



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Sept. 26, 2024

Proposed 2025 Strategic Budget work session

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Agenda

- Overview
 - Platte River financial governance framework
 - What is driving budget and rate increases? Our energy future...
- Budget
 - Schedule
 - Process
 - Budget document
 - Trends
 - 2025 overview
- Capital 5-year forecast

Platte River financial governance framework



What is driving budget and rate increases?

Primarily the expenses associated with the transition of assets to achieve the board-adopted Resource Diversification Policy goal

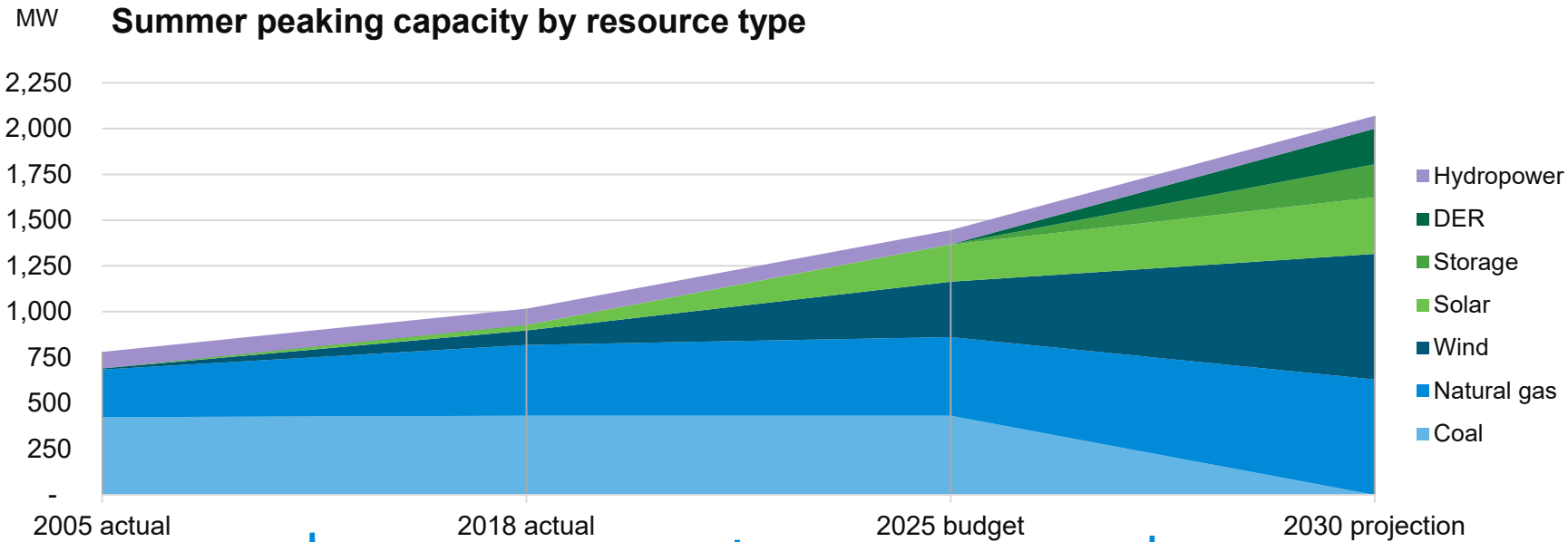


Our energy future - overview

- Resource Diversification Policy adopted in 2018
 - 7 years into the transition, 4 years remaining
- Significant investments
 - Wind and solar resources
 - Storage (community, utility and long duration)
 - Aeroderivative combustion turbines
 - Transmission
 - DER/VPP
 - Markets (SPP WEIS transition to SPP RTO West)
 - General capital investments
- Cost increases resulting in budget and rate increases
 - Strategic Financial Plan
 - Rate stability strategies
 - Fiscal responsibility: Revenue generation and expense management
 - Rate smoothing
 - Annual budget captures projections for upcoming year



Our energy future - system nameplate capacity



- Significant investment in noncarbon resources
- Higher capacity levels required for the same level of reliability as 2005

2009 wind – Silver Sage*

2014 wind – Spring Canyon*

2016 solar – Rawhide Flats

2020 wind - Roundhouse

2021 solar – Rawhide Prairie and 2 MWh battery

2025 - 2026 solar – Black Hollow

2026 - 2028 storage – community, utility and long duration

2027 wind – location TBD

2028 gas – aeroderivative combustion turbines

2029 coal – all retired

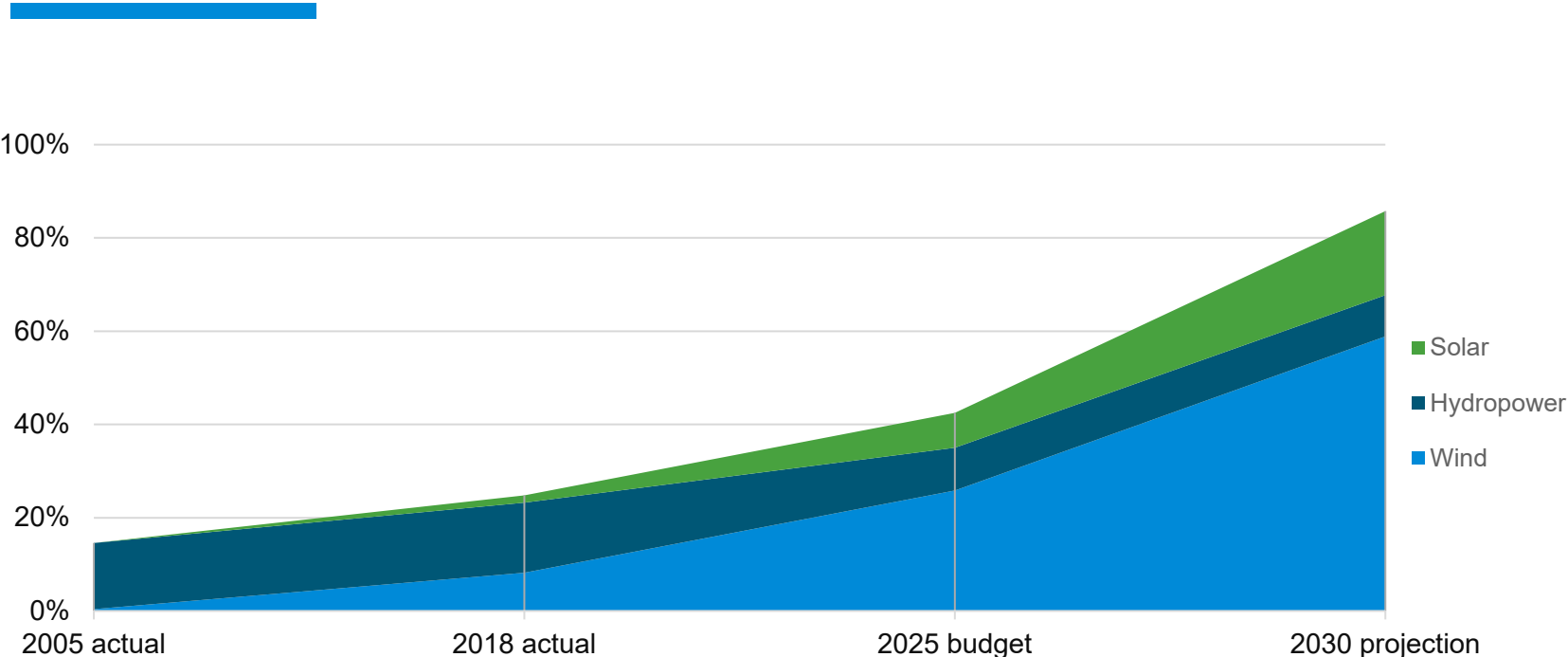
2030 wind – location TBD and storage

* Wind: 72 MW sold to other entities, 60 MW of which will return to Platte River in 2030.

Nameplate capacity is not equal to reserve requirements due to effective load carrying capability.

Projections are subject to change

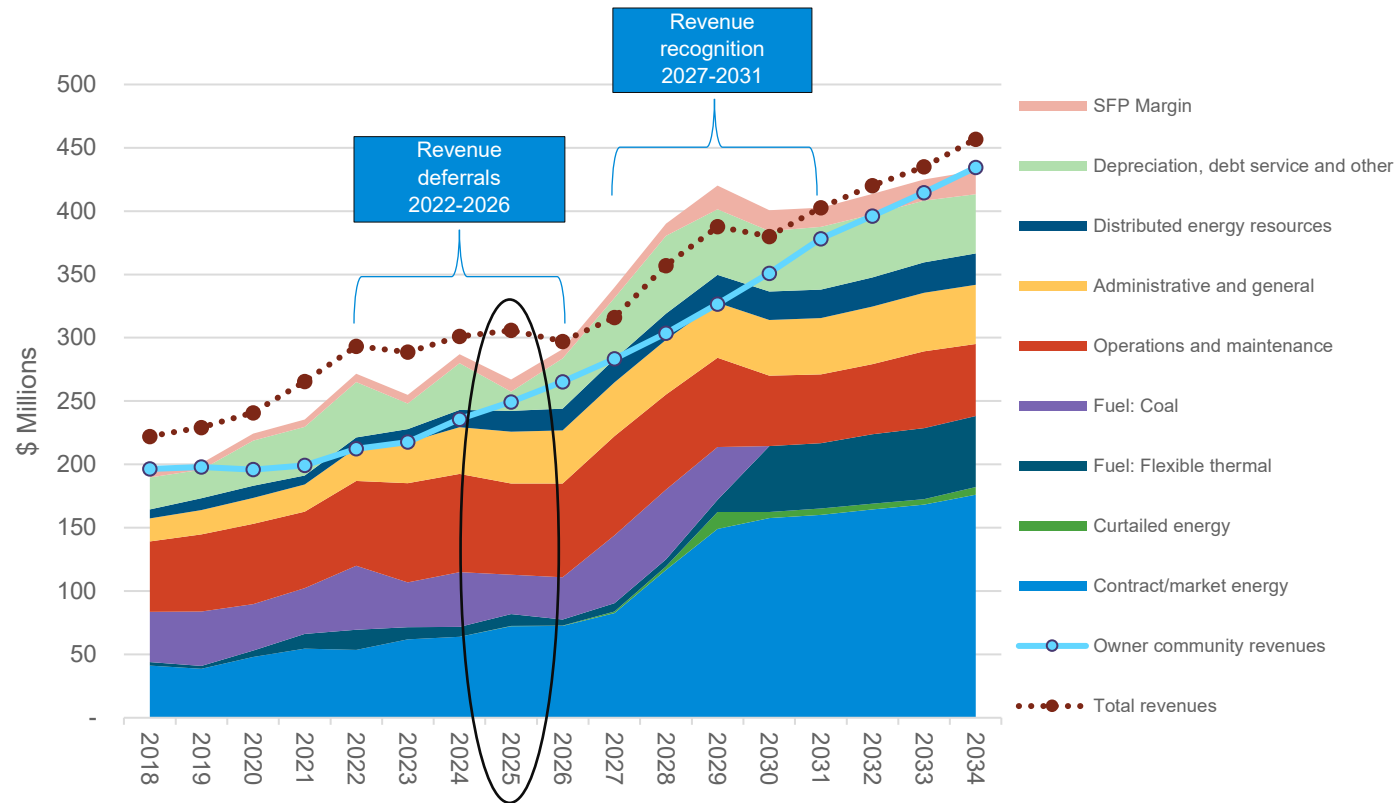
Our energy future – noncarbon energy



- Significant investment in noncarbon resources
- Noncarbon energy: Over 80% vs. 15% (2030 vs. 2005)

Projections are subject to change

Our energy future: financial overview 2018 to 2034

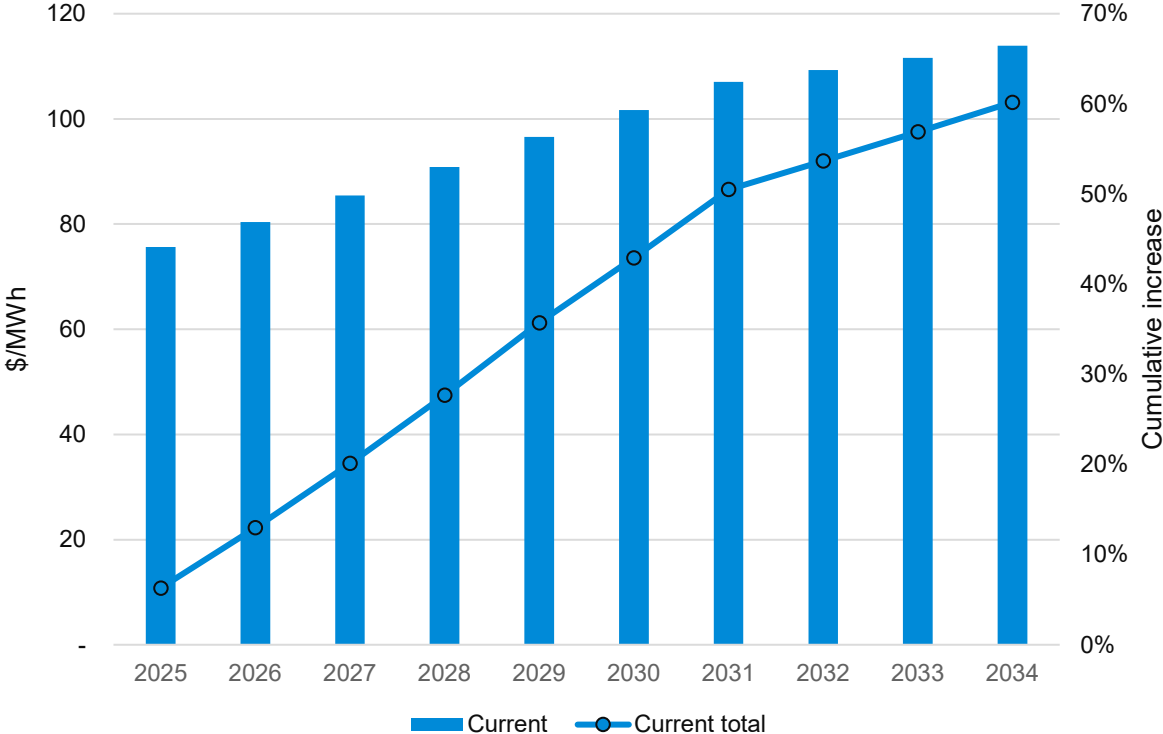


- Owner community revenues
 - \$238 million; 121% increase
 - 85% rates, 15% load growth
- Contract energy and fuel
 - \$155 million increase
- Other expenses
 - \$82 million increase
- Surplus sales
 - \$3 million decrease
- Deferred revenue and expense accounting policy 2022 to 2034

Projections are subject to change

Our energy future – rate increases

- May 2024 projections
 - 6.3% 2025 – 2029
 - 5.3% 2030 – 2031
 - 2.1% 2032 – 2034
- 42.9% cumulative 2025 – 2030
- 60.2% cumulative 2025 – 2034
- Increased sustained rate pressure

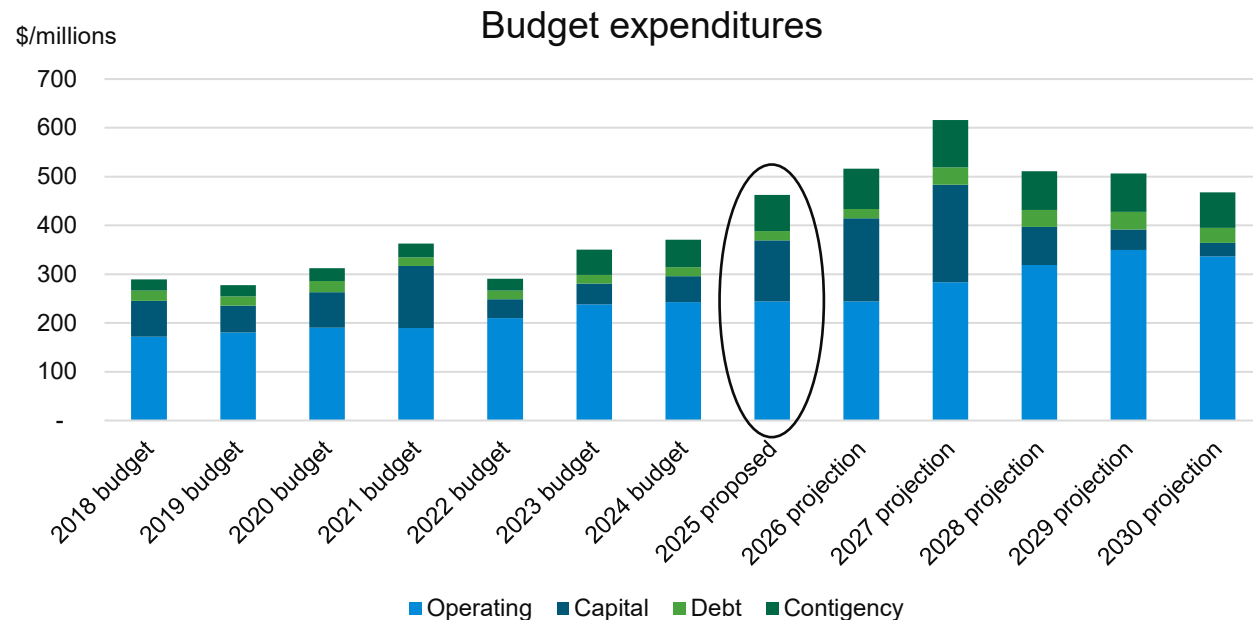


Projections are subject to change



Our energy future – budget increases

- **Operating expenses** continue to increase from 2025 primarily due to adding PPAs for renewable energy and storage
- **Capital additions** based on long-term capital forecast funded with reserves and debt financing
- **Debt service expenditures** continue to increase from 2025 to finance capital additions
- **Contingency** for unexpected events varies based on 20% of operating and capital expenses



Projections are subject to change

Proposed 2025 Strategic Budget



Budget schedule

September

- Board work session

October

- Updates and budget discussion
 - Model prices and resource updates
 - Wheeling and ancillary service rate adjustments
 - Medical expense update
 - Departmental O&M updates
 - Capital project updates
- Public hearing

December

- Board adoption
- File with the State of Colorado

Budget process



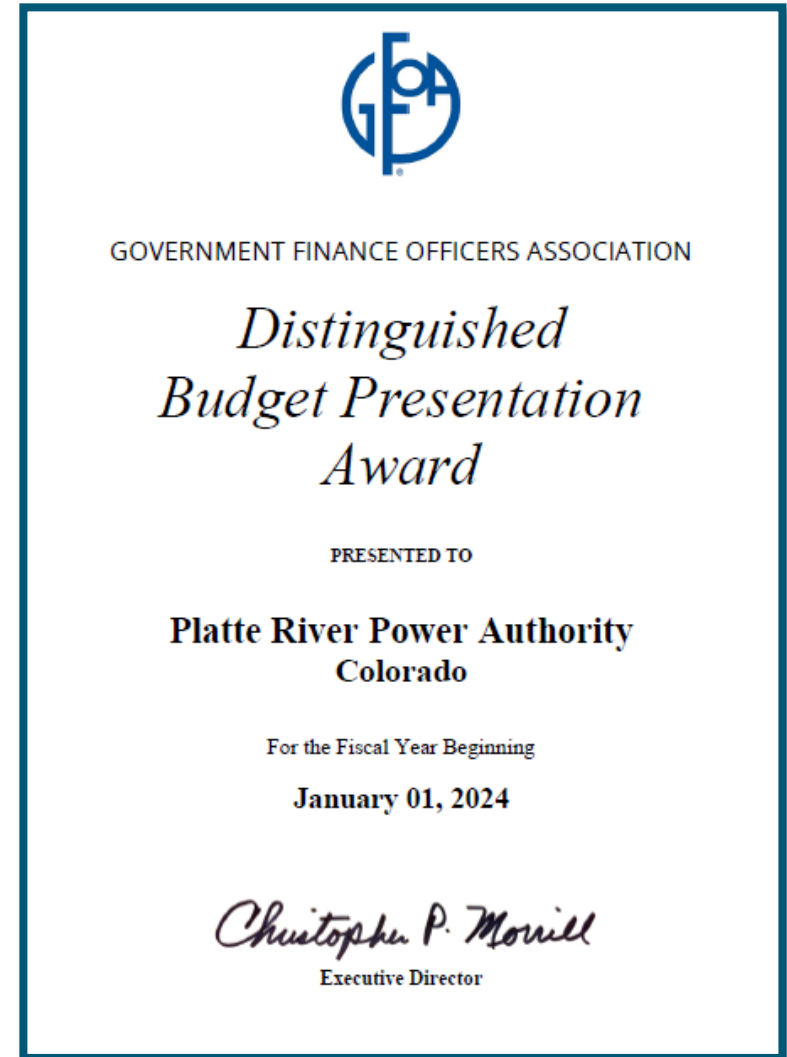
Budget document

- Overview
 - Background information about the organization, the owner communities, significant initiatives, goals and departmental objectives
- Summary
 - Budget discussion and support for our foundational pillars, strategic initiatives and core operations
- Budget
 - Financial results, comparisons to the Strategic Financial Plan and budget schedules
- Additional information
 - Process for developing the budget and information on financial governance
 - Final document will have table showing changes from proposed

Budget document

GFOA Distinguished Budget Presentation Award received for the 2024 document

- Recognition that the budget document meets program criteria and excels as a policy document, financial plan and communications tool
- Fifth consecutive year receiving the award



Trends

Revenues

- Moderate owner community load growth
- Stable surplus sales
- Increasing interest income from higher rates



- Volume and price volatility, participation in WEIS
- Higher contract sales including fixed capacity; lower spot volumes

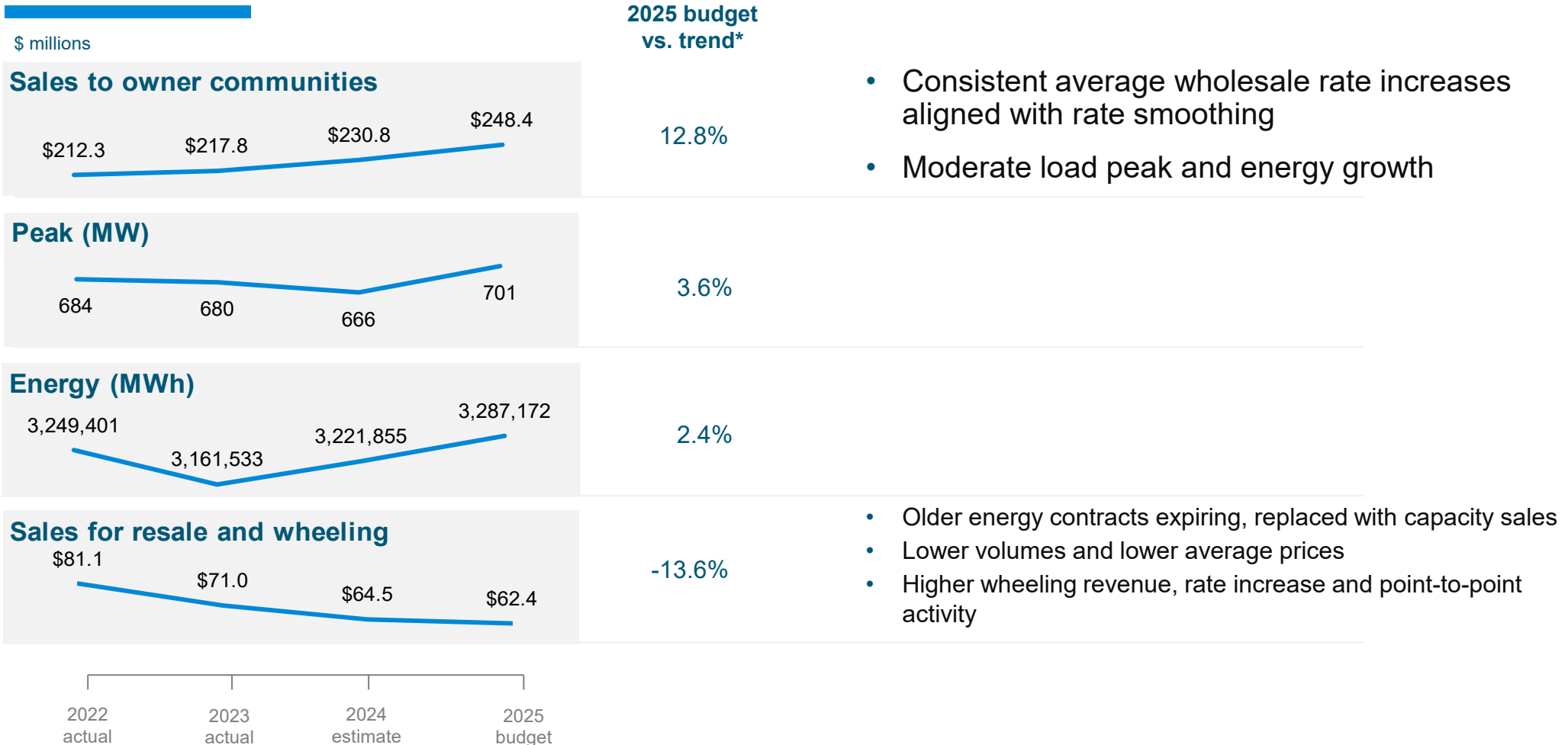
Expenditures

- Resource transition, markets, DER
- Infrastructure advancements and investments
- Focus on managing controllable expenses while advancing strategic initiatives and the RDP goal



- Black Hollow Solar commercial operation (mid-2025)
- Higher purchase power volumes as WEIS market participation continues
- Investments in future resources including transmission
- Increasing baseload and peaking unit flexibility and capacity
- Continued exposure to price volatility

Revenue trends



* Trend represents 3-year average of 2022 and 2023 actuals and 2024 estimate.

Expense trends

\$ millions

Purchased power

\$53.4 \$61.7 \$63.7 \$67.3

2025 budget vs. trend*

13.0%

- Black Hollow Solar commercial operation (mid-2025)
- Participation in WEIS, higher volumes lowering baseload dispatch

Fuel

\$66.5 \$45.2 \$40.6 \$42.9

-15.4%

- Lower coal generation, partially offset by higher average heat rates
- Higher coal prices, lower natural gas prices

Production and transmission

\$67.0 \$77.6 \$77.4 \$77.3

4.4%

- 2025 last Rawhide Unit 1 major outage
 - No outage accrual for future
- 2023 Rawhide Unit 1 minor outage

Administrative and general

\$25.5 \$31.7 \$37.6 \$41.9

32.7%

- Investments in:
 - Staffing and benefits
 - Digital
 - Resource planning
 - Community engagement

Distributed energy resources

\$8.3 \$10.2 \$12.5 \$15.0

45.3%

- Investments in staffing, benefits, strategy and program development
- 2025 includes funding for new virtual power plant program development and incentives
- 2023-2024 refocus programs for increased participation, new DER initiatives

2022 actual 2023 actual 2024 estimate 2025 budget

* Trend represents 3-year average of 2022 and 2023 actuals and 2024 estimate.

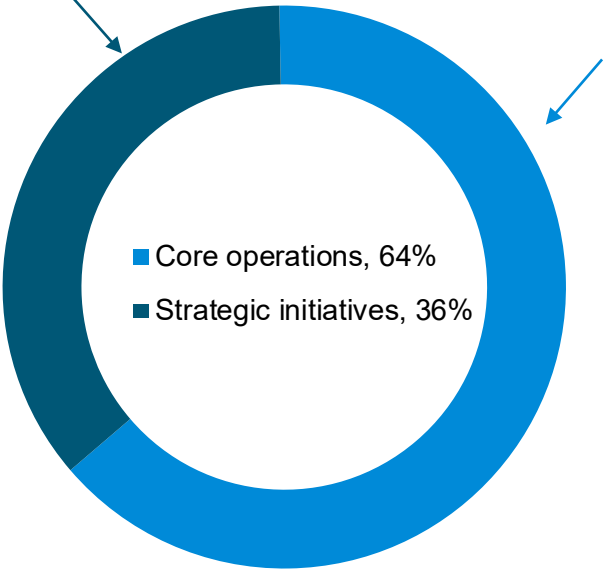
2025 overview



2025 Strategic Budget focus



2023 Strategic Plan,
4 initiatives



- 1) Baseload and peaking generation, transmission, energy efficiency programs
- 2) PPAs for existing renewable resources & hydropower

Operating expenses and capital additions: \$369.7 million

2025 Strategic Budget focus

Operating and capital: \$369.7 million Strategic initiatives, \$133.4 million, 36%

Resource diversification planning and integration, \$125.1 million, 33%

- Noncarbon resources infrastructure and planning, including commercial operation of Black Hollow Solar and continued efforts on a potential new wind resource
- Dispatchable capacity through energy storage including utility-scale and distribution-scale batteries, VPP including DERMS and programs, and aeroderivative technology
- Operational flexibility
- SPP RTO West preparation and market software
- Completion of the Chimney Hollow Reservoir

Community partner and engagement, \$1.8 million, 1%

- Public engagement including new website

Workforce culture, \$1.9 million, 1%

- Workforce evolution and development

Process management and coordination, \$4.6 million, 1%

- Data management and analytics platform
- Project management
- Enterprise risk management

Revenues \$322.7 million

- **Owner communities** – 6.3% average wholesale rate increase, 0.8% load decrease
- **Sales for resale and wheeling** – Decrease in volume of energy sold, increased resold capacity, increased wheeling revenues

Core operations, \$236.3 million, 64%

Rawhide Energy Station and Craig Generation Station

- Preventive and proactive maintenance and capital improvements for reliability, safety, efficiency and environmental compliance
- Rawhide Unit 1 five-week scheduled maintenance outage

Purchased power

- Continued generation from wind and solar resources under PPAs
- Reduction in projected hydropower energy

Transmission

- Ongoing O&M of the system
- Drake transmission line restoration
- Substation equipment upgrades and replacements

Customer energy programs

- Continued collaboration under the Efficiency Works™ brand

Other expenses

- Community initiatives and facilities projects
- Four net new positions to support organization changes and strategic initiatives

Financial results

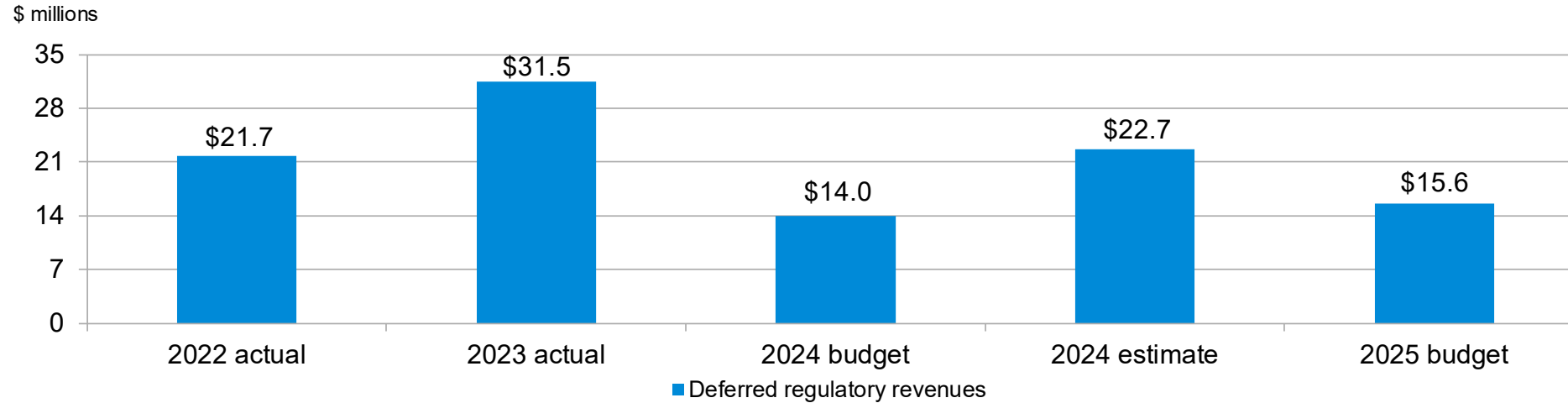
Strategic Financial Plan metrics	Target minimums	2024 budget	2025 budget	Increase (decrease)	
Fixed obligation charge coverage ratio	1.50x	1.93x ⁽¹⁾	2.00x	↑	3.6%
Change in net position as a percentage of annual operating expenses	3%	3%	3%	→	0.0%
Adjusted debt ratio	< 50%	23%	22%	↓	(4.3%)
Days adjusted liquidity on hand	200	443	261	↓	(41.1%)

⁽¹⁾ 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

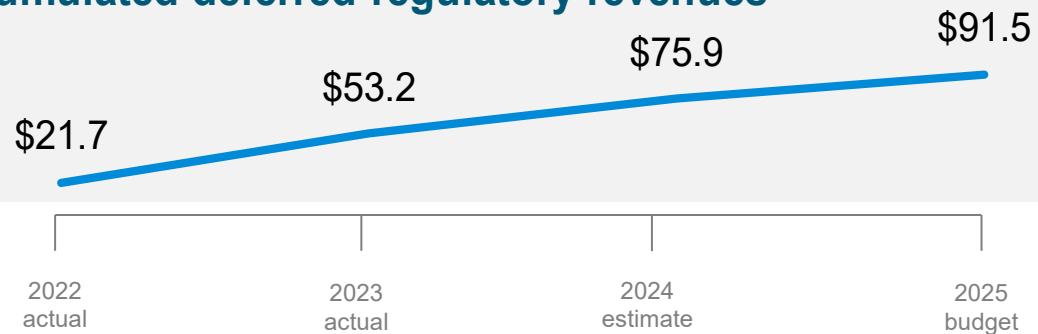
Budget results (\$ millions)	2024 budget	2025 budget	Increase (decrease)	
Total revenues	\$ 313.0	\$ 322.7	↑	3.1%
Total expenditures	\$ 314.6	\$ 388.5	↑	23.5%
Board contingency	\$ 56.0 ⁽²⁾	\$ 74.0	↑	32.1%

⁽²⁾ Contingency transfer to be determined later in the year.

Deferred regulatory revenues



Accumulated deferred regulatory revenues

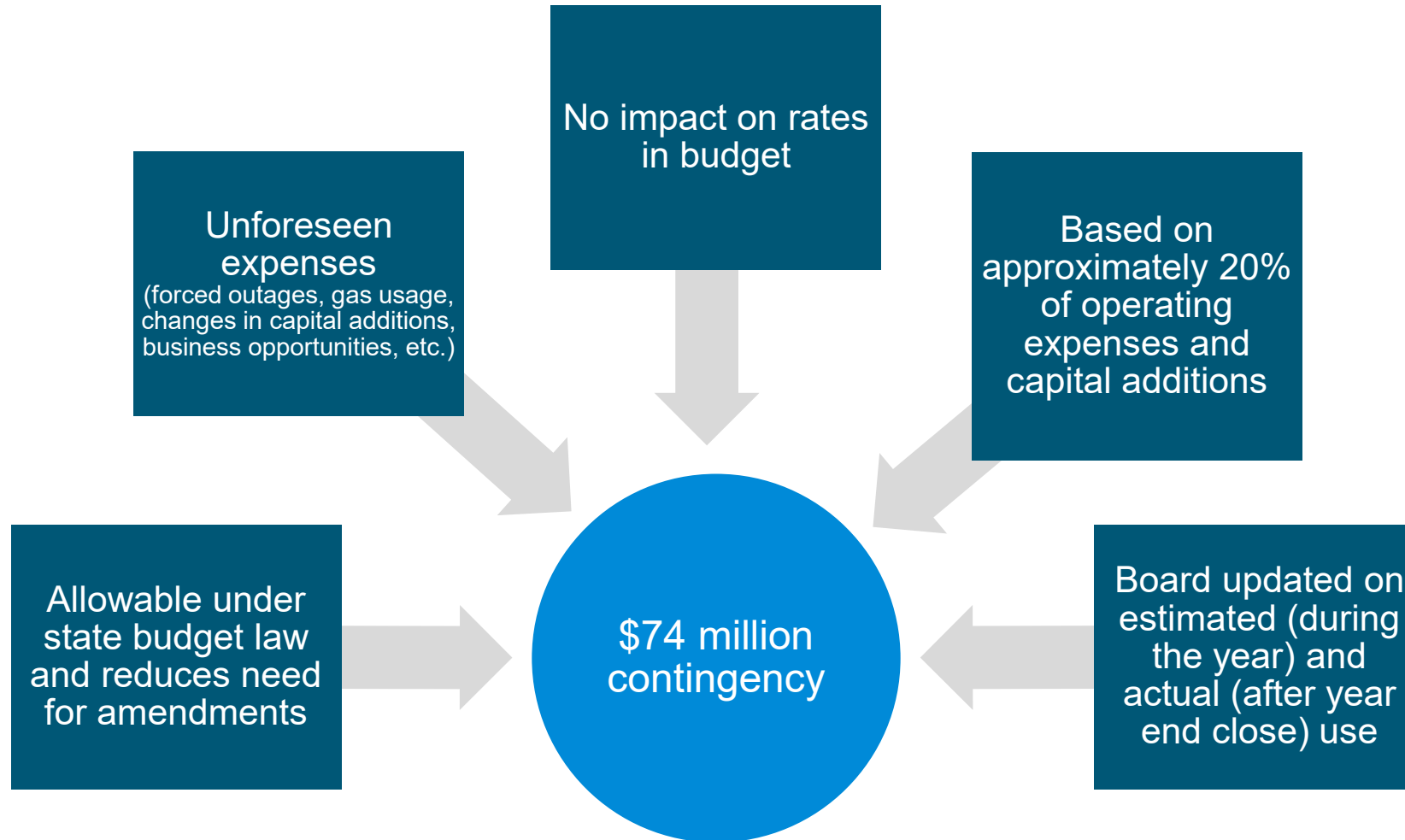


Accumulated deferred regulatory revenues are expected to be fully recognized by 2031



Budget contingency

Reserved to the board



2025 system capacity

Summer peaking capacity by resource type

	MW	
Coal	431	
Natural gas	430	
Hydropower ⁽¹⁾	78	
Wind ⁽²⁾	303	52
Solar	202	60
Total	1,444	1,051

⁽¹⁾ Hydropower capacity varies with drought conditions.

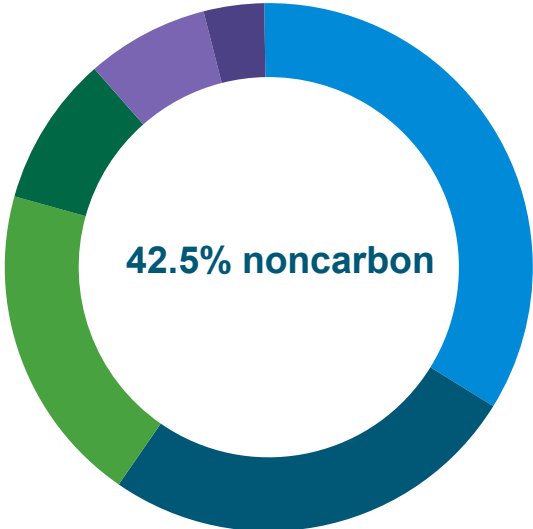
⁽²⁾ 72 MW of wind is currently sold to other entities, 60 MW of which will return to Platte River in 2030.

Significant nameplate changes from 2024 budget

- Solar – increased 150 MW; Black Hollow phase 1
- Natural Gas – increased 42 MW; upgrades to Unit F and Unit C

2025 system energy

Includes renewable energy certificate allocations to carbon resources



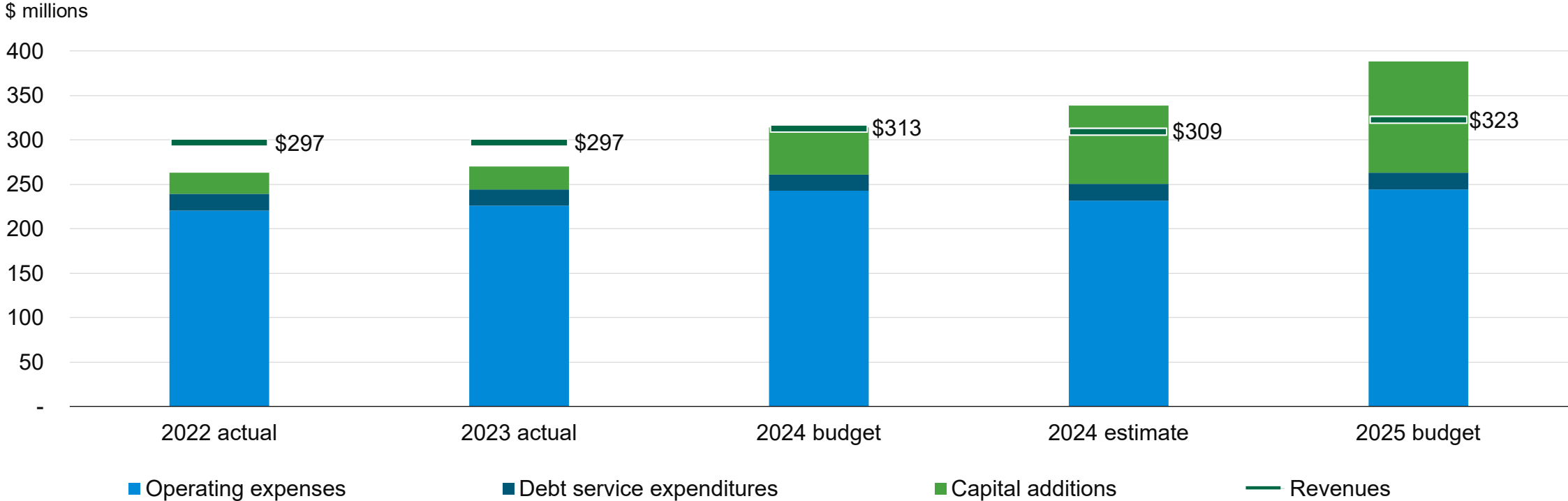
- Coal, 34.1%
- Wind, 25.8%
- Other purchases, 19.7%
- Hydropower, 9.2%
- Solar, 7.5%
- Natural gas, 3.7%

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

Significant changes from 2024 budget

- 7.6% decrease in system energy (due to less sales for resale)
- 9.5% of system decrease in coal due to lower sales for resale volumes and economic dispatch in WEIS
- 5.1% of system increase in solar with commercial operation of Black Hollow (mid-2025)

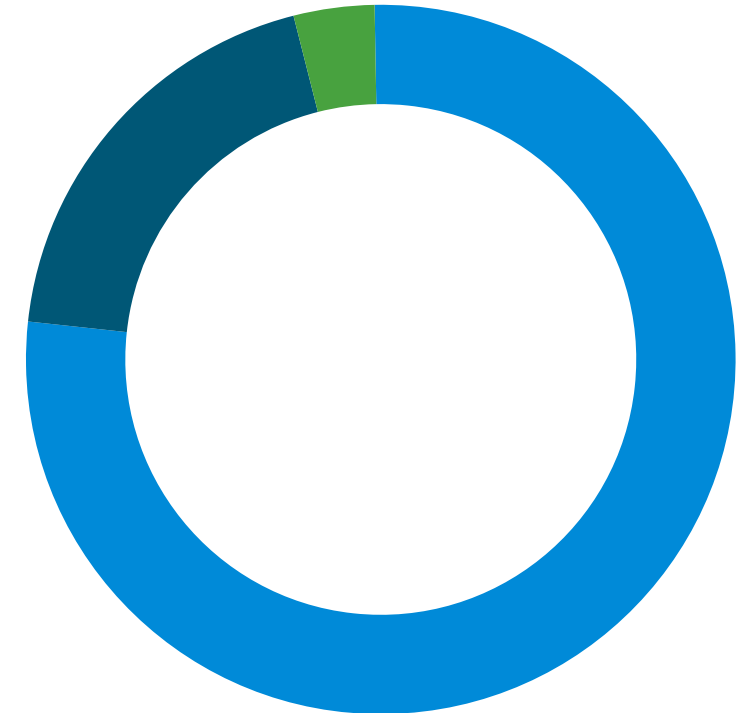
Revenues and expenditures



2025 revenues

Variance	
Sales to owner communities	\$12.7 M ↑
Sales for resale and wheeling	(\$3 M) ↓
Interest and other income	\$0 M →

Sales to owner communities	<ul style="list-style-type: none"> • Loads developed on 10-year load forecast and energy changes from energy efficiency • Energy deliveries decrease 0.8% • Coincident billing demand increase 0.8% • Average wholesale rate increase 6.3%
Sales for resale and wheeling	<ul style="list-style-type: none"> • Energy and market prices – hourly model • Long-term contracts – lower volume of energy sold, increased resold capacity • Increase in wheeling revenues due to rate increase
Interest and other income	<ul style="list-style-type: none"> • Increase in other income due to treatment of long-haul fiber and an estimated Trapper Mine dividend, offset by decrease in interest income due to lower average investment and operating fund balances.



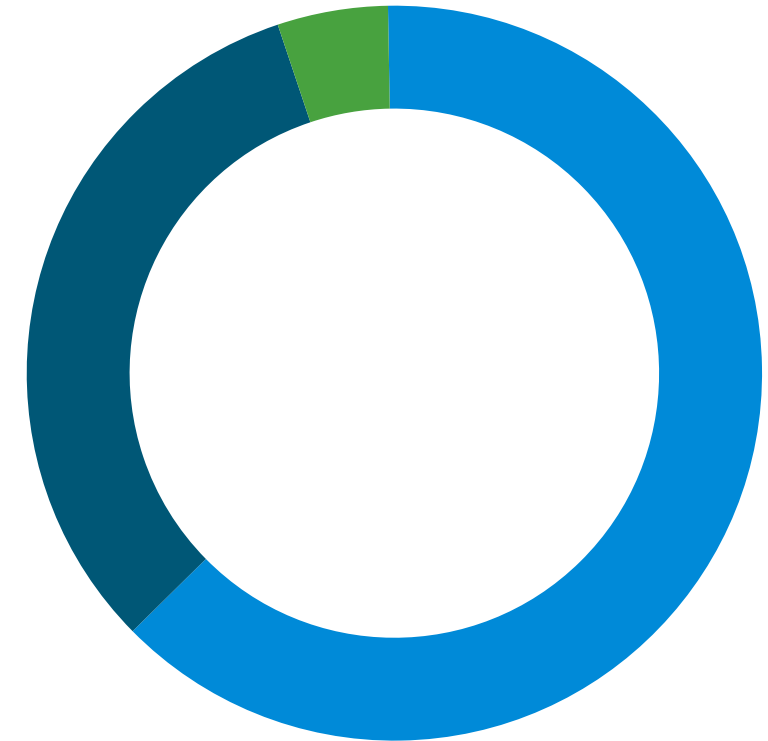
- Sales to owner communities, 77%
- Sales for resale and wheeling, 19%
- Interest and other income, 4%

\$322.7 million | variance from 2024 budget: \$9.7 M ↑

2025 expenditures

	Variance
Operating	\$1.7 M ↑
Capital	\$72.1 M ↑
Debt	\$0.2 M ↑

Purchased power	<ul style="list-style-type: none"> Commercial operation of Black Hollow Solar (mid-2025) Other purchases (price/qty) – hourly model Decrease due to SPP WEIS market pricing
Fuel	<ul style="list-style-type: none"> Generation – hourly model Coal prices based on long-term contracts - Craig increase, Rawhide decrease Natural gas based on modeling, decrease
Production	<ul style="list-style-type: none"> O&M – Rawhide, Craig, frame combustion turbines, power operations Rawhide Unit 1 five-week scheduled maintenance outage
Transmission	<ul style="list-style-type: none"> O&M – lines, substations, SCADA, fiber, telecom
Administrative and general	<ul style="list-style-type: none"> Supporting groups O&M – HQ facilities
Distributed energy resources	<ul style="list-style-type: none"> Customer energy programs DER including beneficial electrification and VPP programs and incentives



- Operating expenses, 63%
- Capital additions, 32%
- Debt expense, 5%

\$388.5 million | variance from 2024 budget: \$74 M ↑

Salaries and benefits

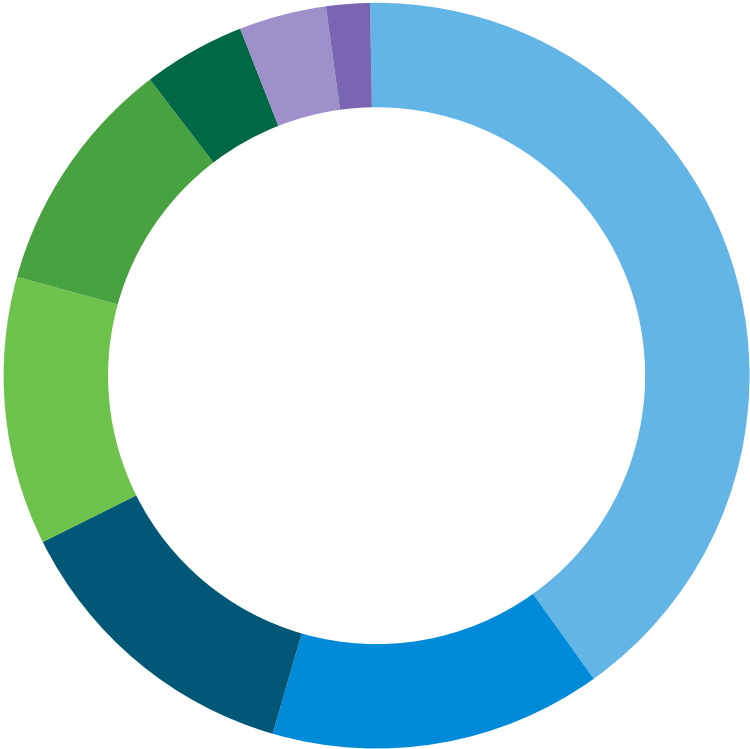
Salaries

- Regular wages increase \$2.5 M
 - Available for merit adjustments \$2 M
 - 6 new, 2 removed positions \$0.5 M
- Overtime increase \$1.5 M
 - Rawhide Unit 1 five-week scheduled maintenance outage

Benefits

- Increase of \$3.2 M
 - Medical and dental \$1.1 M
 - Defined contribution \$0.9 M
 - Defined benefit \$0.7 M
 - Social security \$0.3 M
 - Recruiting \$0.1 M
 - Other benefits \$0.1 M

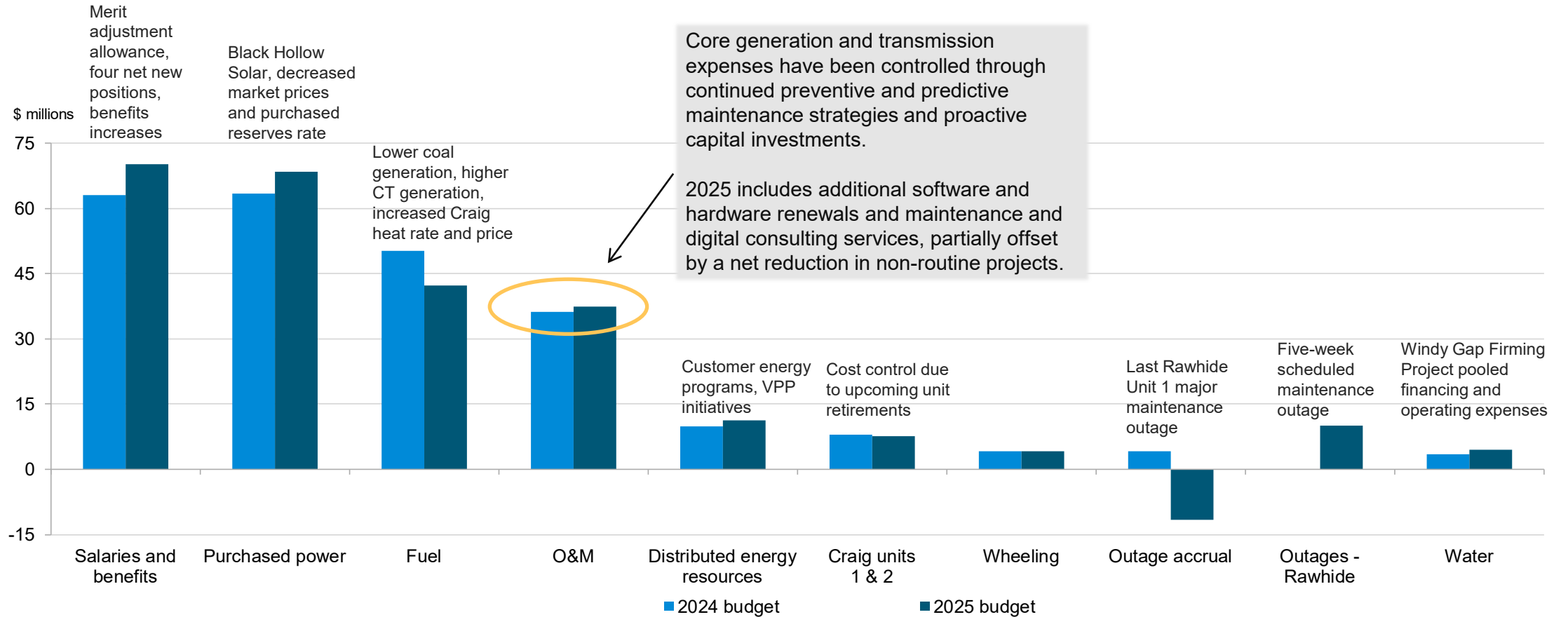
Operating expenses and capital additions



- Generation, 40%
- Contract renewables and hydro, 14%
- General business, 13%
- Fuel, 12%
- Transmission, 10%
- Distributed energy resources, 5%
- Other energy purchases, 4%
- Facilities, 2%

\$369.7 million | variance from 2024 budget: \$73.8 M 

Operating expenses



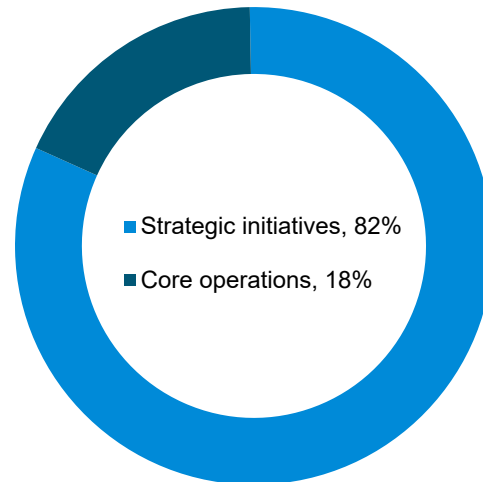
\$244.4 million | variance from 2024 budget: \$1.7 M 

2025 capital additions

\$125.3 million

Strategic projects

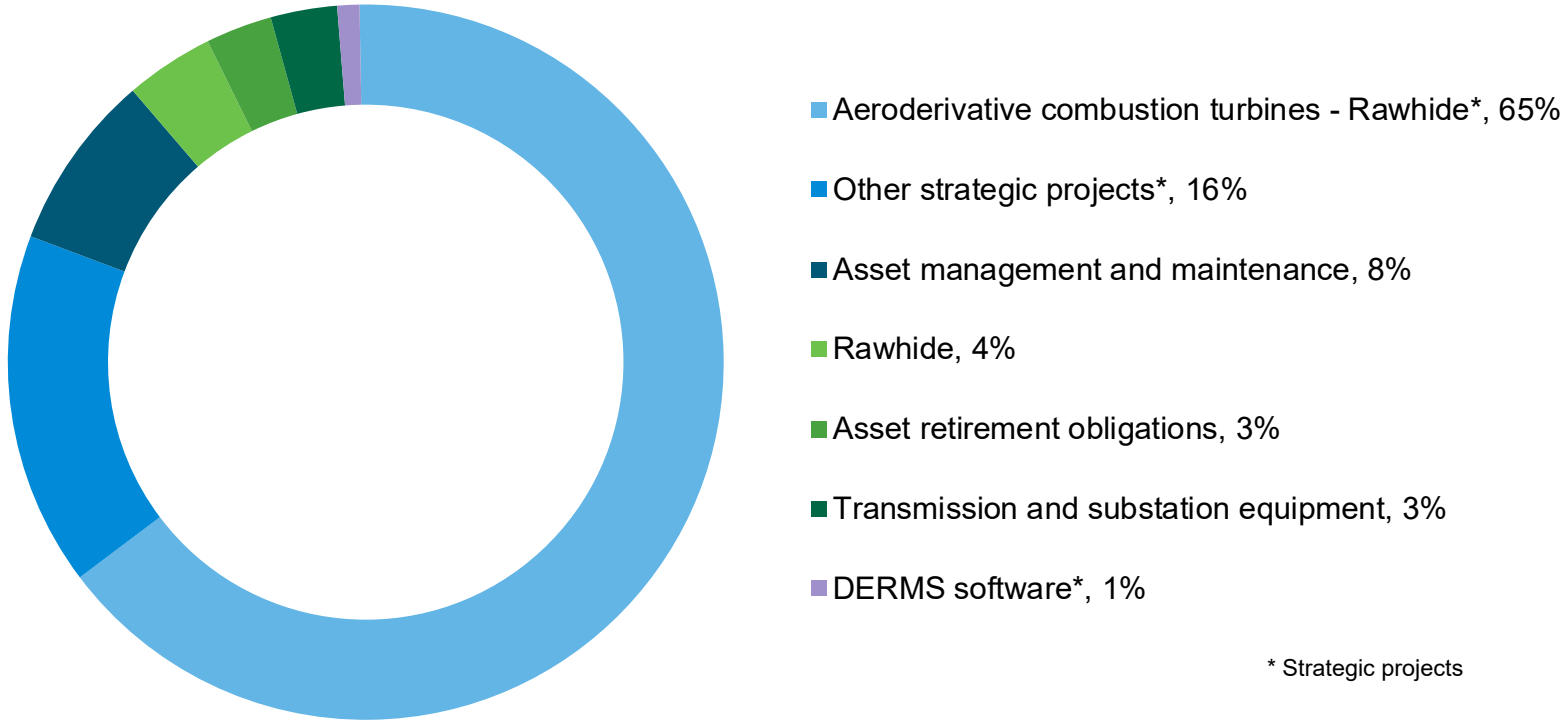
- Aeroderivatives combustion turbines
 - Aeroderivative combustion turbines - Rawhide
 - Site preparation (fire training facility) - aeroderivative combustion turbines
- Frame combustion turbines
 - Combustion component upgrade - combustion turbine Unit C
 - Wet compression - combustion turbine Unit C
- Transmission
 - Bay connection and transmission line to Severance Substation - noncarbon resources
- Distributed energy resources
 - Distribution battery storage interconnection - Town of Estes Park, City of Fort Collins, City of Longmont and City of Loveland
 - Distributed energy resources management system
- Market
 - Regional transmission organization market software



Core projects

- Rawhide
 - Outage projects, such as:
 - Dust collection system replacement - crusher building and coal transfer building
 - Evergreen controls hardware upgrade - Rawhide Unit 1
 - Construction management building modifications – Rawhide
 - Fire training pond closure
- Transmission
 - Transformer T1 replacement - Longs Peak Substation
- Fiber
 - Fiber optic expansion - Long-Haul West (Loveland to Longmont)
 - Fiber optic cable replacement - Long-Haul East (Longs Peak Substation to Longmont Civic Center)
 - Fiber optic expansion - Lyons to Longmont

2025 capital additions



* Strategic projects

\$125.3 million | variance from 2024 budget: \$72.1 M ↑

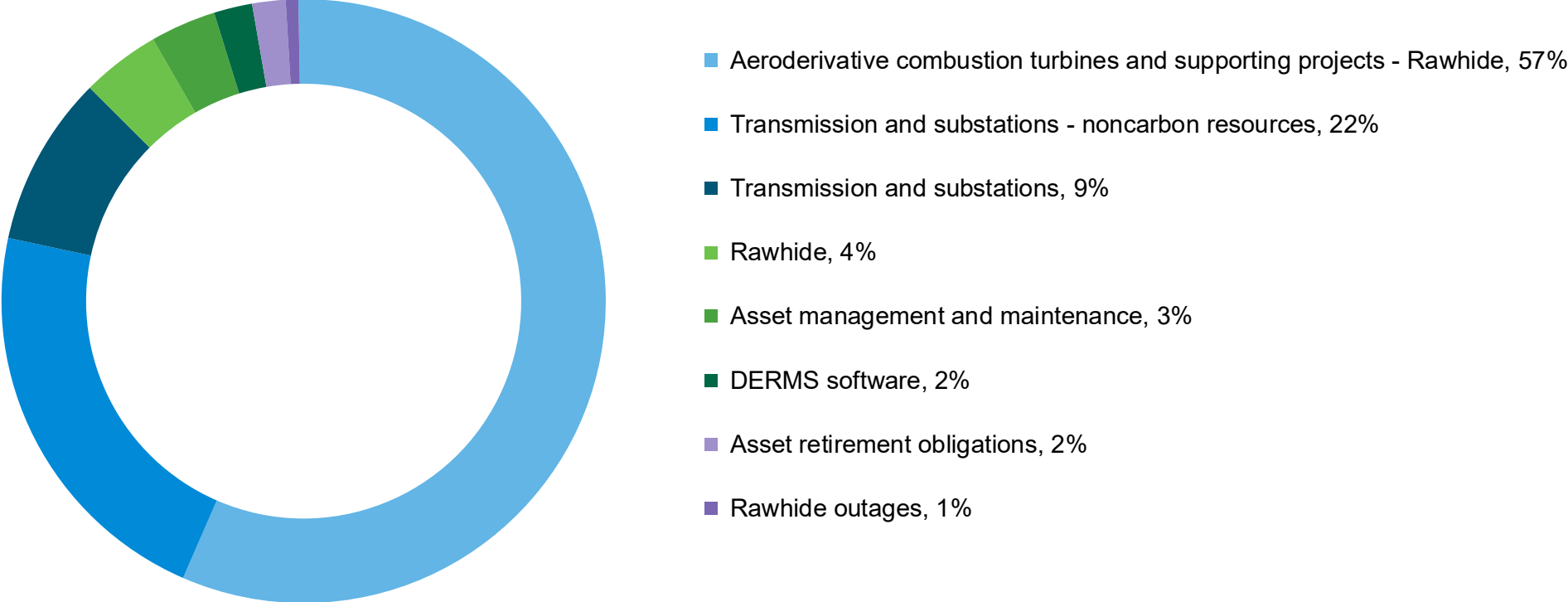
Excludes estimated 2024 capital carryovers of \$9.2 million

Capital 5-year forecast



Capital 5-year forecast

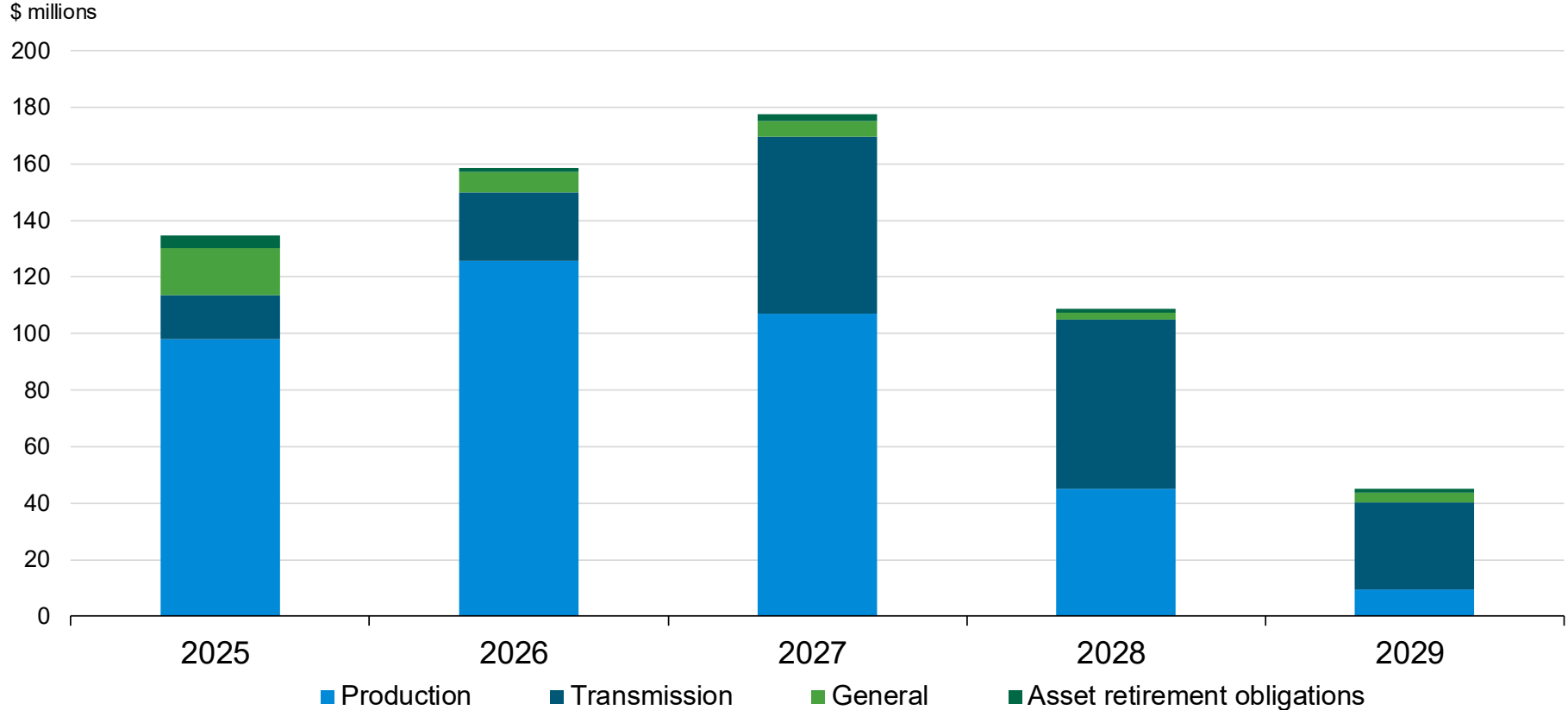
Years 2025-2029 | \$624.4 million



Includes estimated 2024 capital carryovers of \$9.2 million

Capital 5-year forecast

Years 2025-2029 | \$624.4 million

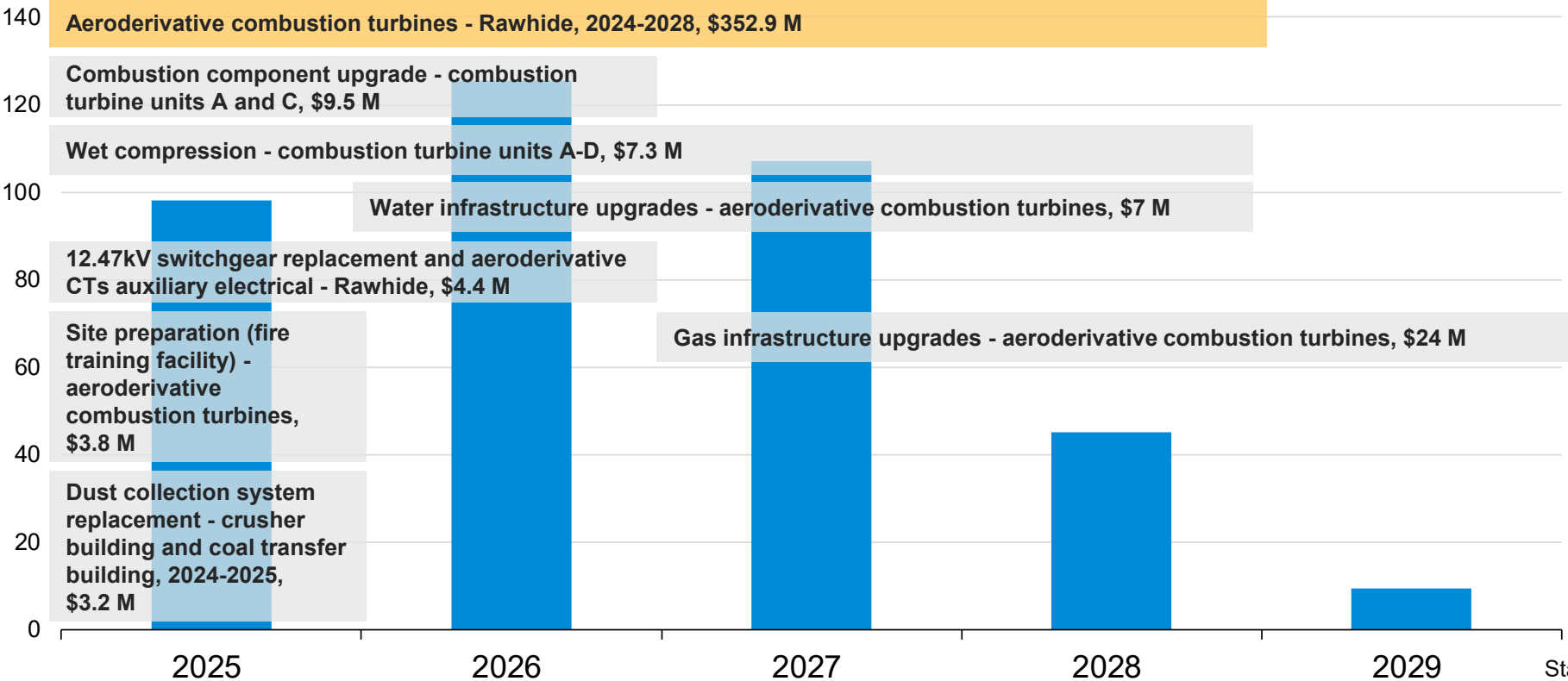


Capital 5-year forecast

Represents 81% of total

Production additions: \$385.3 million

\$ millions

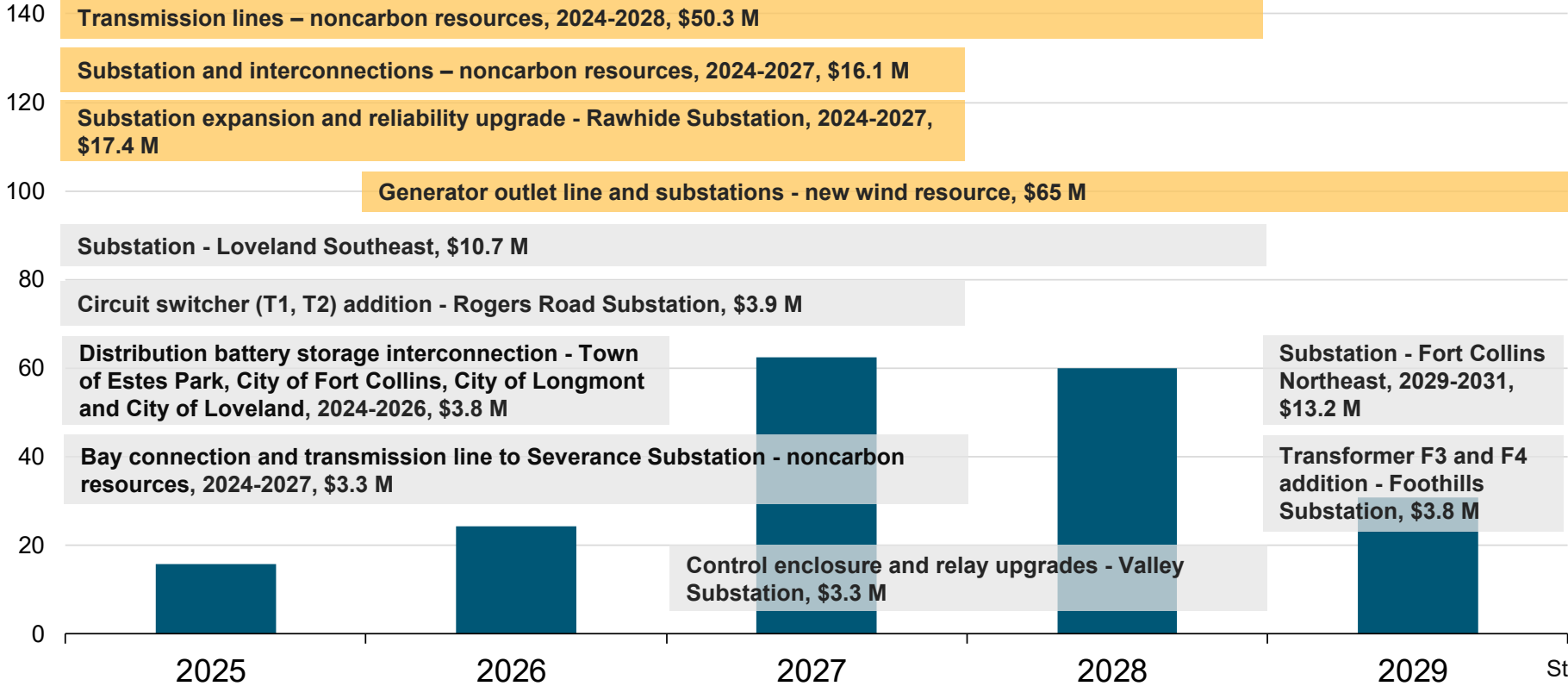


Stated amounts represent total project cost. May have had costs prior to 2025 or extend past 2029.

Capital 5-year forecast

Transmission additions: \$193.3 million

\$ millions



Represents 77% of total

6 projects 100% reimbursable, \$7.2 M gross

- Substation perimeter walls
 - Crossroads Substation
 - Richard Lake Substation
- Switchgear replacement
 - Airport Substation
- Transmission line modifications
 - Highway 287
 - I-25 widening
 - Del Camino Tap to Slater

Stated amounts represent total project cost. May have had costs prior to 2025 or extend past 2029.

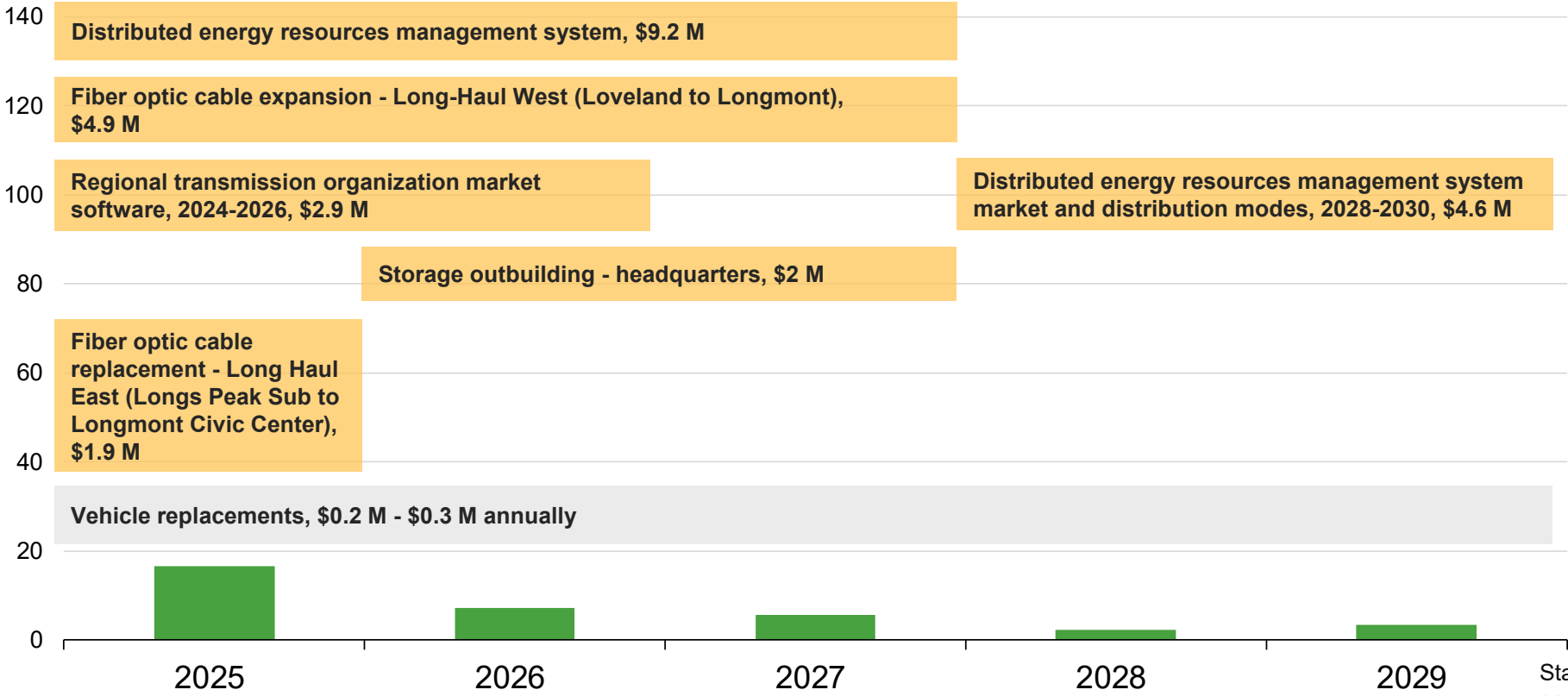
Capital 5-year forecast

General additions: \$34.7 million

Represents 69% of total

- General additions include:**
- Facilities upgrades
 - Information technology equipment
 - Communication equipment
 - Vehicles

\$ millions

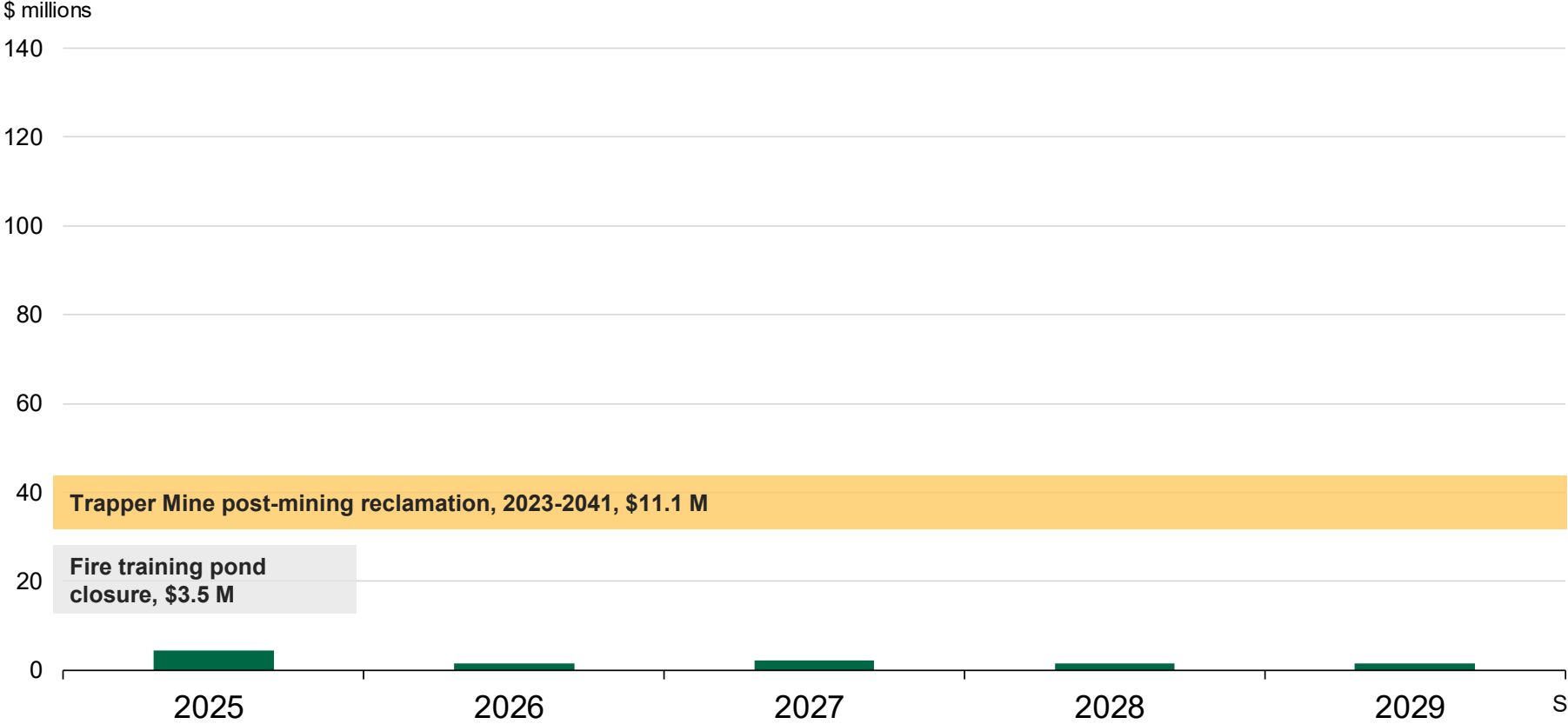


Stated amounts represent total project cost. May have had costs prior to 2025 or extend past 2029.

Capital 5-year forecast

Represents 68% of total

Asset retirement obligation additions: \$11.1 million



Stated amounts represent total project cost. May have had costs prior to 2025 or extend past 2029.

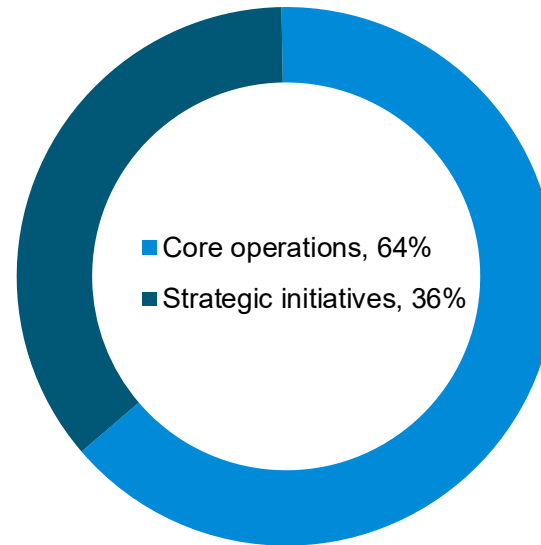
Highlights – 2025 Strategic Budget



Operating expenses and capital additions: \$369.7 million

Strategic initiatives

- Resource diversification planning and integration (noncarbon resources, dispatchable resource, transmission and substations, operational flexibility, SPP RTO West market, Chimney Hollow)
- Community partner and engagement
- Workforce culture
- Process management and coordination (data management and analytics platform, enterprise risk management, project management)



Core operations

- Baseload and peaking generation, transmission, customer energy programs
- PPAs for existing renewable resources and hydropower
- Predictive maintenance
- Proactive capital investments to maintain reliability, efficiency and environmental compliance

Revenues

- Stable owner community loads
- Decreasing sales for resale
- Increasing wheeling
- 6.3% average wholesale rate increase

2025 budget: \$462.5 M

Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Reference: budget details

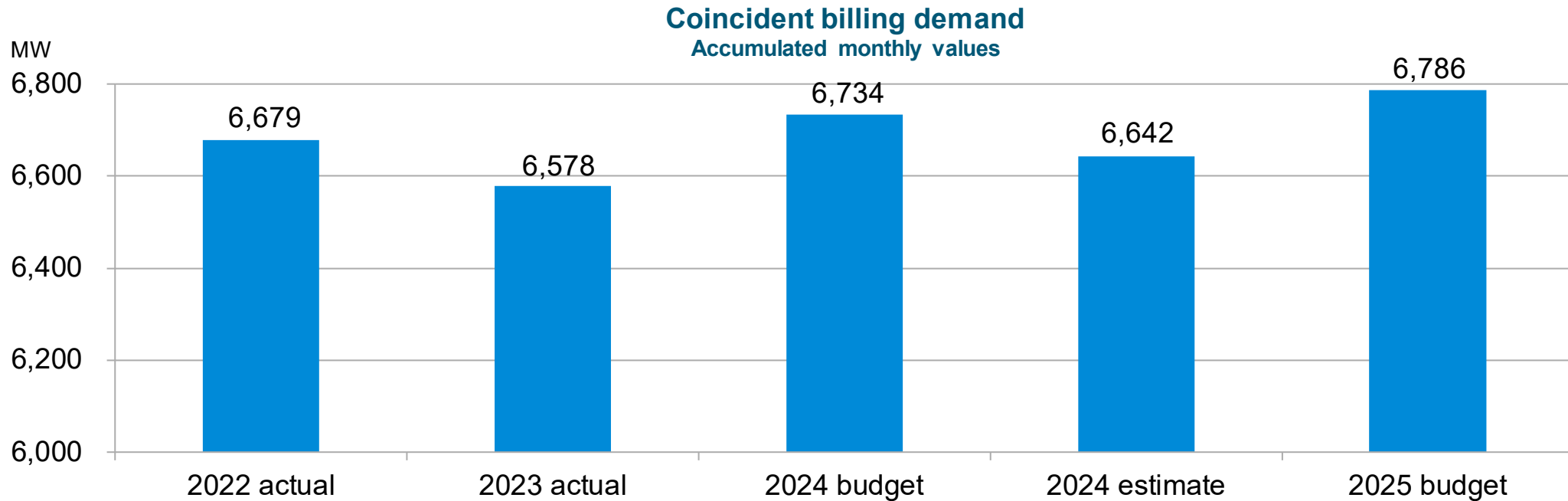
Not presented

Small differences may exist in the following tables compared to the budget document due to rounding.

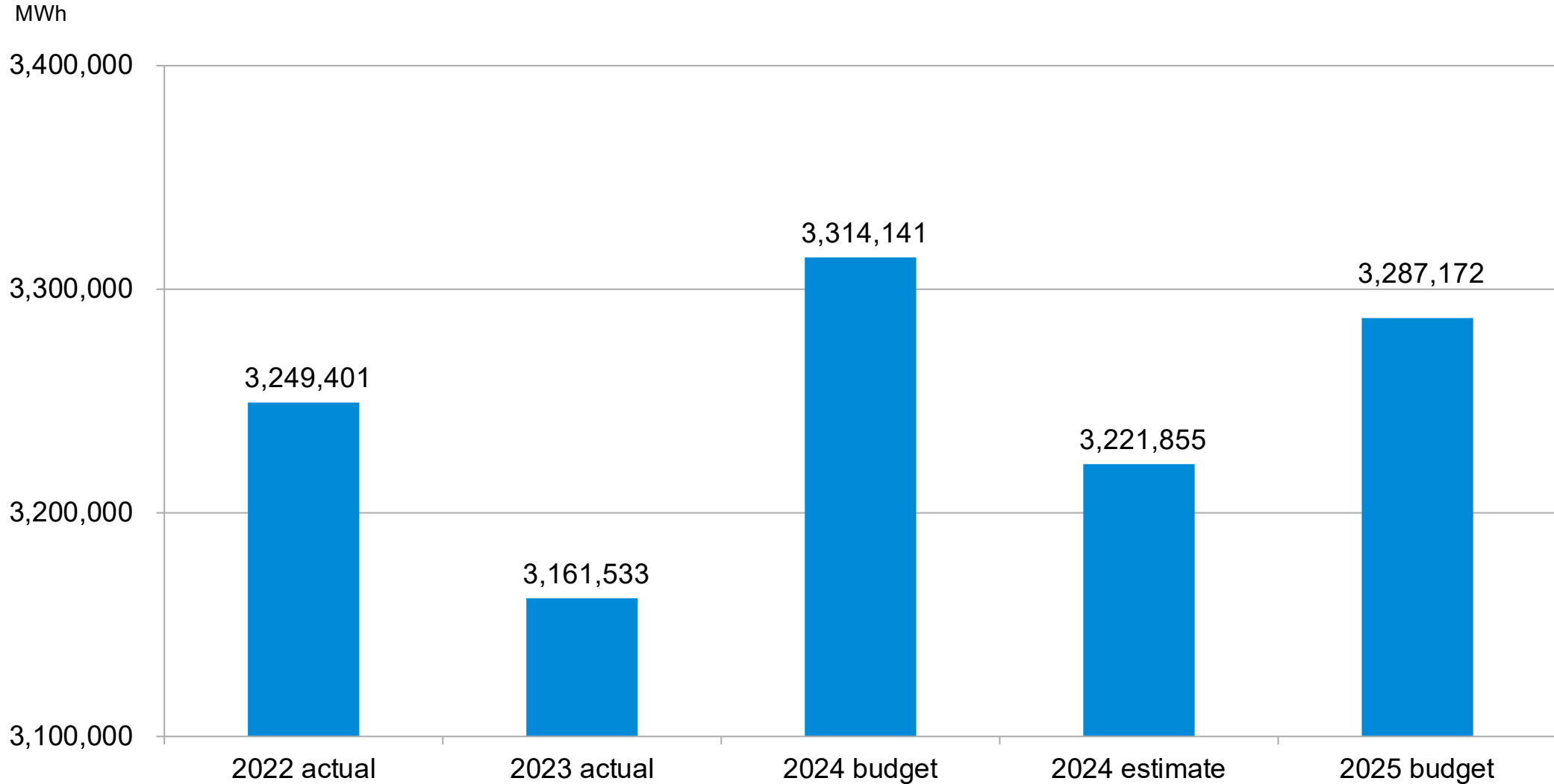


Sales to owner communities

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Sales to owner communities				6.3% average wholesale rate increase and 0.8% increase in non-coincident and coincident billing demand, partially offset by 0.8% lower loads
Owner community charge	\$ 15.2	\$ 17.9	↑ \$ 2.7	
Demand	82.9	90.0	↑ 7.1	
Energy	137.6	140.5	↑ 2.9	
Total	\$ 235.7	\$ 248.4	↑ \$ 12.7	

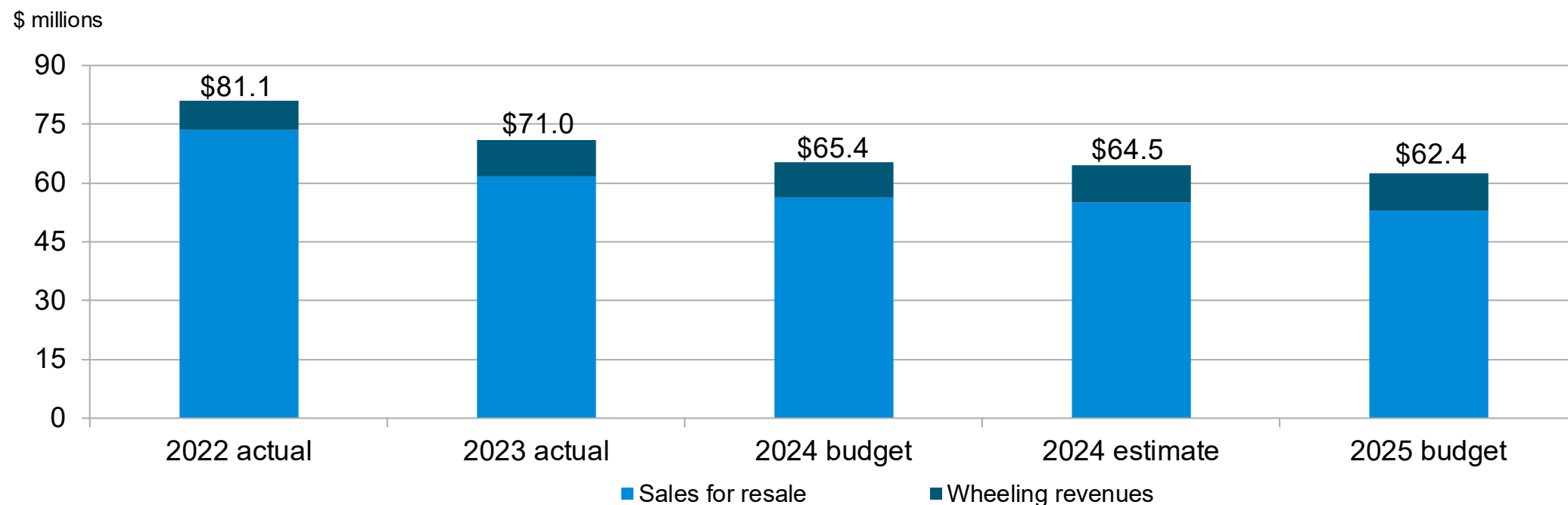


Sales to owner communities energy



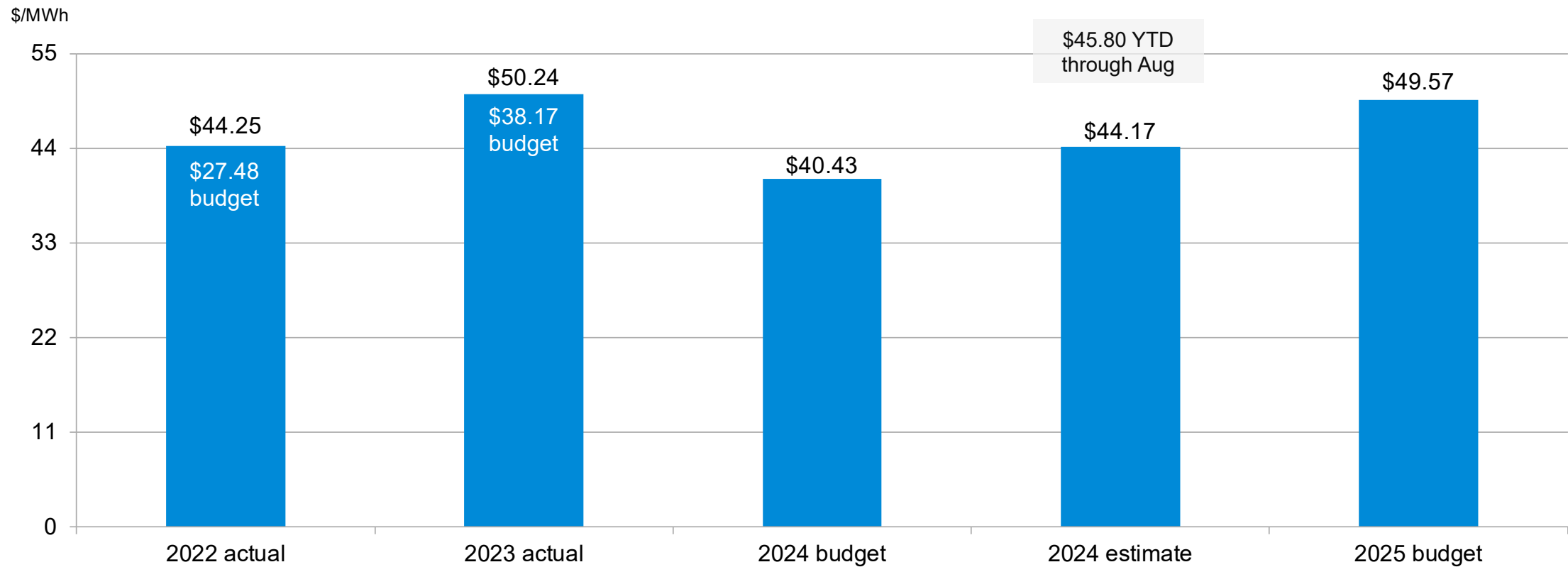
Sales for resale and wheeling

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Sales for resale and wheeling				
Long-term	\$ 20.1	\$ 17.8	⬇️ \$ (2.3)	Decreased volume as one contract expired in 2024, two contracts expiring in 2025 and lower calls on capacity contracts, partially offset by an increase to capacity on one contract
Short-term	36.4	35.2	⬇️ (1.2)	Decreased volume partially offset by higher average prices
Wheeling	8.9	9.4	⬆️ 0.5	12.5% rate increase
Total	\$ 65.4	\$ 62.4	⬇️ \$ (3.0)	



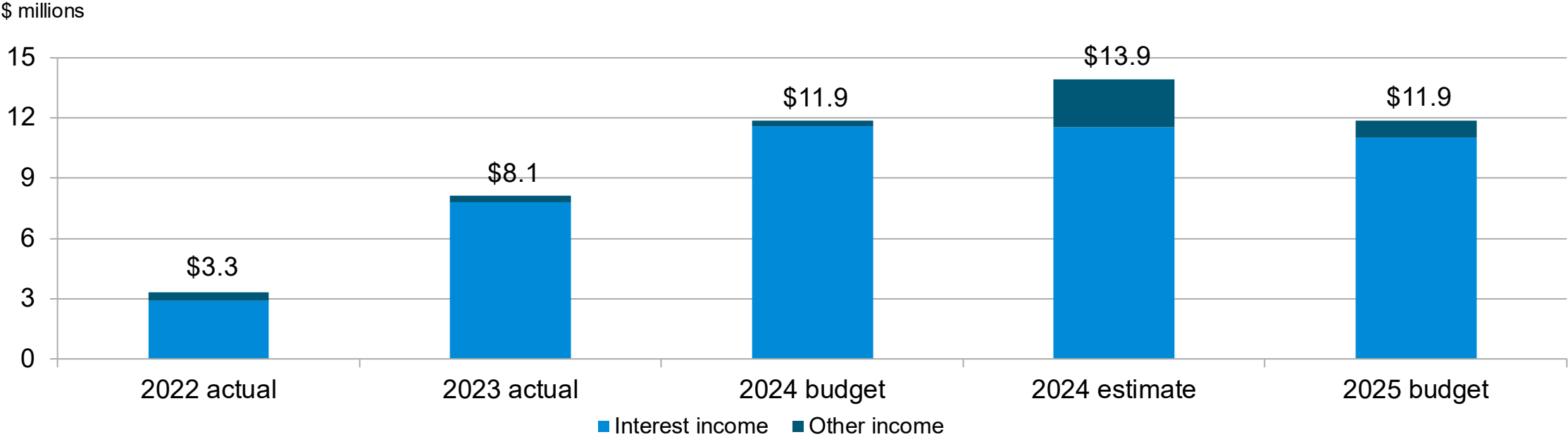
Sales for resale average price

Includes energy and capacity



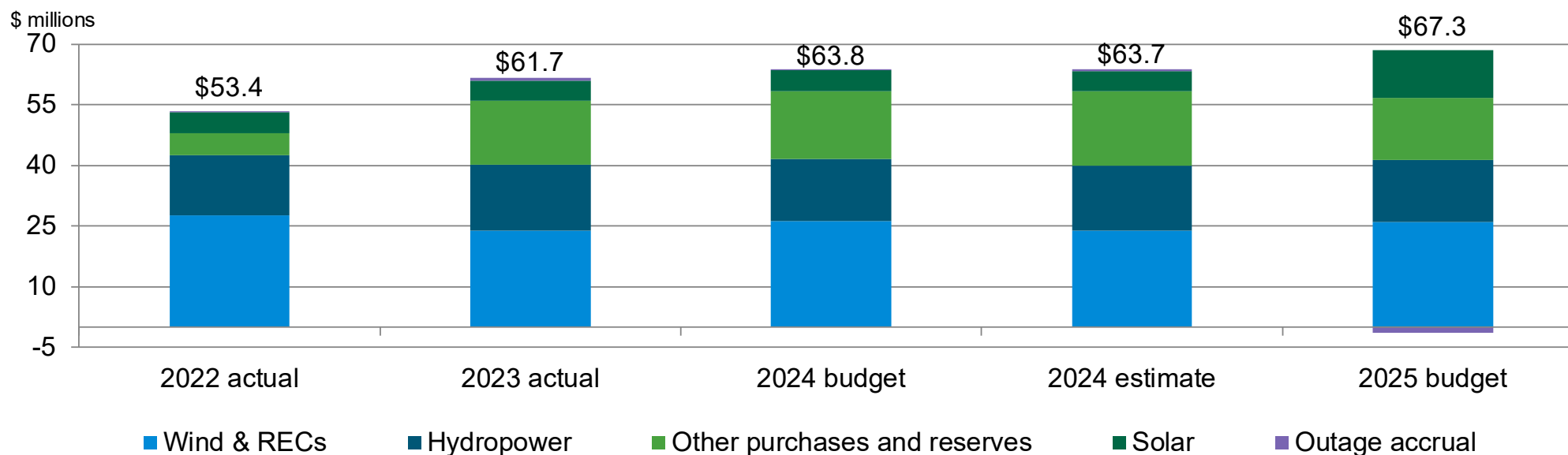
Other revenues

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Other revenues				
Interest income	\$ 11.6	\$ 11.0	↓ \$ (0.6)	Lower average investment and operating fund balances partially offset by increase in interest rates
Other income	0.3	0.9	↑ 0.6	Treatment of long-haul fiber and an estimated Trapper Mine dividend
Total	\$ 11.9	\$ 11.9	↔ \$ -	



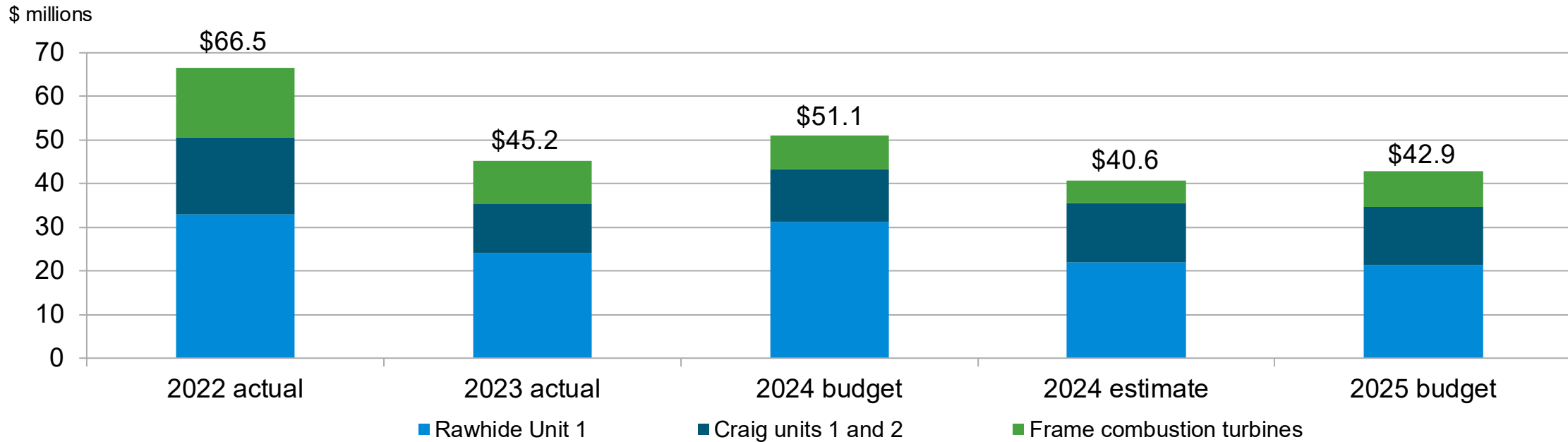
Purchased power

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Purchased power				
Wind and RECs	\$ 26.2	\$ 26.0	↓ \$ (0.2)	Decreased REC purchases and model assumptions, partially offset by wind contract rate escalations
Hydropower	15.3	15.4	↑ 0.1	Increase in LAP rates (8.8%) partially offset by a decrease in CRSP energy (5.5%), LAP energy (0.7%) and LAP demand (0.7%)
Other purchases and reserves	17.0	15.3	↓ (1.7)	Lower average prices in the SPP WEIS and bilateral markets and a lower rate for reserves
Solar	5.0	11.9	↑ 6.9	Commercial operation of Black Hollow Solar (mid-2025)
Outage accrual	0.3	(1.3)	↓ (1.6)	2025 scheduled major outage accrual reversal, accumulated accrual through the end of 2024 is sufficient, no future major outage being accrued for
Total	\$ 63.8	\$ 67.3	↑ \$ 3.5	



Fuel expense

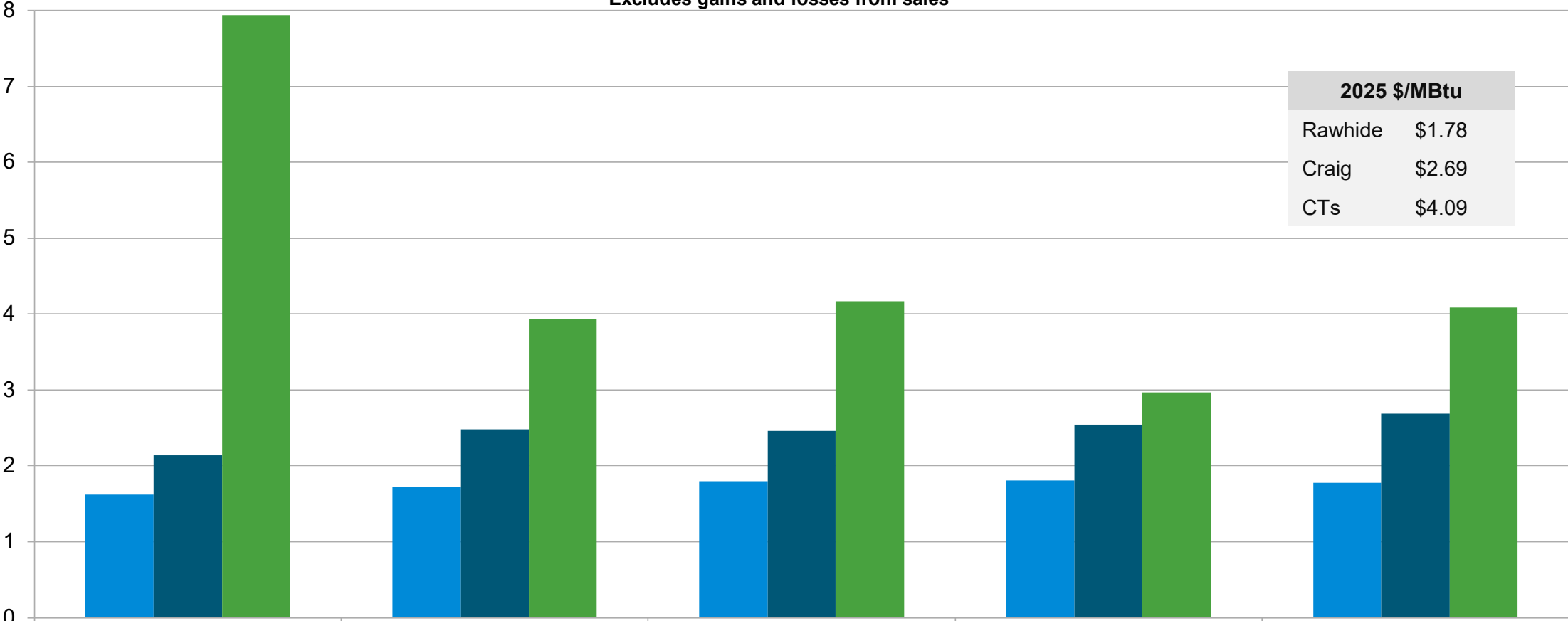
(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Fuel expense				
Rawhide Unit 1	\$ 31.2	\$ 21.4	⬇️ \$ (9.8)	Capacity factor of 45% due to generation decrease of 33% and a price decrease of 1%, partially offset by a heat rate increase of 3%
Craig units 1 and 2	12.1	13.2	⬆️ 1.1	Heat rate increase of 15% and price increase of 10%, partially offset by a capacity factor of 30.8% due to generation decrease of 13%
Frame combustion turbines	7.8	8.3	⬆️ 0.5	Generation increase of 9%, partially offset by a heat rate decrease of 2% on combustion turbine Unit F and a price decrease of 2%
Total	\$ 51.1	\$ 42.9	⬇️ \$ (8.2)	



Fuel expense

\$ per MBtu

Fuel unit cost per million Btu
Excludes gains and losses from sales



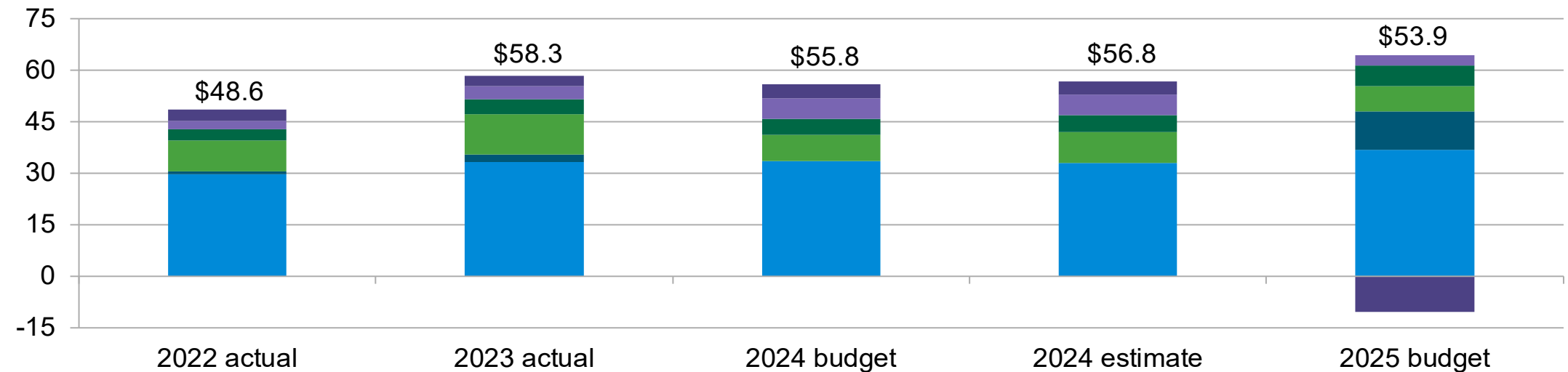
2025 \$/MBtu	
Rawhide	\$1.78
Craig	\$2.69
CTs	\$4.09

■ Rawhide Unit 1 ■ Craig units 1 and 2 ■ Frame combustion turbines

Production expenses

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Production expenses				
Rawhide Unit 1	\$ 37.4	\$ 37.7	⬆️ \$ 0.3	Increased 2025 major outage expenses, personnel expenses, Windy Gap Firming Project pooled financing costs and non-routine projects, partially offset by major outage accrual reversal
Craig units 1 and 2	7.6	7.4	⬇️ (0.2)	Reduction in staff and preparation for closure
Frame combustion turbines	6.2	2.8	⬇️ (3.4)	Decreased non-routine projects, insurance premiums and personnel expenses
Power operations	4.6	6.0	⬆️ 1.4	Increased personnel expenses and non-routine projects
Total	\$ 55.8	\$ 53.9	⬇️ \$ (1.9)	

\$ millions



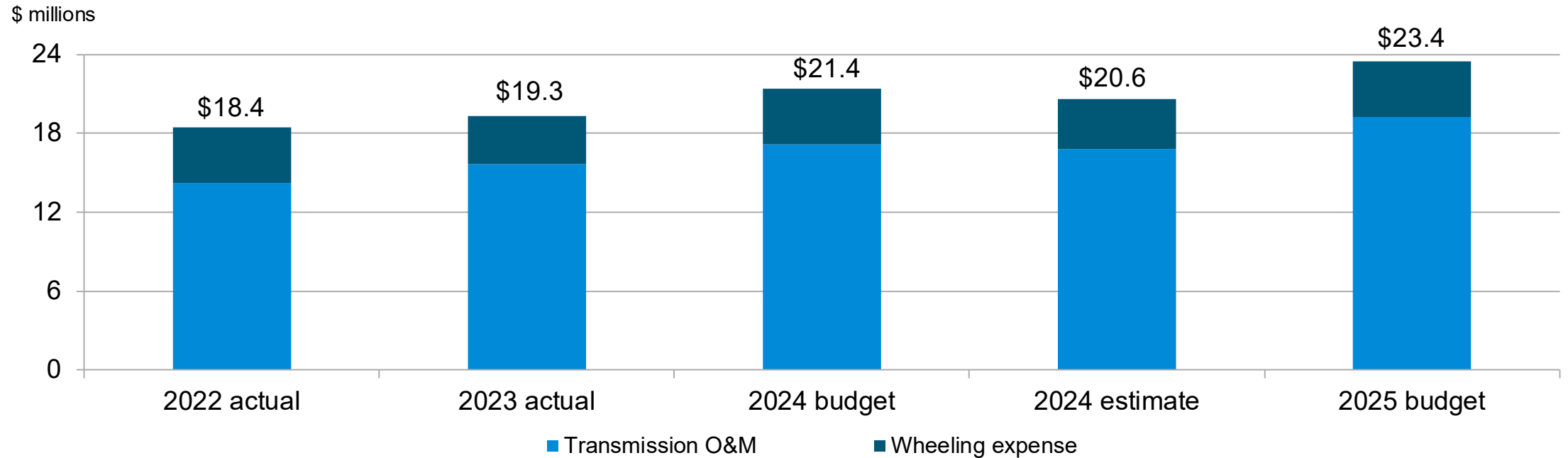
- Rawhide Unit 1
- Rawhide Unit 1 outage
- Craig units 1 and 2
- Power operations
- Frame combustion turbines
- Outage accrual

New positions:

- GIS specialist

Transmission expenses

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Transmission expenses				
Transmission	\$ 17.2	\$ 19.2	↑ \$ 2.0	Increase in personnel expenses, joint facilities projects and insurance premiums
Wheeling	4.2	4.2	↔ -	
Total	\$ 21.4	\$ 23.4	↑ \$ 2.0	

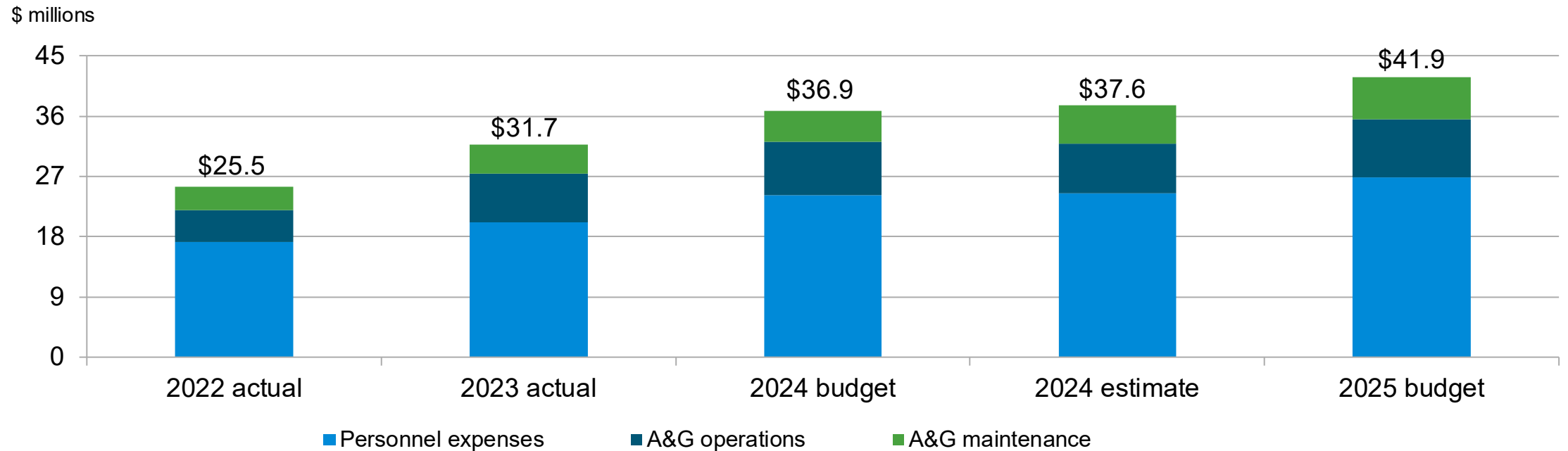


Admin and general expenses

New positions:

- Event specialist
- Manager, treasury services
- HQ maintenance planner
- Senior applications administrator

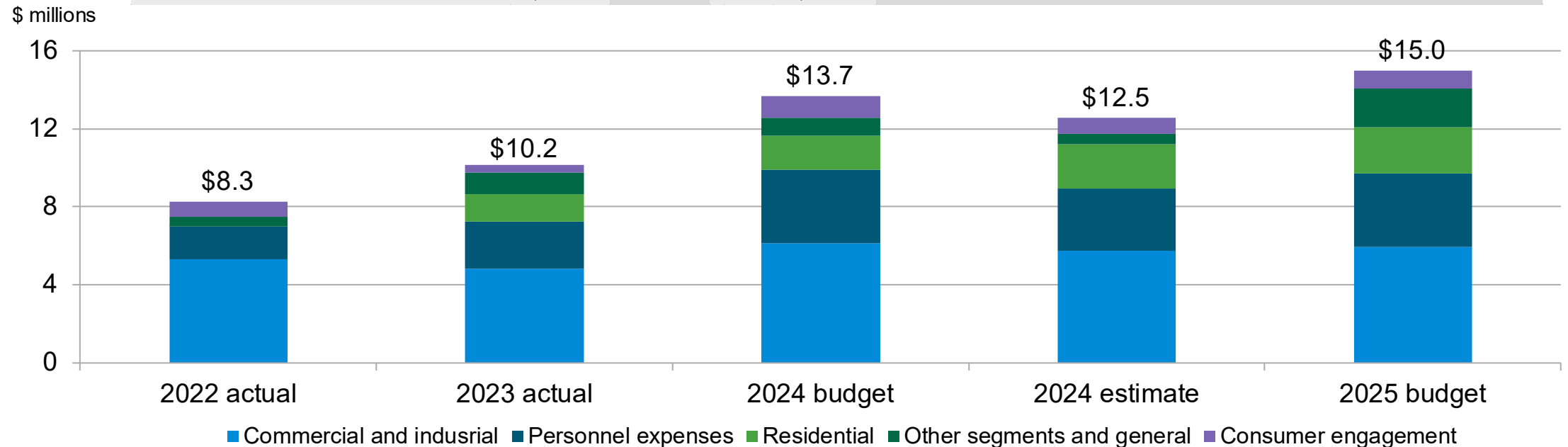
(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Administrative and general				
Operations	\$ 32.2	\$ 35.5	↑ \$ 3.3	Increased personnel expenses, insurance premiums, dues, travel and training
Maintenance	4.7	6.4	↑ 1.7	Software and hardware maintenance and staffing augmentation
Total	\$ 36.9	\$ 41.9	↑ \$ 5.0	



New positions:
 • DER services manager

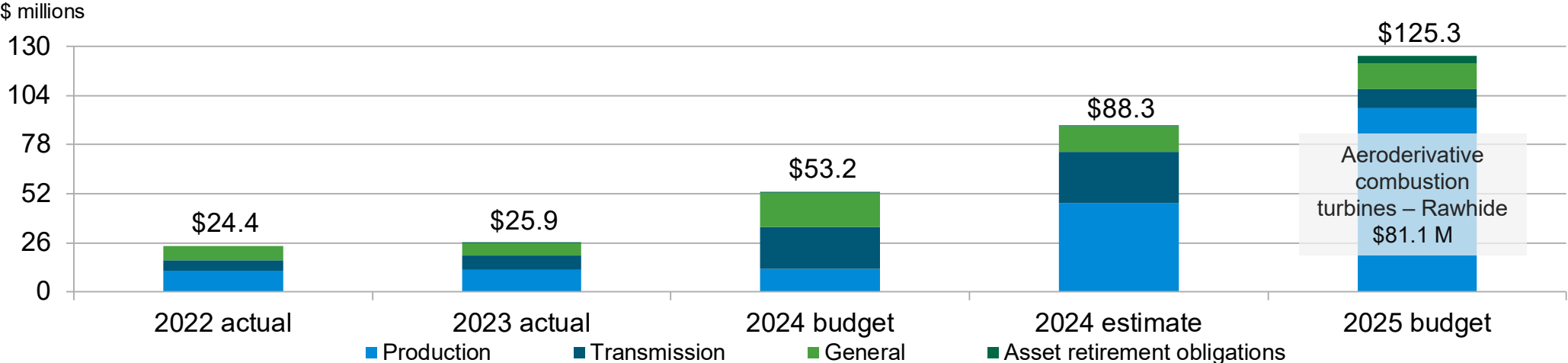
Distributed energy resources

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Distributed energy resources				
Personnel expenses	\$ 3.8	\$ 3.8	↔ \$ -	
Commercial and industrial	6.1	5.9	↓ (0.2)	Decrease in commercial incentives, partially offset by an increase in business audits
Residential	1.8	2.4	↑ 0.6	Increase incentives for income qualified programs on home retrofits and anticipated participation levels
Consumer engagement	1.1	0.9	↓ (0.2)	Decreased website design
Other segments and general	0.9	2.0	↑ 1.1	VPP program development and participation incentives
Total	\$ 13.7	\$ 15.0	↑ \$ 1.3	



Capital additions

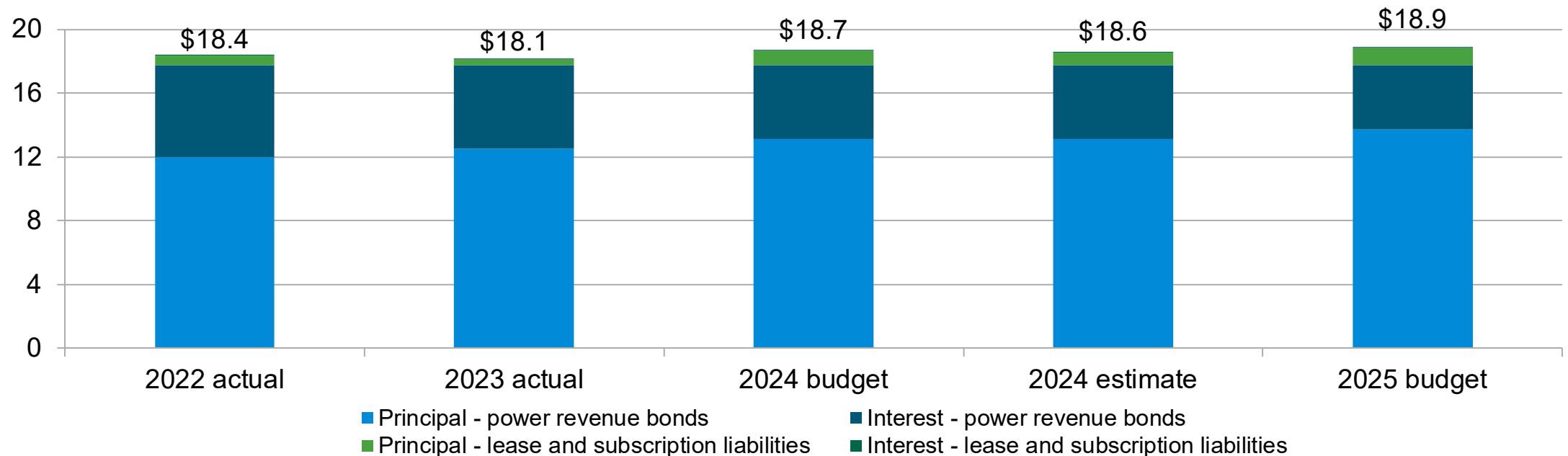
(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Projects
Capital additions				-
Production	\$ 12.4	\$ 97.4	⬆️ \$ 85.0	Aeroderivative combustion turbines Rawhide, combustion component upgrade combustion turbine Unit C, site preparation (fire training facility) - aeroderivative combustion turbines and wet compression - combustion turbine Unit C
Transmission	21.9	10.2	⬇️ (11.7)	Distribution battery storage interconnection - Town of Estes Park, City of Fort Collins, City of Longmont and City of Loveland, bay connection and transmission line to Severance Substation - noncarbon resources and transformer T1 replacement - Longs Peak Substation
General	18.0	13.3	⬇️ (4.7)	Fiber optic expansion - Long-Haul West (Loveland to Longmont), fiber optic cable replacement - Long-Haul East (Longs Peak Substation to Longmont Civic Center), regional transmission organization market software and construction management building modifications - Rawhide
Asset retirement obligations	0.9	4.4	⬆️ 3.5	Fire training pond closure and Trapper Mine post-mining reclamation
Total	\$ 53.2	\$ 125.3	⬆️ \$ 72.1	



Debt service expenditures

(\$ millions)	2024 budget	2025 budget	Increase (decrease)	Explanation
Debt service expenditures				Series JJ and Series KK power revenue bonds, lease and subscription liabilities relating to accounting pronouncements
Principal - power revenue bonds	\$ 13.1	\$ 13.7	⬆️ \$ 0.6	
Principal - lease and subscription liabilities	\$ 0.9	\$ 1.1	⬆️ \$ 0.2	Full year of Oracle Fusion Cloud
Interest - power revenue bonds	4.6	4.0	⬇️ (0.6)	
Interest - lease and subscription liabilities	\$ 0.1	\$ 0.1	↔️ \$ -	
Total	\$ 18.7	\$ 18.9	⬆️ \$ 0.2	

\$ millions





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2025 Rate Tariff Schedules review

Shelley Nywall, director of finance



Agenda

- No change in charges from May presentation
 - Owner community sales
 - 6.3% average wholesale rate increase (budget to budget)
 - Average \$75.58/MWh (proposed budget)
 - Firm Power Service Tariff
 - Other rate tariff schedules
 - Standard Offer Energy Purchase Tariff
 - Wholesale Transmission Service Tariff
 - Large Customer Service Tariff
- Approval request in October (on consent agenda)

Firm Power Service Tariff (Tariff FP-25)

Charges		2025
Owner community charge	\$/month per owner community allocation	\$15,351
Demand charges		
Transmission	\$/kW-mo of noncoincident billing demand	\$6.70
Generation: summer	\$/kW-mo of coincident billing demand	\$7.42
Generation: nonsummer	\$/kW-mo of coincident billing demand	\$5.94
Energy charges		
Fixed	\$/kWh for all energy supplied	\$0.01770
Variable	\$/kWh for all energy supplied	\$0.02458

Other tariff schedules

Standard Offer Energy Purchase Tariff (Tariff SO-25)

- Avoided Energy Rate \$0.02328, 6.3% increase

Wholesale Transmission Service Tariff (Tariff WT-25)

- No changes
- Original effective date June 1

Large Customer Service Tariff (Tariff LC-25)

- Charges established through separate contract
- Changes tied to Firm Power Service Tariff and annual budget

Summary

- Owner community rates staffs were given rates information in May to facilitate their budgeting process
- Next step: request board adoption in October of the 2025 Rate Tariff Schedules with a Jan. 1, 2025 effective date

Questions



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Building the Efficiency Works virtual power plant

Paul Davis, manager, distributed energy resources





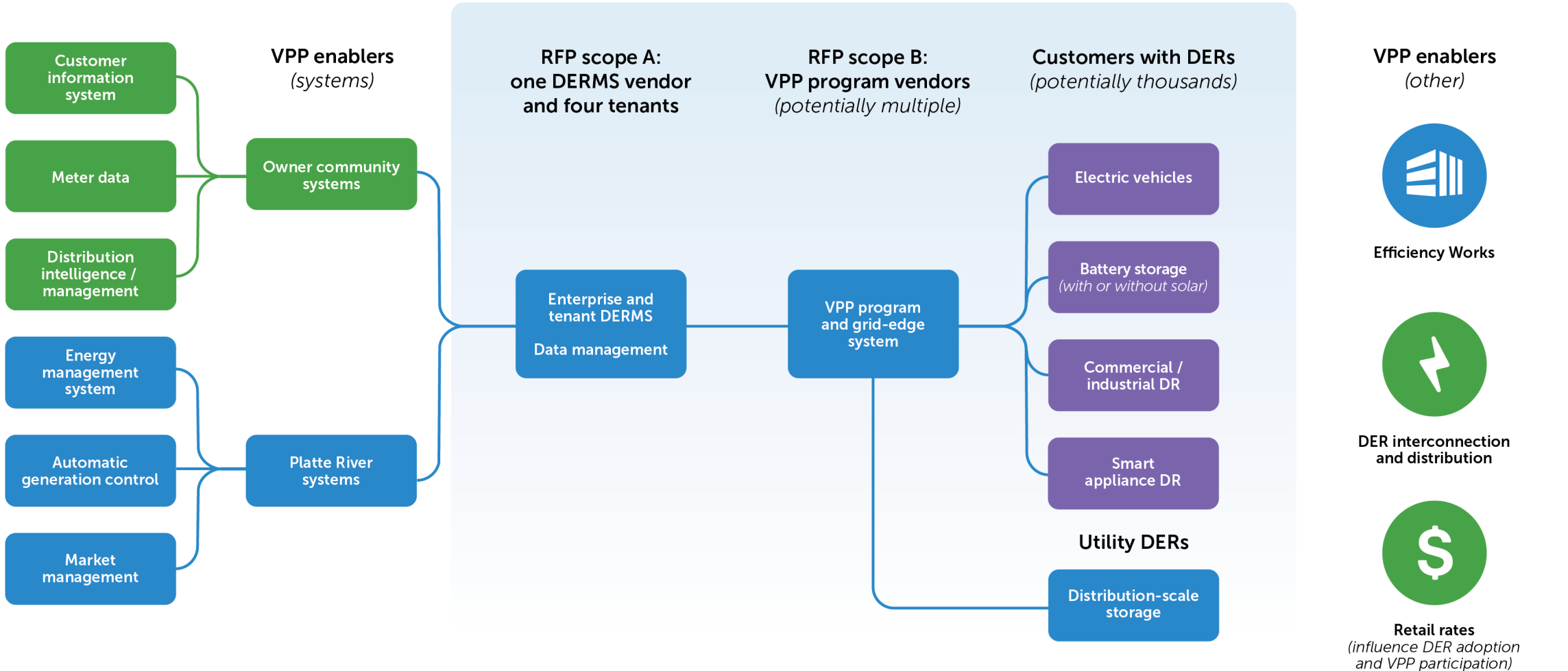
Efficiency WorksTM Virtual Power Plant (VPP)

- A jointly dispatchable resource formed from the four owner communities' customers' distributed energy resources (DER) and utility DER
- Supports reliability and financial sustainability
 - Aligns DER operation with variable noncarbon generation
 - Responds to transmission and distribution constraints (if present)
- Provides an opportunity for customers to easily participate and benefit

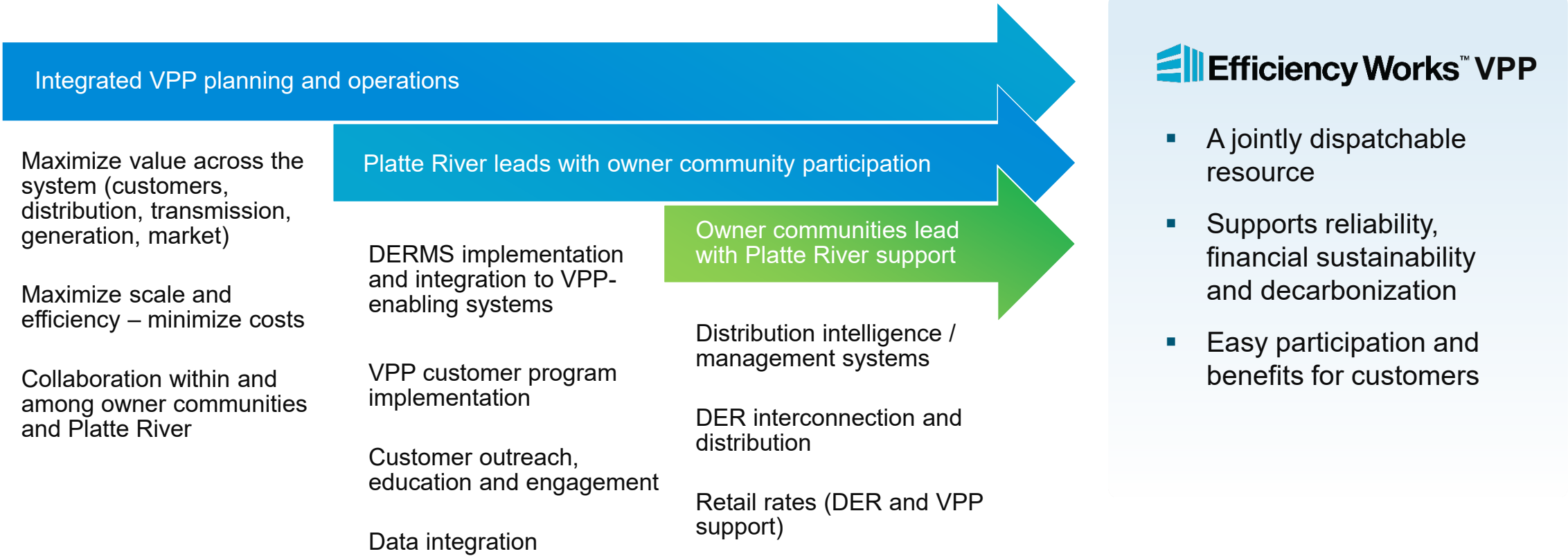
VPP development is underway

- Procurement for two key elements of the VPP is in process
 - Request for proposals issued end of May 2024
 - Received several proposals for two scopes of work
 - Scope A: DER management system (DERMS)
 - Scope B: VPP customer programs
 - Proposals under review by team of Platte River and owner community staff
- Key elements of VPP are included in Platte River's resource planning
 - Forecasting 25 MW dispatchable capacity by summer 2030
 - Including forecasted capital and program costs in wholesale rate forecast

VPP key elements and enablers



Where we go from here



Questions



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Community support and involvement policy

**Kendal Perez, manager, strategic communications
and community relations**



Platte River's community partnership

Economic development

- Grown from \$5,000 to \$120,000 currently
- Distributed annually among four owner communities

Community relations

- Contribute to local, regional and industry partners and events
 - Chambers of commerce
 - Community organizations
 - Sustainable Living Association
 - Sustainable Resilient Longmont
 - Colorado Science and Engineering Fair
 - Poudre River Water Forum

Platte River's community partnership (continued)

Community engagement

- Creating opportunities to engage and educate the public
 - Community partners and programs
 - United Way of Larimer County
 - CSU Energy Institute
 - Community events and programs
 - Arbor Day
 - Bike to Work (or Wherever) Day
 - NoCo Time Trials

Community support

- Providing grants to community organizations
 - Boys and Girls Clubs of Larimer County
 - Respite Care
 - Neighbor to Neighbor
- Applications are submitted through Platte River's website
- Requests evaluated by a cross-functional committee with guidance from board policy

Community support and involvement policy

Policy background

- Established in 2013 to provide support for local non-profit groups through
 - Volunteer activities
 - Fundraising and giving activities
 - Financial contributions
- Provides purpose and general guidance for achieving the policy
- Recommendations from cross-functional committee are shared by communications, marketing and external affairs team

Guideline document

- Internal document developed in 2018 to provide specific guidance for grant evaluations
- Offers additional criteria for committee to consider when evaluating grant requests, emphasizing support for:
 - Children and youth
 - Hunger
 - Homelessness
 - Environment



Community support and involvement policy (cont'd)

Financial contributions

- \$35,000 is currently budgeted
- Donations range from \$500 to \$5,000 and are based on specific requests and timing

Donation examples in last 12 months

- Homeward Alliance
- Food Bank for Larimer County
- CASA of Larimer County
- Northern Colorado Wildlife Center
- Thompson Valley Art League
- ChildSafe
- 3 Hopeful Hearts



Policy review and changes

- Original version with redlines and edited version are in tab 6 of your board packet
- Policy is more than 10 years old, required updates including:
 - Removed reference to Resolution No. 32-12 related to economic support (no longer relevant)
 - Added content detailing the process for non-profit organizations to request donations
 - Added a criterion to the list of organizations to which Platte River should not provide financial contributions
- Subsequent updates will be made within parameters of policy
 - Request review/approval authority be delegated to general manager/CEO

Board action

- No board action required during September board meeting
- Action requested via resolution at the October board meeting to:
 - Update the policy with suggested edits
 - Amend the approval authority

Questions



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August operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	669 MW	691 MW	22 MW	3.2%	●
Owner community energy	319 GWh	310 GWh	(9 GWh)	(2.7%)	■
Net variable cost* to serve owner community energy	\$4.5M	\$4.2M	(\$0.3M)	(3.1%)	●
	\$13.97/MWh	\$13.54/MWh	(\$0.43/MWh)		

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

Market impacts to net variable cost

Downward pressure	
Generation and market variances pushing costs lower	
Lower gas generation volume and cost	\$1.17M
Coal generation fuel savings - Rawhide	\$0.75M
Higher bilateral sales volume	\$0.50M

Upward pressure	
Generation and market variances pushing costs higher	
Lower market sales volume and pricing	\$1.10M
Lower bilateral sales pricing	\$0.55M
Higher market purchase pricing	\$0.52M

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

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	4,352 MW	4,192 MW	(160 MW)	(3.7%)	■
Owner community energy	2,241 GWh	2,160 GWh	(81 GWh)	(3.6%)	■
Net variable cost* to serve owner community energy	\$38.6M	\$31.7M	(\$6.9M)	(14.6%)	●
	\$17.21/MWh	\$14.69/MWh	(\$2.52/MWh)		

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

Market impacts to net variable cost

Downward pressure	
Generation and market variances pushing costs lower	
Coal generation fuel savings - Rawhide	\$6.14M
Lower wind generation and pricing	\$3.09M
Higher bilateral sales pricing	\$2.52M

Upward pressure	
Generation and market variances pushing costs higher	
Lower bilateral and market sales volume	\$3.54M
Higher coal generation fuel pricing - Craig	\$1.67M
Higher market purchase volume and pricing	\$1.53M

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



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Financial summary

Category	August variance from budget (\$ in millions)		YTD variance from budget (\$ in millions)	
Change in net position	\$0.9	●	\$8.3	●
Fixed obligation charge coverage	(.04x)	◆	.24x	●
Revenues	\$(0.6)	◆	\$(3.9)	◆
Operating expenses	\$0.2	◆	\$9.4	●
Capital additions	\$(37.6)	■	\$(23.4)	■

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

* August and YTD variance for change in net position includes \$0.8 million and \$2.4 million above budget unrealized gains on investments, respectively.



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