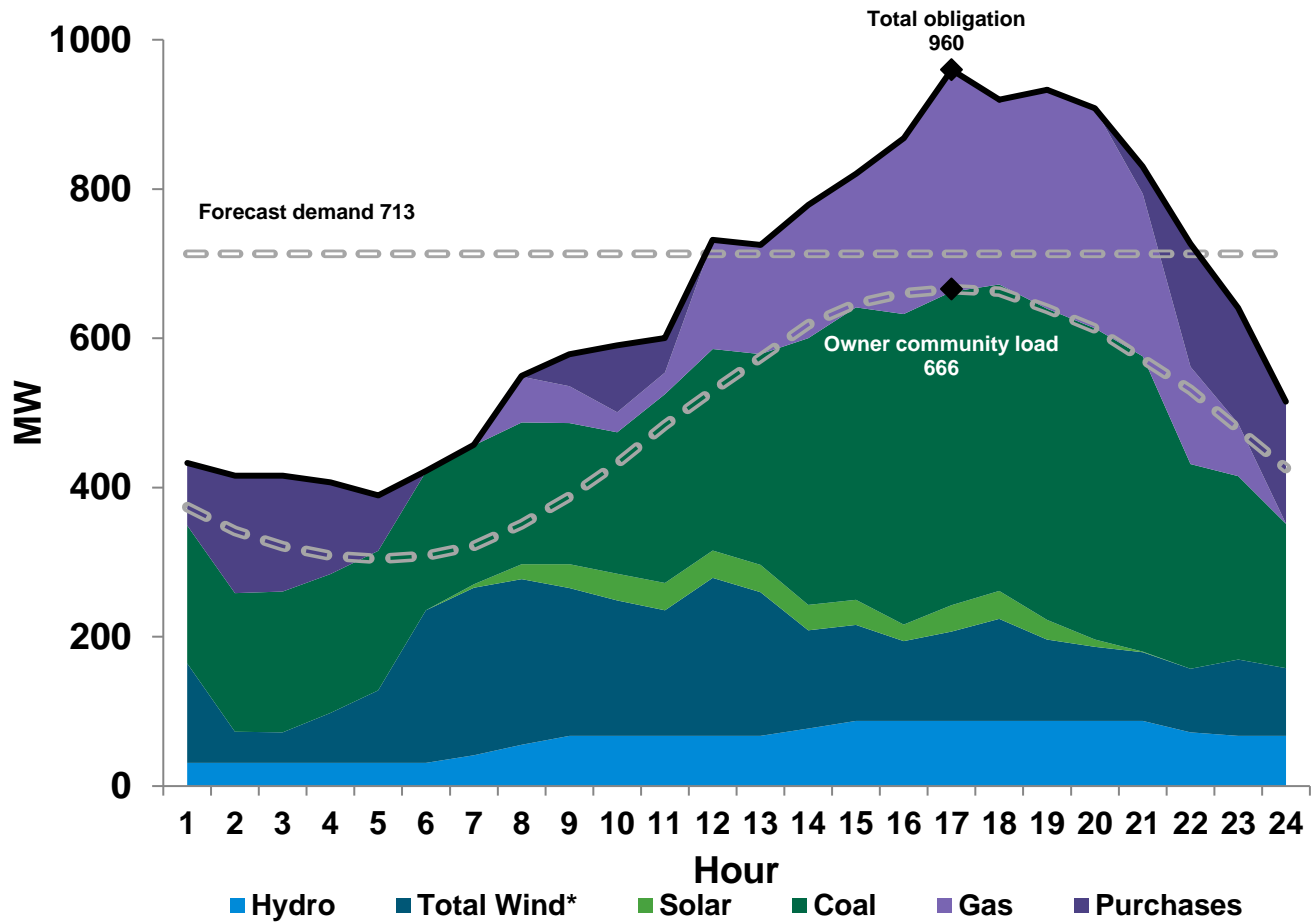
- At 11:30 a.m. on July 29, Platte River personnel working at Horseshoe reported a fire west of the substation, later named the Alexander Mountain fire. Transmission power system operators notified the Larimer County Sheriff's Office. Platte River requested that the Western Area Power Administration (WAPA) energize the 69-kV feed into Estes Park, as the fire could have jeopardized the 115-kV lines serving Estes Park as well as Platte River's fiber which supports Estes Park and their 911 system. Platte River staff engaged with the Larimer County Emergency Operations Center on a daily basis to support the county and the impacted owner communities. Platte River fiber personnel worked with other regional entities to ensure that fiber traffic was moved to WAPA's overhead protective ground wire for protection. As a precaution, the Dixon – Flatirons 115-kV line reclosing was disabled by WAPA, due the proximity of the fire.
- On July 30, a new feature on CT Unit D was utilized called peak mode. In peak mode, the unit reached 74.5 MW.
- On July 30, PSCo called Platte River with the instruction to balance the area control error to zero. Recently, more reliability issues have been occurring for the PSCo balancing authority. Platte River will continue to work closely with PSCo to resolve matters as they occur.
- At 2:10 p.m. on July 30, the Stone Canyon fire was reported northeast of Lyons. The fire could have jeopardized the Longmont NW – Wagon Wheel – Estes 115-kV line. As such, WAPA disabled reclosing on the line, due to the proximity of the fire. Transmission power system operators coordinated closely with WAPA to ensure that risks to Estes Park's service were mitigated as much as possible.

Peak day

Peak day obligation

Peak demand for the month was 666 megawatts which occurred on July 12, 2024, at hour ending 17:00 and was 47 megawatts below budget. Platte River’s obligation at the time of the peak totaled 960 megawatts. Demand response was not called upon at the time of peak.

Peak day obligation: July 12, 2024



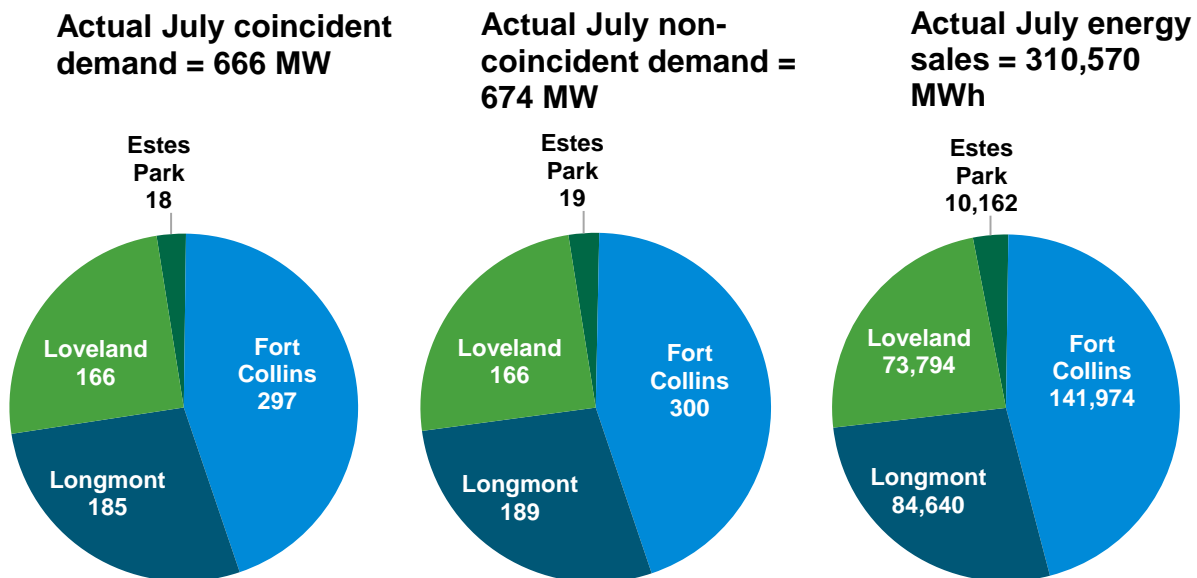
* Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

Owner community loads

	July budget	July actual	Minimum	Actual variance	
Coincident demand (MW)	713	666	507	(6.6%)	■
Estes Park	18	18	13	0.0%	◆
Fort Collins	317	297	231	(6.3%)	■
Longmont	200	185	144	(7.5%)	■
Loveland	178	166	119	(6.7%)	■
Non-coincident demand (MW)	717	674	516	(6.0%)	■
Estes Park	19	19	21	0.0%	◆
Fort Collins	318	300	231	(5.7%)	■
Longmont	201	189	144	(6.0%)	■
Loveland	179	166	120	(7.3%)	■
Energy sales (MWh)	332,155	310,570		(6.5%)	■
Estes Park	11,034	10,162		(7.9%)	■
Fort Collins	150,010	141,974		(5.4%)	■
Longmont	90,922	84,640		(6.9%)	■
Loveland	80,189	73,794		(8.0%)	■

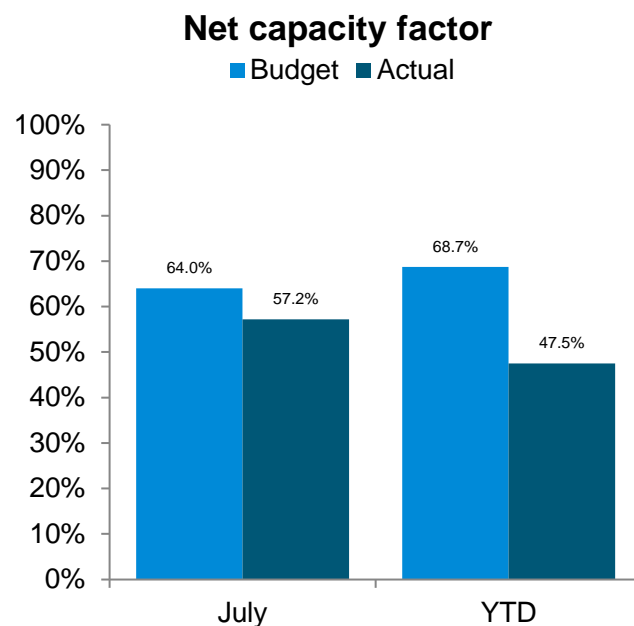
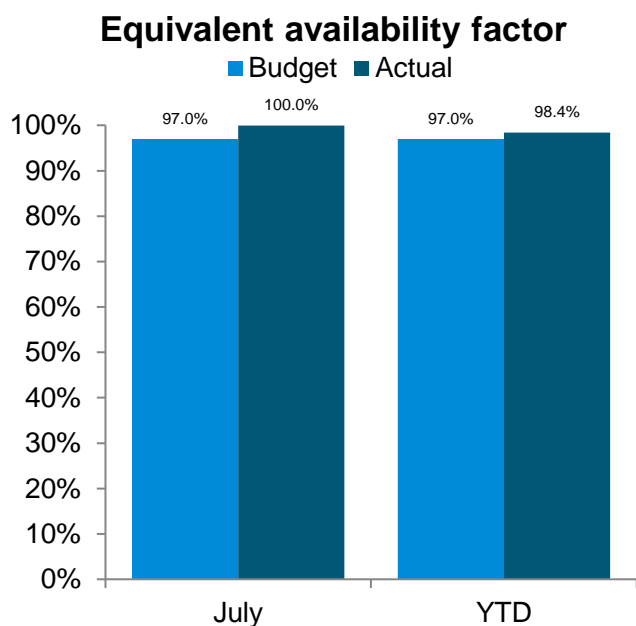
Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

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.

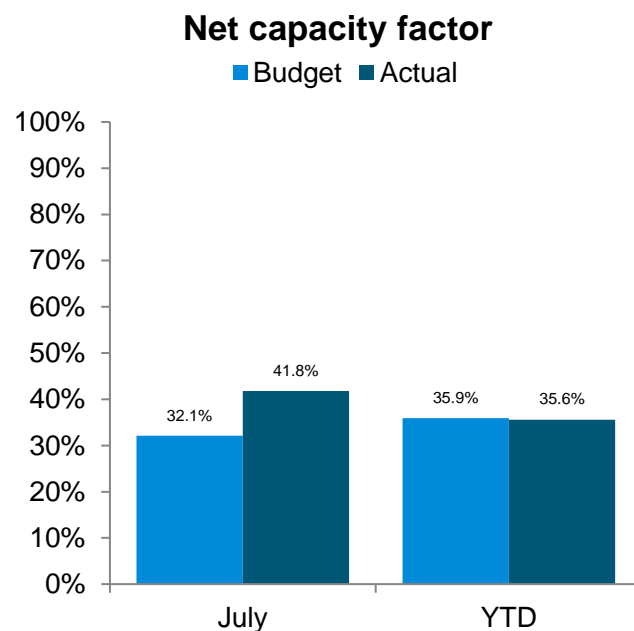
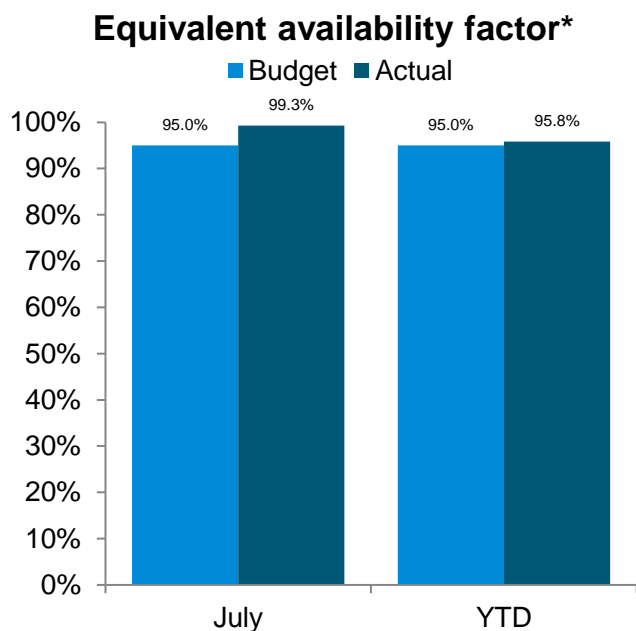


Thermal resources

Power generation - Rawhide

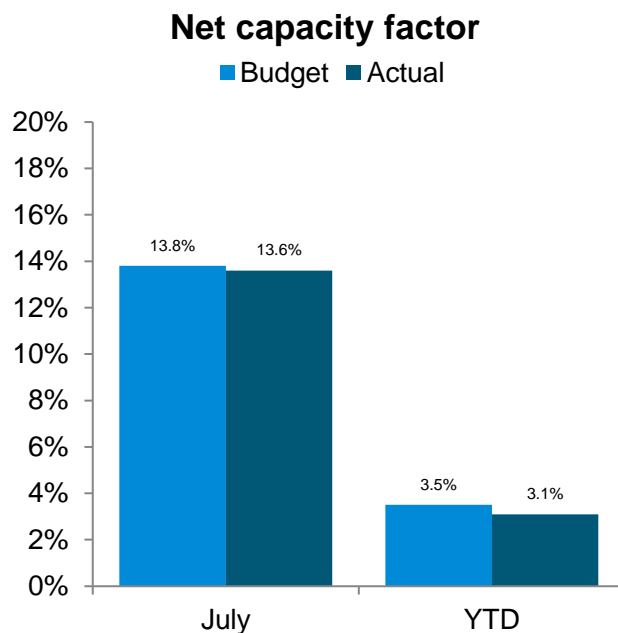
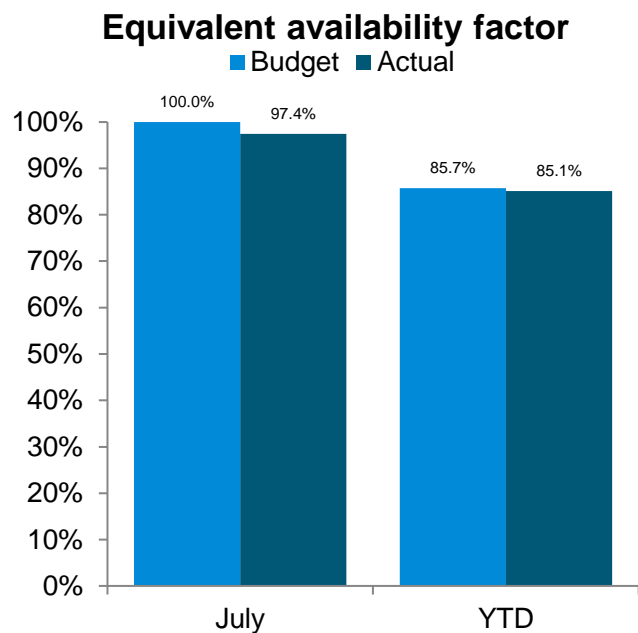


Power generation - Craig



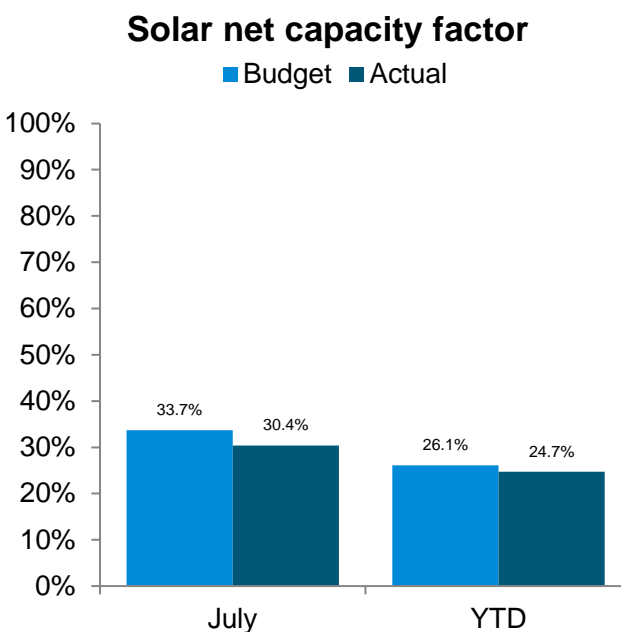
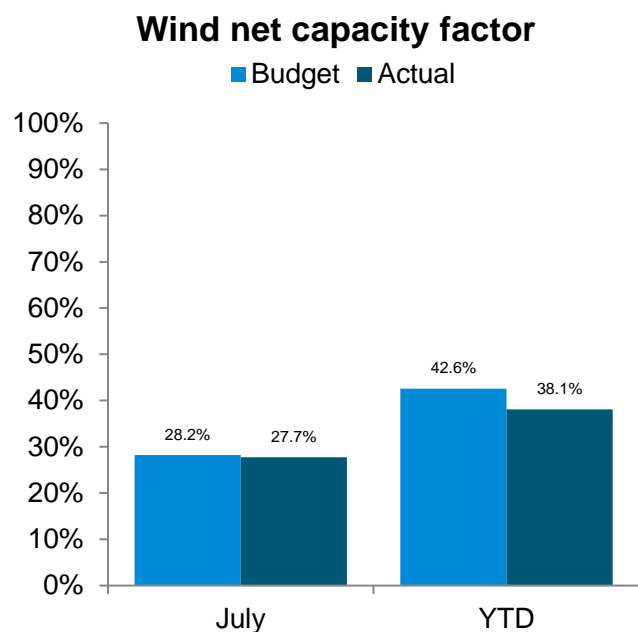
* Estimated due to a delay of the actual results

Power generation – combustion turbines

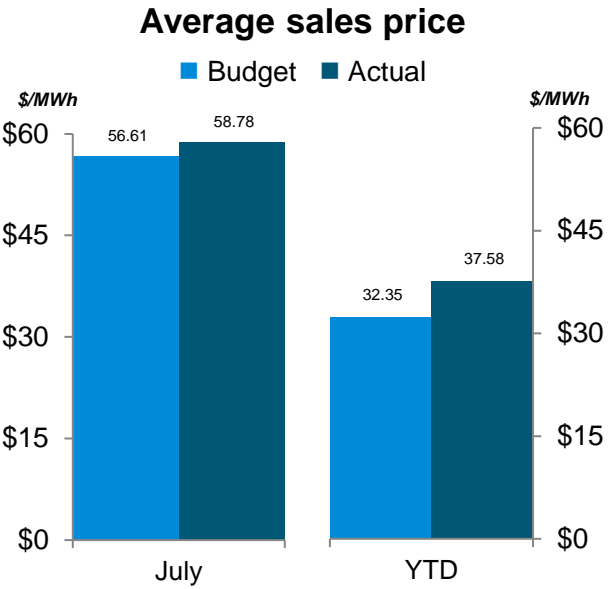
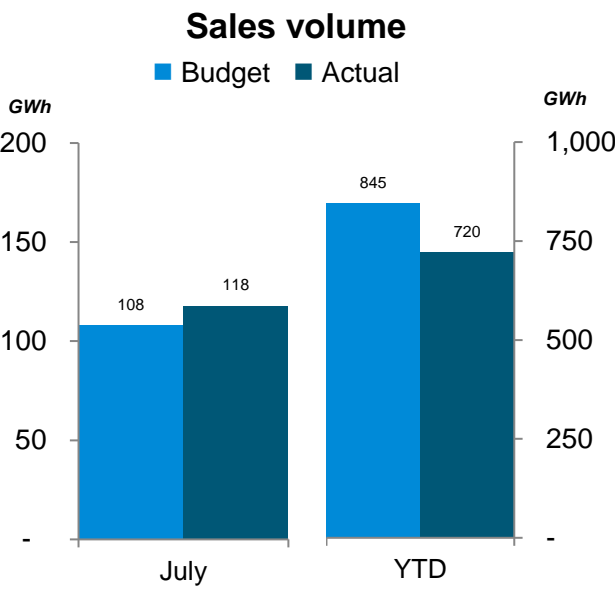


Renewable resources

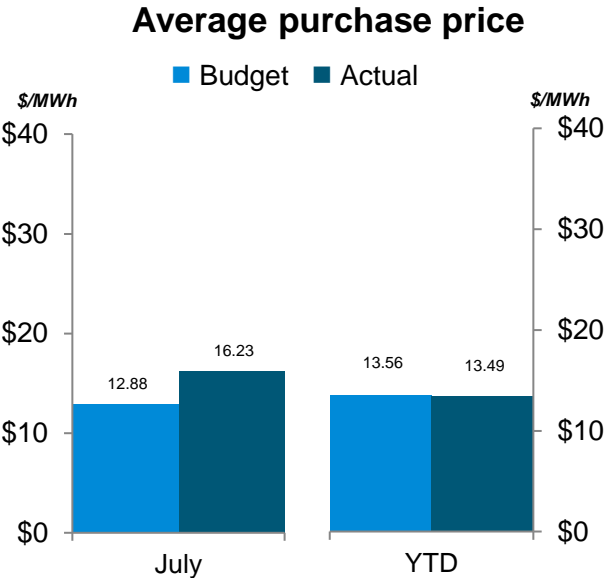
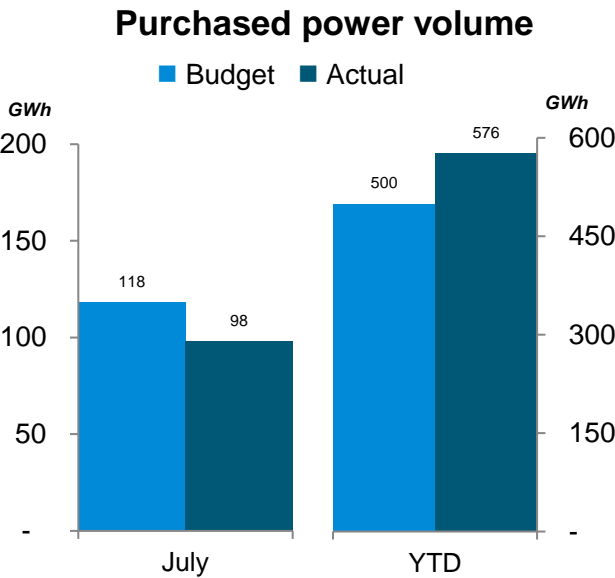
Power generation – wind and solar production



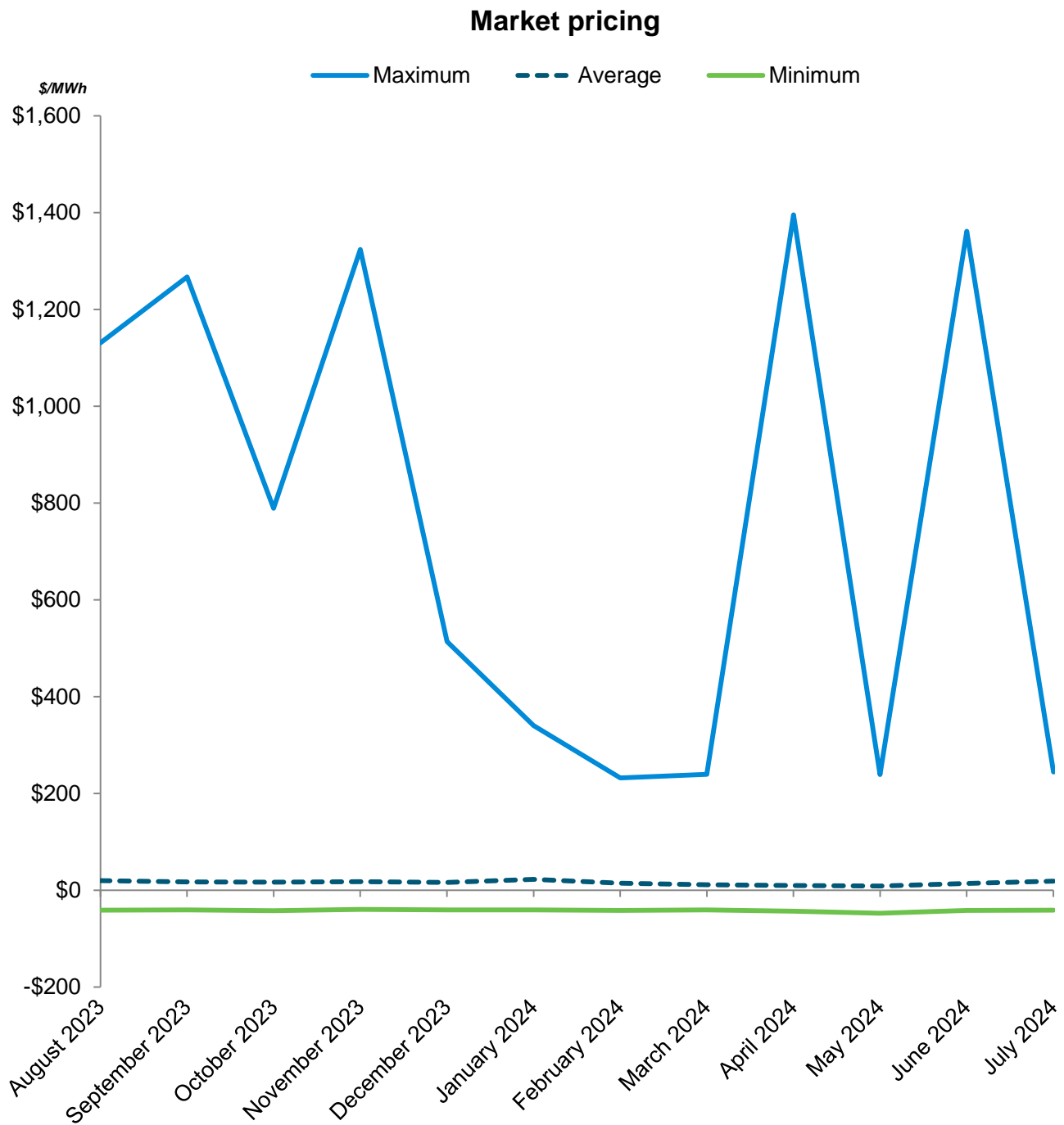
Surplus sales



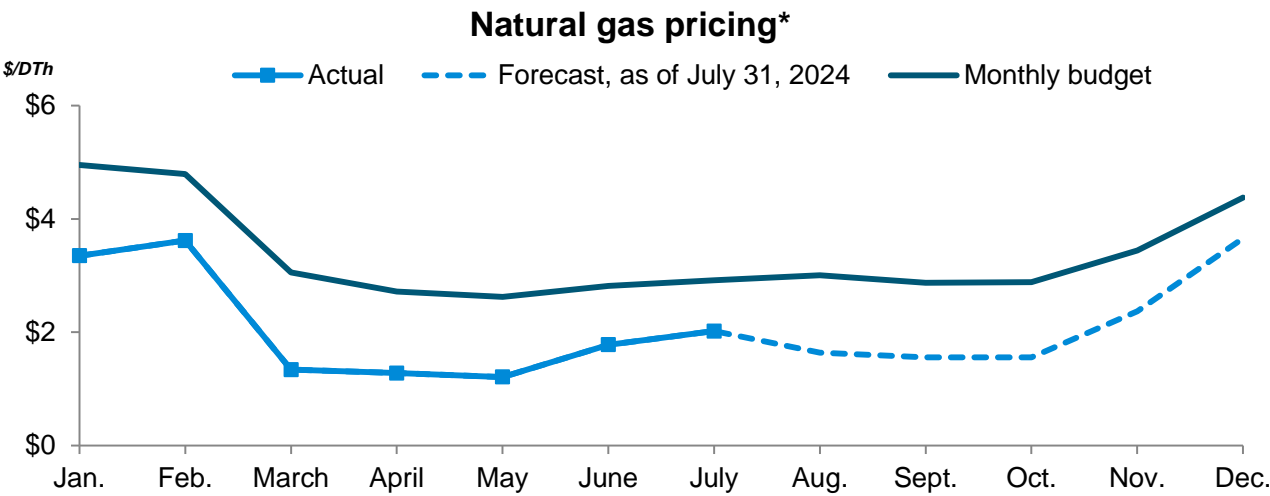
Purchased power



Market pricing



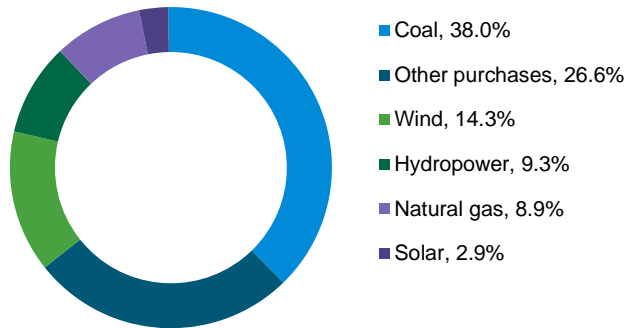
Natural gas pricing



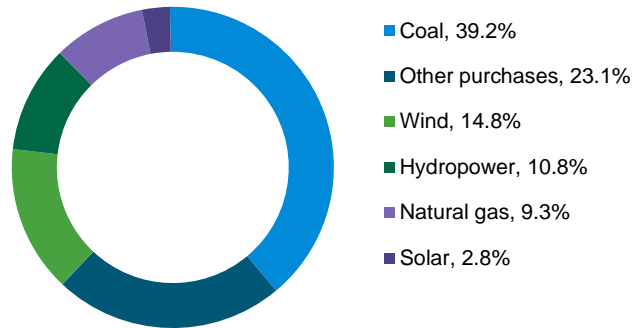
*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

Total resources

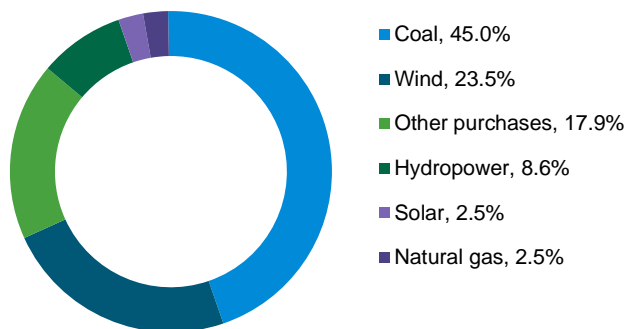
July generation budget



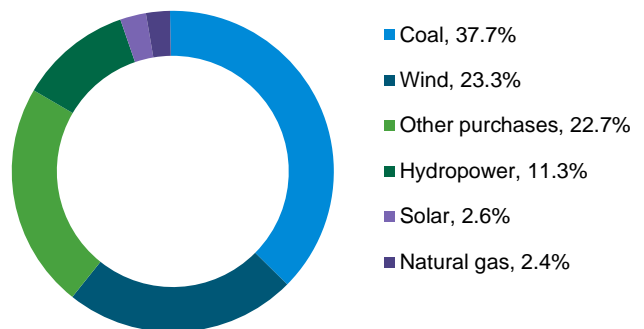
July generation actual

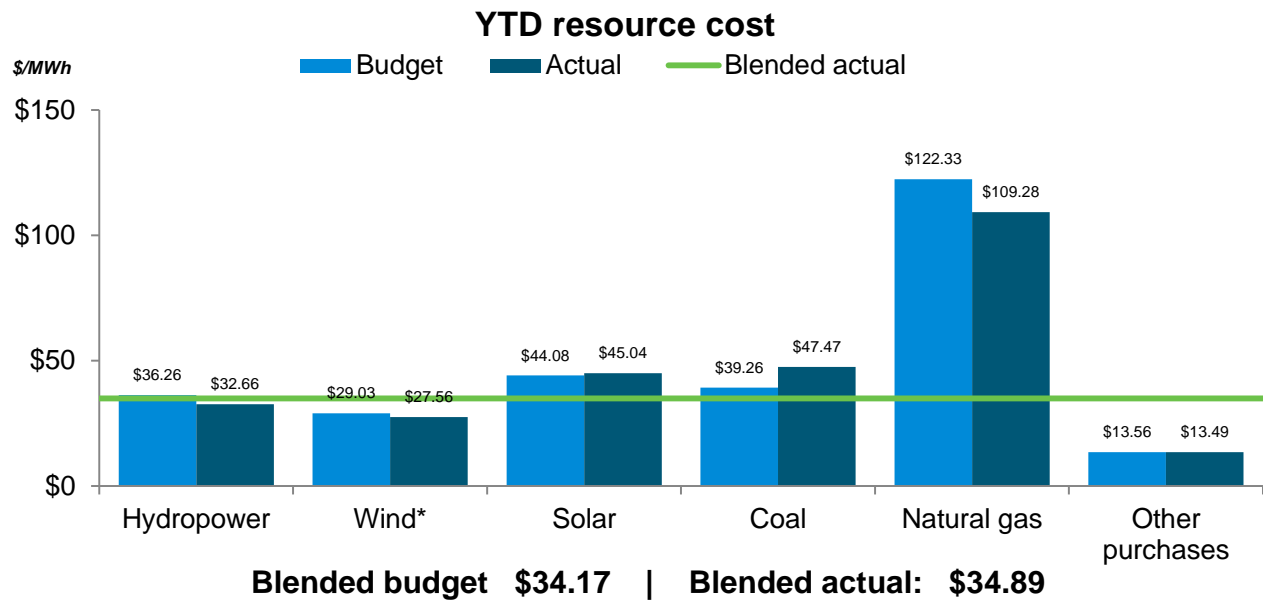
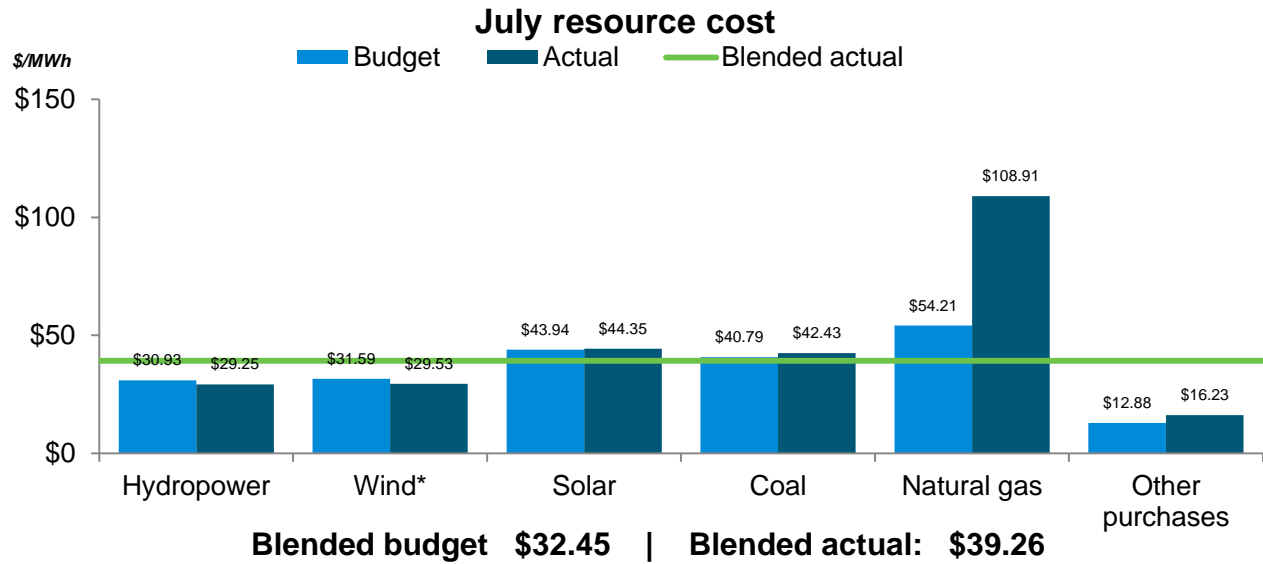


YTD budget



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.



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Financial report

July 2024



Financial highlights year to date

Platte River reported favorable results year to date. Change in net position of \$18.3 million was favorable by \$7.4 million compared to budget primarily due to below-budget operating expenses and above-budget unrealized gains on investments and interest income, partially offset by below-budget revenues.

Key financial results ⁽¹⁾ (\$ millions)	July		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
Change in net position	\$ 7.9	\$ 7.1	■	\$ (0.8)	(10.1%)	\$ 10.9	\$ 18.3	●	\$ 7.4	67.9%	\$ 7.3
Fixed obligation charge coverage	4.41x	3.70x	■	(0.71x)	(16.1%)	2.17x	2.44x	●	0.27x	12.4%	1.93 ⁽²⁾

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

(1) The key financial results for the annual budget reflect projected deferred revenues of \$14 million according to the deferred revenue and expense accounting policy discussed in the other financial information section. The actual deferral will be determined at the end of the year.

(2) Reflects correction of an error in calculating this metric as defined in the Strategic Financial Plan approved by the board of directors in December 2023.

Budgetary highlights year to date

The following budgetary highlights are presented on a budgetary basis not in conformity with generally accepted accounting principles (GAAP).

Key budgetary results (\$ millions)	July		Favorable			Year to date		Favorable			Annual budget
	Budget	Actual		(unfavorable)		Budget	Actual		(unfavorable)		
Total revenues	\$ 33.0	\$ 33.0	◆	\$ -	0.0%	\$ 180.3	\$ 177.0	◆	\$ (3.3)	(1.8%)	\$ 313.0
Sales to owner communities	24.5	23.0	■	(1.5)	(6.1%)	136.7	132.9	■	(3.8)	(2.8%)	235.7
Sales for resale - long-term	2.1	1.9	■	(0.2)	(9.5%)	11.8	10.1	■	(1.7)	(14.4%)	20.1
Sales for resale - short-term	4.8	5.8	●	1.0	20.8%	19.9	21.3	●	1.4	7.0%	36.4
Wheeling	0.7	1.3	●	0.6	85.7%	5.3	5.8	●	0.5	9.4%	8.9
Interest and other income	0.9	1.0	●	0.1	11.1%	6.6	6.9	●	0.3	4.5%	11.9
Total operating expenses	\$ 20.9	\$ 23.2	■	\$ (2.3)	(11.0%)	\$ 141.7	\$ 132.5	●	\$ 9.2	6.5%	\$ 242.7
Purchased power	5.4	5.3	◆	0.1	1.9%	36.9	35.3	●	1.6	4.3%	63.8
Fuel	5.4	5.1	●	0.3	5.6%	29.1	23.9	●	5.2	17.9%	51.1
Production	4.3	6.9	■	(2.6)	(60.5%)	34.0	33.7	◆	0.3	0.9%	55.8
Transmission	1.6	1.7	■	(0.1)	(6.2%)	12.8	11.9	●	0.9	7.0%	21.4
Administrative and general	2.9	3.2	■	(0.3)	(10.3%)	21.6	21.7	◆	(0.1)	(0.5%)	36.9
Distributed energy resources	1.3	1.0	●	0.3	23.1%	7.3	6.0	●	1.3	17.8%	13.7
Capital additions	\$ 2.6	\$ 1.6	●	\$ 1.0	38.5%	\$ 40.2	\$ 26.0	●	\$ 14.2	35.3%	\$ 53.2
Debt service expenditures	\$ 1.6	\$ 1.5	●	\$ 0.1	6.3%	\$ 11.0	\$ 11.0	◆	\$ -	0.0%	\$ 18.7

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

Total revenues, \$3.3 million below budget

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

- **Sales to owner communities** were below budget \$3.8 million. Energy revenues were \$3 million or 3.7% below budget. Demand revenues were \$0.8 million or 1.8% below budget as coincident and non-coincident billing demand were below budget 1.8% and 1.3%, respectively.
- **Sales for resale - long-term** were below budget \$1.7 million due to below-budget wind generation resold to third parties and below-budget calls on capacity contracts.

- **Sales for resale - short-term** were above budget \$1.4 million as average prices were 20.5% above budget, partially offset by 11% below-budget energy volume.
- **Wheeling** was above budget \$0.5 million primarily due to above-budget point-to-point transmission sales and a rate increase.
- **Interest and other income** was above budget \$0.3 million primarily due to higher interest income earned on investments.

Total operating expenses, \$9.2 million below budget

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

- **Fuel** was \$5.2 million below budget.
 - Coal - Rawhide Unit 1** 102% of the overall variance, \$5.3 million below budget. Generation was below budget due to lower-cost energy available in the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) market, an unplanned outage and curtailments. Price was below budget due to a lower transportation base rate. Additional fuel was required due to a less efficient heat rate, partially offsetting the below-budget variance.
 - Natural Gas** 23% of the overall variance, \$1.2 million below budget. Generation was below budget primarily due to no calls on capacity contracts. Price was below budget due to lower market prices.
 - Coal - Craig units** (25%) of the overall variance, \$1.3 million above budget. Additional fuel was required due to a less efficient heat rate. Price was above budget due to an updated price from Trapper Mine as total projected production from the mine decreased, increasing cost per ton delivered. Generation was below budget primarily due to lower-cost energy available in the SPP WEIS market and curtailments, partially offsetting the above-budget variance.
- **Purchased power** was \$1.6 million below budget. The below-budget expenses include: 1) wind and solar generation, 2) purchased reserves due to a lower rate than anticipated and 3) net energy delivered to Tri-State Generation and Transmission Association, Inc. (Tri-State) under the forced outage assistance agreement. The above-budget expenses include: 1) market purchases to replace baseload generation during unplanned outages and curtailments, serve sales and to take advantage of lower-cost energy in the SPP WEIS market and 2) hydropower purchases due to favorable water conditions.
- **Distributed energy resources** were \$1.3 million below budget due to program consulting services, personnel expenses and slower participation and timing of expenses in the commercial and industrial segment, partially offset by increased participation in the residential segment.

- **Production, transmission, and administrative and general** were \$1.1 million below budget.

Expenses were below budget \$2.3 million. The below-budget expenses include:

1) Rawhide non-routine projects, 2) wheeling, 3) critical infrastructure protection compliance, 4) resource planning initiatives, 5) environmental services, 6) chemicals and 7) travel and training. The above-budget expenses include: 1) Craig operating expenses, 2) digital consulting services and 3) tower maintenance. Of the net below-budget variance, at least \$1.8 million is expected to be spent by the end of the year.

Personnel was above budget \$1.2 million due to payouts at termination, two quarters of full gainshare program payments, increased overtime as a result of additional shift coverage and maintenance, and overall benefits being over-allocated which is adjusted quarterly. Partially offsetting the above budget variance was below-budget regular wages primarily due to vacancies.

Capital additions, \$14.2 million below budget

Year-end estimates as of July 2024

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 2024 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 (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
Below budget projects				
Transformer T3 replacement - Timberline Substation - This project will be below budget as construction will be delayed until after the higher priority Solar substation 230 kV - Severance Substation project is completed in late 2024. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 3,521	\$ 1,700	\$ 1,821	\$ 1,821
Relay panel and breaker replacements - Airport Substation - This project will be below budget due to a delay to align the construction schedule with an existing City of Loveland project occurring in 2025. Also, procurement of materials will not occur in 2024 as originally anticipated. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 1,827	\$ 183	\$ 1,644	\$ 1,644
** Enterprise resource planning software - This project will be below budget as all contingency funds are not expected to be needed.	\$ 6,719	\$ 5,362	\$ 1,357	\$ -
** Trapper Mine post-mining reclamation - This asset retirement obligation will be below budget due to a shift in timing of reclamation efforts.	\$ 933	\$ 467	\$ 466	\$ -
Compressor blade upgrade - combustion turbine Unit F - This project will be below budget as a different vendor was selected with favorable pricing.	\$ 1,861	\$ 1,511	\$ 350	\$ -

Project (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
** Supervisory control and data acquisition and energy management system - This project will be below budget due to the vendor requiring additional time to remediate issues identified during factory acceptance testing. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 1,125	\$ 789	\$ 336	\$ 336
** Evaporative cooling and wet compression - combustion turbine Unit F - This project will be below budget due to a vendor delay with factory acceptance testing. Commissioning cannot be completed until warmer weather in spring 2025. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 1,547	\$ 1,247	\$ 300	\$ 300
115 kV transmission line replacement - Drake transmission line - This multiyear project will be below budget due to a scope reduction after testing revealed all structures will not need to be replaced. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 364	\$ 164	\$ 200	\$ 200
* Switchgear replacement - Soldier Canyon Pump Station - This project will be below budget due to long lead times for equipment. Additional funds were requested in 2024 related to price escalations for labor and materials. The scope was also increased to include variable frequency drives for each pump. <i>The below-budget funds and additional funds will be requested to be carried over into 2025.</i>	\$ 209	\$ 81	\$ 128	\$ 258
* Switch and capacitor coupled voltage transformer replacements - Timberline Substation - This project will be below budget as it is delayed until after the transformer work at Timberline Substation, which is not expected until early 2025. The revised project schedule will gain efficiencies with contractor mobilization and outages. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 211	\$ 88	\$ 123	\$ 123
Above budget projects				
** Aeroderivative combustion turbines - Rawhide - This project will be above budget due to a required 15% down payment to initiate the manufacturing process of the new combustion turbines due to long lead times.	\$ 4,606	\$ 39,380	\$ (34,774)	\$ -
Solar substation 230 kV - Severance Substation - This project will be above budget due to design and cost increases. Primary cost drivers include professional services, land rights and crossing agreements, grading materials, substation materials and substation construction services.	\$ 10,156	\$ 19,857	\$ (9,701)	\$ -
Bay connection and transmission line to Severance Substation - noncarbon resources - This project will be above budget due to procurement of materials occurring in 2024 rather than 2025. Alignment with the Solar substation 230 kV - Severance Substation project this year will allow efficiencies with project labor. Total multiyear project costs are not expected to change.	\$ 1,529	\$ 2,129	\$ (600)	\$ -

Project (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
Dust collection system replacement - coal transfer building - This project will be above budget for additional design and procurement costs in order to meet deadlines for installation during the 2025 major outage. Total multiyear project costs are not expected to change.	\$ 191	\$ 407	\$ (216)	\$ -
Dust collection system replacement - crusher building - This project will be above budget for additional design and procurement costs in order to meet deadlines for installation during the 2025 major outage. Total multiyear project costs are not expected to change.	\$ 222	\$ 399	\$ (177)	\$ -
Gas control valve replacement - combustion turbine Unit C - This project will be above budget due to increases for additional electrical components, third party electrical design and retuning of the combustion turbine.	\$ 452	\$ 592	\$ (140)	\$ -
Out-of-budget projects				
Mechanical pond pumps and control valves - headquarters - This project will replace the mechanical system pond pumps and control valves to improve building heating and cooling during peak seasons.	\$ -	\$ 253	\$ (253)	\$ -
FlexStart and FlexRamp upgrade - combustion turbine Unit F - This project will install upgrades to enable faster start times and greater ramp flexibility of combustion turbine Unit F.	\$ -	\$ 168	\$ (168)	\$ -
Radio upgrades - Rawhide - This project will upgrade the radio repeaters and include radio handsets in order to provide a priority interrupt feature and allow coverage in all areas of the plant in case of emergency situations.	\$ -	\$ 107	\$ (107)	\$ -
Delayed projects				
Distributed energy resources management system - This project will be delayed to allow additional time for scope development, the request for proposal process and vendor selection. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 2,485	\$ -	\$ 2,485	\$ 2,485
Circuit breakers replacement 592, 596 - Ault Substation WAPA - This project will be delayed due to a change in WAPA's schedule. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 878	\$ -	\$ 878	\$ 878
Circuit breakers replacement 492, 1092, 3124, 3224 - Ault Substation WAPA - This project will be delayed due to a change in WAPA's schedule. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 752	\$ -	\$ 752	\$ 752
Network replacement - headquarters - This project will be delayed due to internal resources shifting to higher priority projects. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 345	\$ -	\$ 345	\$ 345
Canceled projects				
Transformer nitrogen generator - Rawhide Unit 1 - This project was canceled. The nitrogen bottles will be replaced as an operating expense rather than installation of a nitrogen generator which is more economical with the remaining life of Rawhide Unit 1.	\$ 152	\$ -	\$ 152	\$ -

* Project details or amounts have changed since last report.

** Project is new to the report.

Debt service expenditures, at budget

Debt service expenditures include principal and interest expense for power revenue bonds and for lease and subscription liabilities.

Debt service expenditures (\$ thousands)	July Budget	July Actual		Favorable (unfavorable)		Year to date Budget	Year to date Actual		Favorable (unfavorable)		Annual budget
Total principal	\$ 1,192	\$ 1,165	●	\$ 27	2.3%	\$ 8,141	\$ 8,143	◆	\$ (2)	0.0%	\$14,015
Power revenue bonds	1,117	1,117	◆	-	0.0%	7,562	7,562	◆	-	0.0%	13,146
Lease and subscription liabilities	75	48	●	27	36.0%	579	581	◆	(2)	(0.3%)	869
Total interest expense	\$ 373	\$ 369	◆	\$ 4	1.1%	\$ 2,832	\$ 2,846	◆	\$ (14)	(0.5%)	\$ 4,667
Power revenue bonds	366	366	◆	-	0.0%	2,813	2,813	◆	-	0.0%	4,642
Lease and subscription liabilities	7	3	●	4	57.1%	19	33	■	(14)	(73.7%)	25
Total debt service expenditures	\$ 1,565	\$ 1,534	◆	\$ 31	2.0%	\$10,973	\$10,989	◆	\$ (16)	(0.1%)	\$18,682

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

The outstanding principal for Series JJ and KK represents debt associated with transmission assets (\$93 million) and the Rawhide Energy Station (\$20.1 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	\$ 90,590	\$ 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	22,490	\$ 25,230	1.6%	6/1/2037	N/A*	Refund a portion of Series II (\$6.5M NPV/27.6% savings)
Total par outstanding	113,080					
Unamortized bond premium	8,391					
Total revenue bonds outstanding	121,471					
Less: due within one year	(13,400)					
Total long-term debt, net	\$ 108,071					

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.

Projected results

The current estimate for year-end change in net position prior to deferring revenues ranges from \$23.5 million to \$43.1 million. Based on current assumptions, the expected change in net position prior to deferring revenues is \$38.2 million. The table below compares these amounts to the annual budget and calculates the amount of deferred revenues under each scenario. This amount will vary as actual outcomes will differ from assumptions.

Projection	Change in net position before deferral: annual budget	Change in net position before deferral: expected	Variance (\$)	Variance (%)	Projected deferred revenue ⁽¹⁾	Change in net position after deferred revenues
Low	\$ 21.3	\$ 23.5	\$ 2.2	10%	\$ 16.5	\$ 7.0
Expected	\$ 21.3	\$ 38.2	\$ 16.9	79%	\$ 31.2	\$ 7.0
High	\$ 21.3	\$ 43.1	\$ 21.8	102%	\$ 36.1	\$ 7.0

Amounts above are in millions

(1) The projected deferred revenue is based on maintaining the Strategic Financial Plan metrics.

The expected projection includes overall lower operating expenses partially offset by lower operating revenues. The low and high projections are based on higher variability in revenues and expenses than the expected projection.

Operating revenues

- **Sales to the owner communities and sales for resale - long-term** are anticipated to end the year below budget. Owner community load and peak demand is expected to be below budget. Resource availability and market conditions are also contributing to the lower anticipated calls on capacity contracts.
- **Sales for resale - short-term** are anticipated to end the year above budget due to stronger pricing expected in the bilateral market.
- **Deferred regulatory revenues** are anticipated to end the year above budget due to projected results being better than planned.

Operating expenses

- **Purchased power** is anticipated to be above budget at the end of the year as purchases replace baseload generation.
- **Fuel** is anticipated to be below budget at the end of the year as baseload generation is replaced with purchases.
- **Other operating expenses** are anticipated to end the year near budget.
- **Depreciation, amortization and accretion** are anticipated to end the year below budget due primarily to an anticipated sale of assets resulting in gains and timing differences in budgeted and actual in service dates for new assets, partially offset by additional amortization for asset retirement obligations as cost estimates have increased and one Rawhide Energy Station impoundment is planned to be closed earlier than previously expected.

Nonoperating revenues (expenses)

- **Nonoperating revenues** are expected to end the year above budget due to an expected change in accounting for long-haul fiber and unrealized gains on the investment portfolio.

The results have uncertainty primarily because of the unpredictability of bilateral sales and the energy imbalance market. At this time, operating expenses and debt service expenditures are expected to end the year below budget. However, capital additions are expected to be above budget as discussed in the contingency appropriation section.

Contingency appropriation

\$56 million reserved to board

At this time, capital additions are expected to be above budget at the end of the year. A budget contingency appropriation of approximately \$44.3 million may be required to cover the additional expenditures in 2024. Staff will evaluate the budgetary results at the end of the year and apply the contingency appropriation accordingly.

Capital summary	\$ millions
2024 capital budget	\$ 53.2
2024 estimated capital expenses	88.3
Above budget variance	\$ (35.1)
Estimated capital carryovers from 2024 to 2025	(9.2)
Estimated contingency transfer required	\$ (44.3)

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 resource 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 involved Platte River's Rawhide Unit 1 and Tri-State's Craig Unit 3, provided that each party supply replacement energy to the other party during a forced outage of either unit. The agreement was terminated on the expiration date of March 31, 2024. Upon termination of the agreement, the Energy Account Balance was reduced to zero and Tri-State was invoiced \$1 million.
- **Accounting standard** - Platte River is subject to the updated recognition and measurement guidance for compensated absences under GASB 101 *Compensated Absences*. Results presented in the financial statements may not represent full implementation of the standard as staff evaluates the impact. Implementation will occur during 2024.
- **Excess coal sale** - Platte River sold \$2.4 million of excess coal from the stockpile at the Craig Station in April resulting in no gain or loss.

Budget schedules

Schedule of revenues and expenditures, budget to actual

July 2024

Non-GAAP budgetary basis (in thousands)

	Month of July		Favorable
	Budget	Actual	(unfavorable)
Revenues			
<i>Operating revenues</i>			
Sales to owner communities	\$ 24,461	\$ 22,977	\$ (1,484)
Sales for resale - long-term	2,095	1,942	(153)
Sales for resale - short-term	4,774	5,743	969
Wheeling	726	1,301	575
Total operating revenues	32,056	31,963	(93)
<i>Other revenues</i>			
Interest income ⁽¹⁾	966	1,011	45
Other (loss)/income	(3)	1	4
Total other revenues	963	1,012	49
Total revenues	\$ 33,019	\$ 32,975	\$ (44)
Expenditures			
<i>Operating expenses</i>			
Purchased power	\$ 5,341	\$ 5,254	\$ 87
Fuel	5,410	5,144	266
Production	4,320	6,948	(2,628)
Transmission	1,643	1,711	(68)
Administrative and general	2,876	3,142	(266)
Distributed energy resources	1,271	957	314
Total operating expenses	20,861	23,156	(2,295)
<i>Capital additions</i>			
Production	156	571	(415)
Transmission	1,246	284	962
General	1,151	626	525
Asset retirement obligations	78	81	(3)
Total capital additions	2,631	1,562	1,069
<i>Debt service expenditures</i>			
Principal	1,192	1,165	27
Interest expense	373	369	4
Total debt service expenditures	1,565	1,534	31
Total expenditures	\$ 25,057	\$ 26,252	\$ (1,195)
Revenues less expenditures	\$ 7,962	\$ 6,723	\$ (1,239)

⁽¹⁾ Excludes unrealized holding gains and losses on investments.

Schedule of revenues and expenditures, budget to actual

July 2024 year-to-date

Non-GAAP budgetary basis (in thousands)

	July year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
Revenues				
<i>Operating revenues</i>				
Sales to owner communities	\$ 136,643	\$ 132,827	\$ (3,816)	\$ 235,737
Sales for resale - long-term	11,797	10,107	(1,690)	20,086
Sales for resale - short-term	19,912	21,337	1,425	36,356
Wheeling	5,297	5,816	519	8,942
Total operating revenues	173,649	170,087	(3,562)	301,121
<i>Other revenues</i>				
Interest income ⁽¹⁾	6,350	6,587	237	11,569
Other income	271	293	22	282
Total other revenues	6,621	6,880	259	11,851
Total revenues	<u>\$ 180,270</u>	<u>\$ 176,967</u>	<u>\$ (3,303)</u>	<u>\$ 312,972</u>
Expenditures				
<i>Operating expenses</i>				
Purchased power	\$ 36,968	\$ 35,324	\$ 1,644	\$ 63,776
Fuel	29,094	23,918	5,176	51,119
Production	34,021	33,667	354	55,842
Transmission	12,815	11,915	900	21,412
Administrative and general	21,539	21,676	(137)	36,863
Distributed energy resources	7,303	6,029	1,274	13,664
Total operating expenses	141,740	132,529	9,211	242,676
<i>Capital additions</i>				
Production	8,397	4,415	3,982	12,363
Transmission	18,038	14,912	3,126	21,957
General	13,153	6,446	6,707	17,979
Asset retirement obligations	544	200	344	933
Total capital additions	40,132	25,973	14,159	53,232
<i>Debt service expenditures</i>				
Principal	8,141	8,143	(2)	14,015
Interest expense	2,832	2,846	(14)	4,667
Total debt service expenditures	10,973	10,989	(16)	18,682
Total expenditures	<u>\$ 192,845</u>	<u>\$ 169,491</u>	<u>\$ 23,354</u>	<u>\$ 314,590</u>
Contingency reserved to board	-	-	-	56,000
Total expenditures and contingency	<u>\$ 192,845</u>	<u>\$ 169,491</u>	<u>\$ 23,354</u>	<u>\$ 370,590</u>
Revenues less expenditures and contingency				
	\$ (12,575)	\$ 7,476	\$ 20,051	\$ (57,618)

⁽¹⁾ Excludes unrealized holding gains and losses on investments.

Financial statements

Statements of net position

Unaudited (in thousands)

	July 31	
	2024	2023
Assets		
<i>Electric utility plant, at original cost</i>		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,489,250	1,470,587
Less: accumulated depreciation and amortization	(999,398)	(959,298)
Plant in service, net	509,298	530,735
Construction work in progress	48,874	30,498
Total electric utility plant	558,172	561,233
<i>Special funds and investments</i>		
Restricted funds and investments	15,237	14,817
Dedicated funds and investments	172,486	164,277
Total special funds and investments	187,723	179,094
<i>Current assets</i>		
Cash and cash equivalents	62,212	45,797
Other temporary investments	48,451	46,770
Accounts receivable - owner communities	22,927	21,413
Accounts receivable - other	9,285	11,873
Fuel inventory, at last-in, first-out cost	20,300	12,931
Materials and supplies inventory, at average cost	18,291	16,793
Prepayments and other assets	7,711	8,645
Total current assets	189,177	164,222
<i>Noncurrent assets</i>		
Regulatory assets	130,456	128,594
Other long-term assets	8,614	7,122
Total noncurrent assets	139,070	135,716
Total assets	1,074,142	1,040,265
Deferred outflows of resources		
Deferred loss on debt refundings	1,881	2,612
Pension deferrals	9,787	14,849
Asset retirement obligations	26,021	26,160
Total deferred outflows of resources	37,689	43,621
Liabilities		
<i>Noncurrent liabilities</i>		
Long-term debt, net	108,071	123,655
Net pension liability	28,274	30,520
Other long-term obligations	93,406	94,295
Lease and subscription liabilities	385	916
Asset retirement obligations	37,128	34,050
Other liabilities and credits	12,727	7,778
Total noncurrent liabilities	279,991	291,214
<i>Current liabilities</i>		
Current maturities of long-term debt	13,400	12,790
Current portion of other long-term obligations	889	889
Current portion of lease and subscription liabilities	668	338
Current portion of asset retirement obligations	933	1,547
Accounts payable	18,085	18,320
Accrued interest	731	832
Accrued liabilities and other	7,209	5,628
Total current liabilities	41,915	40,344
Total liabilities	321,906	331,558
Deferred inflows of resources		
Deferred gain on debt refundings	105	118
Regulatory credits	103,598	73,436
Pension deferrals	-	287
Lease deferrals	704	852
Total deferred inflows of resources	104,407	74,693
Net position		
Net investment in capital assets	428,280	409,099
Restricted	14,505	13,985
Unrestricted	242,733	254,551
Total net position	\$ 685,518	\$ 677,635

Note: Certain previously stated line items have been updated or reclassified to conform with final audited financial statements including restatement of prior year where applicable.

Statements of revenues, expenses and changes in net position

Unaudited (in thousands)

	Month of July	July year to date	
		2024	2023
Operating revenues			
Sales to owner communities	\$ 22,977	\$ 132,827	\$ 125,838
Sales for resale	7,685	31,444	32,918
Wheeling	1,301	5,816	5,520
Total operating revenues	<u>31,963</u>	<u>170,087</u>	<u>164,276</u>
Operating expenses			
Purchased power	5,254	35,324	33,397
Fuel	5,144	23,918	25,747
Operations and maintenance	8,725	45,884	44,698
Administrative and general	3,182	22,052	17,346
Distributed energy resources	951	6,088	3,996
Depreciation, amortization and accretion	3,630	24,757	22,888
Total operating expenses	<u>26,886</u>	<u>158,023</u>	<u>148,072</u>
Operating income	<u>5,077</u>	<u>12,064</u>	<u>16,204</u>
Nonoperating revenues (expenses)			
Interest income	989	6,456	3,849
Other income	1	293	282
Interest expense	(369)	(2,846)	(3,152)
Amortization of bond financing costs	111	775	862
Net increase in fair value of investments	1,246	1,591	1,667
Total nonoperating revenues (expenses)	<u>1,978</u>	<u>6,269</u>	<u>3,508</u>
Change in net position	<u>7,055</u>	<u>18,333</u>	<u>19,712</u>
Net position at beginning of period, as previously reported	<u>678,463</u>	<u>667,185</u>	<u>657,923</u>
Net position at end of period	<u>\$ 685,518</u>	<u>\$ 685,518</u>	<u>\$ 677,635</u>

Note: Certain previously stated line items have been updated or reclassified to conform with final audited financial statements including restatement of prior year where applicable.

Statements of cash flows

Unaudited (in thousands)

	Month of July	July year to date	
		2024	2023
Cash flows from operating activities			
Receipts from customers	\$ 28,822	\$ 161,468	\$ 159,880
Payments for operating goods and services	(16,234)	(97,083)	(96,913)
Payments for employee services	(4,952)	(35,794)	(30,365)
Net cash provided by operating activities	7,636	28,591	32,602
Cash flows from capital and related financing activities			
Additions to electric utility plant	(443)	(24,750)	(10,583)
Payments from accounts payable incurred for electric utility plant additions	(2,632)	(2,136)	(3,493)
Proceeds from disposal of electric utility plant	-	17	55
Principal payments on long-term debt	-	(12,790)	(12,215)
Interest payments on long-term debt	-	(2,497)	(2,784)
Payments related to other long-term obligations	-	(5,390)	(4,145)
Payments on lease and subscription liabilities	(51)	(614)	-
Net cash used in capital and related financing activities	(3,126)	(48,160)	(33,165)
Cash flows from investing activities			
Purchases and sales of temporary and restricted investments, net	(2,015)	4,208	(5,780)
Interest and other income, including realized gains and losses	1,008	6,853	4,123
Net cash (used in)/provided by investing activities	(1,007)	11,061	(1,657)
Increase/(decrease) in cash and cash equivalents	3,503	(8,508)	(2,220)
Balance at beginning of period in cash and cash equivalents	58,709	70,720	48,017
Balance at end of period in cash and cash equivalents	\$ 62,212	\$ 62,212	\$ 45,797
Reconciliation of net operating income to net cash provided by operating activities			
Operating income	\$ 5,077	\$ 12,064	\$ 16,204
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	3,432	24,001	23,507
Amortization	(403)	(2,819)	(3,305)
Operating expenses relating to other long-term obligations	241	1,685	1,685
Changes in assets and liabilities that provided/(used) cash			
Accounts receivable	(3,142)	(7,825)	(2,458)
Fuel and materials and supplies inventories	(46)	(961)	(3,791)
Prepayments and other assets	647	(2,219)	(2,987)
Regulatory assets	96	675	(90)
Deferred outflows of resources	475	350	(844)
Accounts payable	267	(5,447)	(3,771)
Asset retirement obligations	(81)	2,145	2,312
Other liabilities	662	3,939	3,635
Deferred inflows of resources	411	3,003	2,505
Net cash provided by operating activities	\$ 7,636	\$ 28,591	\$ 32,602
Noncash capital and related financing activities			
Additions of electric utility plant through incurrence of accounts payable	1,039	1,039	1,226
Additions of electric utility plant through leasing and subscription	-	132	-
Amortization of regulatory asset (debt issuance costs)	6	43	47
Amortization of bond premiums, deferred loss and deferred gain on refundings	(117)	(818)	(908)

Note: Certain previously stated line items have been updated or reclassified to conform with final audited financial statements including restatement of prior year where applicable.

Schedule of net revenues for bond service and fixed obligations

Unaudited (in thousands)

	Month of July	July year to date	
		2024	2023
Bond service coverage			
Net revenues			
Operating revenues	\$ 31,963	\$ 170,087	\$ 164,276
Operations and maintenance expenses, excluding depreciation, amortization and accretion	23,256	133,266	125,184
Net operating revenues	8,707	36,821	39,092
Plus interest income on bond accounts and other income ⁽¹⁾	1,012	6,880	4,150
Net revenues before rate stabilization	9,719	43,701	43,242
Rate stabilization			
Deposits	-	-	-
Withdrawals	-	-	-
Total net revenues	\$ 9,719	\$ 43,701	\$ 43,242
Bond service			
Power revenue bonds	\$ 1,483	\$ 10,375	\$ 10,373
Coverage			
Bond service coverage ratio	6.56	4.21	4.17

	Month of July	July year to date	
		2024	2023
Fixed obligation charge coverage			
Total net revenues, above	\$ 9,719	\$ 43,701	\$ 43,242
Fixed obligation charges included in operating expenses ⁽²⁾	1,496	11,767	12,004
Adjusted net revenues before fixed obligation charges	\$ 11,215	\$ 55,468	\$ 55,246
Fixed obligation charges			
Power revenue bonds, above	\$ 1,483	\$ 10,375	\$ 10,373
Fixed obligation charges ⁽²⁾⁽³⁾	1,547	12,381	12,004
Total fixed obligation charges	\$ 3,030	\$ 22,756	\$ 22,377
Coverage			
Fixed obligation charge coverage ratio	3.70	2.44	2.47

⁽¹⁾ Excludes unrealized holding gains and losses on investments.

⁽²⁾ Fixed obligation charges included in operating expenses are debt-like obligation payments including those for demand or capacity on contracted assets and any debt service associated with off-balance sheet obligations.

⁽³⁾ This value also includes lease and subscription debt service expenditures which are not included in operating expenses.

Note: Certain previously stated line items have been updated to accord with the Strategic Financial Plan as adopted by the board in December 2023



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

General management report

July 2024



Business Strategies

Communications, marketing and external affairs

For the July period, communications, marketing and external affairs staff:

Communications

- Published the fifth in a series of public education articles about how market participation facilitates the region's renewable energy use.
- Hosted the Black Hollow Solar groundbreaking ceremony, welcoming approximately 75 stakeholders from our owner communities, site-location neighbors, Platte River employees and leadership from Qcells (project developer).
- Finalized the design and content for the 2024 Integrated Resource Plan (IRP).
- Distributed press releases announcing the Black Hollow Solar project groundbreaking, a summary of the July 17 IRP community update session, and the board's approval of the 2024 IRP during the July board meeting.
- Focused social media coverage on energy-saving tips to help customers stay cool during the month's heat waves; promoting the July 17 IRP community listening session; sharing news releases; and recognizing National Intern Day and National Support Public Education Day.

Community relations

- Hosted the final 2024 IRP community update session, welcoming approximately 150 community members from the owner communities to hear the IRP results and recommended portfolio. The team facilitated questions and answers to conclude the session.

Marketing

- Launched a digital marketing campaign for the new Efficiency Works Store, emphasizing instant rebates and educational outreach.

External affairs

- Conducted IRP presentations for:
 - Estes Park Town Board
 - Fort Collins Chamber of Commerce Local Legislative Affairs Committee
- Presented a 2024 Colorado legislative session recap at the July business and board meetings.
- Attended:
 - Colorado Association of Municipal Utilities annual conference in Breckenridge, CO
 - American Legislative Exchange Council state night in Denver, CO

Grants

- Supported Colorado State University's grant concept paper for the Department of Energy's Solar Technologies' Rapid Integration and Validation for Energy Systems funding opportunity.

Human resources

The human resources team created training curriculum on the updated performance evaluation process and the merit-based compensation philosophy. The curriculum includes specific training for Platte River management as well as general training for all Platte River staff.

Human resources staff helped host the Larimer County Economic and Workforce Development group at headquarters. This engagement is part of Platte River's broader strategy to connect with the community and inspire talent to consider careers in the energy sector.

Safety

- Hosted United Power employees who presented a live-power demonstration to Rawhide and headquarters staff on high voltage arc flash hazards.
- Safety specialist assisted at the Black Hollow Solar groundbreaking event.
- Safety staff collaborated with physical security and facilities on revisions to the emergency evacuation procedures and development of an active shooter emergency action plan.

Injury statistics	2022 year end	2023 year end	YTD through July 2023	YTD through July 2024
Recordable injury rate	1.25	1.98	1.97	2.48
DART	0.83	0.39	0.00	0.00
Lost time rate	0.00	0.39	0.00	0.00

Platte River sustained one recordable injury in July.

Emergency response team

- Responded to an emergency callout to address a fire at the Greenbacker solar power inverters on the Rawhide Prairie solar field.
- Conducted two on-site Emergency Response Team (ERT) trainings at Rawhide.
- Completed required National Fire Protection Association annual fire hose and ladder testing.
- Conducted training on the new ERT reporting and paging system ahead of go-live in September.

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 (EMMA) dataport by September 30. In July, Platte River submitted the required 2023 financial information and operating data as well as the City of Fort Collins, City of Loveland and City of Longmont 2023 annual comprehensive financial reports. The Town of Estes Park anticipates that its 2023 annual comprehensive financial report will be available by the end of August. Platte River will submit the Estes Park report through EMMA before the filing deadline of September 30.

The Windy Gap Firing Project Water Activity Enterprise continuing disclosure certificates require Platte River to annually submit financial reports to Northern Colorado Water Conservancy District by July 31. In July, Platte River submitted the required 2023 financial information and operating data.

2025 budget update

Accounting 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 received presentations on several resource diversification projects to assess and address the associated risks. Management used this information to make informed decisions. The committee will continue to meet to ensure risks are properly documented and addressed.

Facilities

Facilities has completed the installation of the mechanical redundancy system in the headquarters building and it is fully operational. This new system has already been beneficial through extremely hot, consecutive days. Staff members are also installing multiple replacement heating, ventilation and air conditioning (HVAC) units for the communications building, Portner substation and Mary’s Lake substation.

Clean energy transition and integration

Distributed energy solutions

In July, the Distributed Energy Solutions team continued to offer the existing energy programs and services while shifting focus to updates and the new 2025 offerings. The department collaborated with owner community staff to identify eligibility criteria and set goals for future offerings to further build out applications and processes through the remainder of 2024. This continued programming transition will be implemented and administered under the Efficiency Works™ brand, finding alignment for all five entities to support both common and individual entity goals.

While staff is looking to the future and supporting the utility energy transition, current key department achievements year to date include the following:

\$4.4 M	3,048	157	2,409
Invested in our communities YTD	MTCO2e saved YTD	Income Qualified (IQ) upgrades YTD	Customer participation YTD
\$11.1M annual budget from Platte River and Owner Communities excluding staff	Carbon reductions from customer upgrades based on regional electric generation emission rates	Residential IQ customers served with upgrades, advising and assessments	Commerical and residential customers served with incentives, advising and assessments
Investment	Carbon	Equity	Customers

The table below lists year-to-date programming achievements within our owner communities. Additional detailed department achievements from July include the following:

- The Efficiency Works Homes team hosted a Home Performance Summit. The summit was designed to bring HVAC, windows, insulation & air sealing, and doors trades together to provide a whole home collaboration within these three pillars. There were over 40 attendees, with guest speakers from the Colorado Energy Office, ARUS Consulting, and Elephant Energy.
- The updated Efficiency Works Store platform launched on July 1, 2024, and continued to gain total site visits. The online platform showcases thousands of products to connect owner community customers to the right products to use their energy more effectively.

Through July 2024, Efficiency Works programs have provided services for energy efficiency, building electrification, water savings and electric vehicles and have invested \$4.4 million providing these services to customers, excluding staff costs. Currently, Platte River has budgeted \$9.5 million for these program offerings, with an additional \$1.6 million available through directive funding provided by the owner communities. Owner communities may provide additional directive funding as the year progresses.

6,105 MWh saved
5,461 MWh savings in progress

658 KW peak demand reduced
121 KW peak reduction in progress

1,141 MWh electrified

113,257 natural gas therms saved

2,932,293 water gallons saved

45 events and trainings

2,721 local students engaged

Program metrics (YTD)

Operations

Fuels and water

The Chimney Hollow reservoir project is quickly moving forward, and completion is anticipated for fall 2025. Around the construction site, many significant project features are nearing completion while others are about to begin.

- The upstream portion of the inlet/outlet tunnel, consisting of a steel pipeline backfilled with reinforced concrete, will be completed in the next two months and will be followed by the construction of the inlet/outlet tower.
- The subsurface grouting program, which seals the reservoir foundation against leaks, is scheduled for completion by September.
- The final slab of the 3,800-foot concrete spillway will be placed in August.
- The largest and final valve on site, a 60-inch plunger valve, was installed in the valve house, which will allow the completion of the above-ground portion of the building.
- The onsite quarry is nearly 80% complete and is expected to wrap up production in early 2025.

At the end of July, the Alexander Mountain wildfire broke out just north of Chimney Hollow reservoir (see images) and the project was quickly shut down. While the site itself was not in immediate danger from the fire, access to and from the site was restricted for five days by firefighting operations and the area was included in the mandatory evacuation zone. Although not ideal, the pause in construction operations did allow the construction team to catch up on a variety of administrative tasks, working out of the Northern Colorado Water Conservation District's headquarters building. In circumstances such as these, the construction timeline is paused, and the delay is considered to be "no fault" of either the owner or the contractor and does not count against the overall schedule.



Alexander Mountain fire north of Chimney Hollow reservoir



Alexander Mountain fire north of Chimney Hollow reservoir