



Estes Park • Fort Collins • Longmont • Loveland

Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525
Thursday, Dec. 12, 2024, 9 a.m.

Call to order

- | | |
|--|--------------------------|
| 1. Consent agenda | <i>Motion to approve</i> |
| a. Minutes of the regular meeting of Oct. 31 2024 | |
| b. 2025 proposed board of directors regular meeting schedule | <i>Resolution 13-24</i> |

Public comment

Committee report

- | | |
|---|-------------------------|
| 2. Defined Benefit Plan committee report | |
| a. Defined Benefit Plan committee appointment | <i>Resolution 14-24</i> |

Board action items

- | | |
|--|-------------------------|
| 3. 2025 Strategic Budget review and adoption | <i>Resolution 15-24</i> |
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Management presentations

4. Extending the Organic Contract and Power Supply Agreement revisions
5. Transmission planning strategy in an RTO
6. Transmission operations and costs in an RTO

Management reports

7. Benefits update
8. Economic development policy – direct community support

Monthly informational reports – October

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

Strategic discussions

Adjournment



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2025 board meeting planning calendar

Updated Dec. 4, 2024

Feb. 27, 2025 Annual meeting

Defined Benefit Plan committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
Annual election of officers	2024 year in review		Q4 performance dashboard
Defined Benefit Retirement committee appointments	Long-term fuel supply project		Legal, environmental and compliance report
Transfer of 2024 capital budget carryover to 2025 budget			Resource diversification report
Direct community support policy			Operating report
			Financial report
			General management report

March 27, 2025

Board action items	Management presentations	Management reports	Monthly informational reports
General manager annual review	Resource adequacy annual report		Legal, environmental and compliance report
			Resource diversification report
			Operating report
Committee report			Financial report
Defined Benefit committee report			General management report



Platte River

Power Authority

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April 24, 2025

Board action items	Management presentations	Management reports	Monthly informational reports
2024 FORVIS financial audit report	RTO West transition update		Q1 performance dashboard
Acceptance of 2024 annual report			Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

May 29, 2025

Defined Benefit Plan committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
Revision to wholesale transmission service (Tariff WT-26)	Average wholesale rate projections and 2026 tariff schedule charges	Wholesale rate projections	Legal, environmental and compliance report
	Legislative session update		Resource diversification report
			Operating report
			Financial report
			General management report

June 7-11, 2025

APPA National Conference (New Orleans, LA)



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July 31, 2025

Board action items	Management presentations	Management reports	Monthly informational reports
	Average wholesale rate projections and 2026 tariff schedule charges	Legislative session recap	Q2 performance dashboard
			Legal, environmental and compliance report
			Resource diversification report
			Operating report
Committee report			Financial report
Defined Benefit committee report			General management report

Aug. 28, 2025

Defined Benefit Plan committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
	Rates 101		Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report



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Sept. 25, 2025

Board action items	Management presentations	Management reports	Monthly informational reports
	2026 proposed strategic budget work session	Staffing update (memo only)	Legal, environmental and compliance report
	2026 rate tariff schedules		Resource diversification report
	Rawhide Unit 1 major outage preview		Operating report
Committee report			Financial report
Defined Benefit committee report			General management report

Oct. 30, 2025

Defined Benefit Plan committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
2025 FORVIS financial audit plan	2026 proposed strategic budget update – public hearing		Q3 performance dashboard
2026 rate tariff schedules			Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

November 2025

No board of directors meeting



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Dec. 11, 2025

Board action items	Management presentations	Management reports	Monthly informational reports
2026 proposed board of directors regular meeting schedule	Rawhide Unit 1 major outage update	Benefits update (memo only)	Legal, environmental and compliance report
2026 Strategic Budget review and adoption			Resource diversification report
			Operating report
Committee report			Financial report
Defined Benefit committee report			General management report

Topics to be scheduled:

- Enterprise risk management update

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

Darrell Hahn

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.



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Memorandum

Date: 12/4/2024

To: Board of directors

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

Subject: Consent agenda – December

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 Oct. 31, 2024
- Resolution 13-24: 2025 proposed board of directors regular meeting schedule



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Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, Oct. 31, 2024

Attendance

Board members

Representing Estes Park: Mayor Gary Hall and Reuben Bergsten¹
Representing Fort Collins: Mayor Jeni Arndt and Tyler Marr
Representing Longmont: Mayor Joan Peck and David Hornbacher
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

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)
Eddie Gutiérrez (chief strategy officer)
Angela Walsh (executive director of board and administration, board secretary)
Esther Velasquez (senior executive assistant)
Josh Pinsky (IT service desk technician II)
Shelley Nywall (director, finance)
Jason Harris (senior manager, financial reporting and budget)
Libby Clark (director, human resources and safety)
Paul Davis (manager, distributed energy resources)
Pat Connors (director, portfolio strategy and integration)
Travis Hunter (director, power generation)
Kendal Perez (manager, strategic communications and community relations)
Javier Camacho (director, public/external affairs, strategic communications/social marketing)
Maia Jackson (senior communications and marketing specialist)
Izzy Smith (communications and marketing specialist)
Hannah Whitley (human resources specialist)

Guests

Anna Thigpen (Forvis Mazars)
Chris Telli (Forvis Mazars)
Darrell Hahn (Longmont Power and Communications)

Call to order

Chair Gertig called the meeting to order at 9:00 a.m. A quorum of board members was present

¹ Attended via Zoom Webinar

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 Sept. 26, 2024
- b. Resolution 11-24: 2025 Rate Tariff Schedules
- c. Resolution 12-24: Community support and involvement policy

Director Bergsten moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 8-0.

Public comment

Chair Gertig opened the general public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably among in-person members of the public and callers wishing to speak at the start of public comment, but limited to a maximum of three minutes per speaker. One member of the public addressed the board.

Board action items

2. 2024 Forvis Mazars financial audit plan (presenter: Dave Smalley)

Dave Smalley, chief financial officer and deputy general manager, introduced Anna Thigpen and Chris Telli with Forvis Mazars to present the 2024 financial pre-audit letter and audit engagement letter, and highlight the planning and timing of the 2024 annual audit for Platte River's financial statements and defined benefit plan.

Anna Thigpen, audit director with Forvis Mazars, presented the pre-audit letter including the implementation of GASB Statement No. 101, Compensated Absences, effective for year-end 2024.

Chris Telli, partner with Forvis Mazars, summarized the engagement letter, outlining the scope of services, associated fees, and terms and conditions for conducting the audit.

Chair Gertig asked how the audit will evaluate the implementation of the new enterprise resource planning system. Mr. Telli responded that the team will look at the internal controls supporting the financial statements and processes to ensure the numbers from the old process have converted appropriately to the new system. He noted Forvis Mazars will not perform an information technology audit on the system itself.

Director Hall moved to authorize the board chair to sign the 2024 Forvis Mazars audit plan and engagement letter as presented. Director Peck seconded. The motion carried 8-0.

Jason Frisbie, general manager and chief executive officer, let the board know Platte River had not received the Grid Resilience and Innovation Partnerships (GRIP) grant it applied for earlier in the year. He then introduced the Grid Employment Office grant video on a battery storage project in Estes Park. Director Bergsten thanked the staff for all the work put into the GRIP grant effort.

Management presentations

3. Proposed 2025 Strategic Budget – public hearing (presenters: Jason Harris)

Jason Harris, senior manager, financial reporting and budget, reviewed the changes made to the proposed 2025 Strategic Budget since the September board meeting, along with financial results and highlights.

Mr. Frisbie mentioned that the Medicine Bow wind project, which was the first wind project in Platte River's portfolio, will be decommissioned later this year and will not be included in the purchased power budget starting in 2025.

Director Hall asked if it is typical for there to be large shifts in days adjusted liquidity on hand shift from year to year. Mr. Harris responded that it is not typical, and it reflects the capital projects for 2025 that will be funded with the cash on hand. He added that debt financing is included in long-term planning. Mr. Frisbie added the liquidity on hand gives Platte River flexibility in negotiations and allows the finance department to strategically plan before entering the bond market. Dave Smalley, chief financial officer and deputy general manager, noted that using cash on hand is normal for Platte River because most expenditures are constant until we have a large capital project to pay for. Discussion continued among directors and staff regarding days cash on hand and the strategy for maintaining a minimum of 200 days' cash on hand.

Chair Gertig asked how staff will use modeling to predict the unknown market costs. Melie Vincent, chief operating officer, generation, transmission and markets, replied that getting more experience in the Regional Transmission Organization (RTO) market will help in forecasting. She also said stochastic modeling can provide a range of probabilities to use for planning margins. Mr. Frisbie added that the majority of costs were historically known for coal generation, but as Platte River transitions to more renewable energy resources, net costs will fluctuate, and Platte River's future cost planning strategy will have to change.

Director Hall asked what 'wheeling' means. Ms. Vincent responded that wheeling is when other companies pay to use Platte River's transmission system to transfer power.

Chair Gertig stated the proposed 2025 Strategic Budget for Platte River had been delivered to the board of directors in accordance with applicable law. Legal notices were published announcing the proposed 2025 Strategic Budget was available to the public for inspection and



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the public hearing would be held October 31 for the board to receive public comment on the proposed Strategic Budget before final adoption by the end of the year.

Chair Gertig declared the public hearing on the proposed 2025 Strategic Budget for Platte River Power Authority open.

No members of the public addressed the board regarding the budget.

Chair Gertig asked if there were any additional comments or questions from the board regarding the proposed budget. There were none.

Chair Gertig closed the public hearing.

4. Utility scale storage request for proposals update (presenter: Pat Connors)

Pat Connors, director, portfolio strategy and integration, presented an update on the request for proposals seeking 75-100 MW of nameplate four-hour battery energy storage. Platte River plans to finalize the preferred project later in 2024.

Director Marr asked if the batteries will be charged when energy costs are lowest or surplus renewable energy is on the system. Mr. Connors responded that the goal is to charge batteries with surplus renewable energy, but it will depend on what is available when the batteries need to charge. Ms. Vincent added that the market will dictate what generation resources will be dispatched and when, including battery storage. Mr. Frisbie commented on strategic battery placement to maximize system reliability. Discussion ensued among directors and staff about the risks of adding battery storage to the system and the strategy for charging and discharging batteries with the market.

Break (10:50 a.m. - 11:00 a.m.)

5. Rawhide Unit 1 minor outage recap (presenter: Travis Hunter)

Travis Hunter, director of power generation, provided a summary of the recent Rawhide Unit 1 unscheduled outage, outlining the work completed and additional maintenance performed while the unit was down. Director Hall asked if there is a way to predict the equipment issues from ramping the unit down to minimum load more often. Mr. Hunter responded increased wear on certain pieces of equipment would be predictable from continual monitoring, but not everything can be monitored while the unit is running. Mr. Frisbie added that modifying a unit that was made to run full load at all times and asking it to ramp up and down frequently will cause issues that monitoring cannot prevent. Chair Gertig complimented staff at Rawhide for their commitment to Platte River and the four owner communities every day.

6. Resource commitment and dispatch in an RTO (presenter: Melie Vincent)

Ms. Vincent provided an overview of fundamentals of operating in an RTO market, including key concepts, resource adequacy, and day-ahead market timeline, and examples of day-ahead

market settlements with key takeaways. Director Marr noted the confusion in the communities about the effective load carrying capability (ELCC) methodology and asked where the ELCC calculation comes from. Ms. Vincent explained that ELCC calculations come from the market and Platte River is waiting for the Southwest Power Pool to provide its loss of load expectation study, specifically for the western area, to provide ELCC numbers. She added that ELCCs are not constant from year to year. Adding more wind and solar resources in a region will push the ELCC percentages down.

Director Hornbacher commented on breaking down the logistics to help people understand the requirements and asked about the solar ELCC provided in the presentation. Ms. Vincent explained that ELCCs for winter months versus summer months can also change depending on if the transmission is firm or not. Mr. Frisbie noted the complication that summer peak output for solar is not the same as the consumption peak, so being able to secure power as solar output decreases but consumption increases also affects the ELCC numbers. Sarah Leonard, general counsel, explained that the equation is based on net peak demand and when the time of peak consumption moves from year to year, this also changes the numbers. Discussion ensued among directors and staff on solar capacity, how battery storage will help bridge the gap between resource availability and peak demand and the need for a diverse portfolio to maintain reliability.

Director Bergsten asked about Platte River's firm gas delivery strategy. Ms. Vincent confirmed there is a meeting scheduled in December for key staff to discuss optimal strategies to solidify gas transportation and other factors for the combustion turbines.

Director Arndt asked how much staff time is dedicated to scheduling the day-ahead resource offers each day in the market. Ms. Vincent described the ability to schedule seven days in advance and being able to adjust each entry the day before to ensure accurate information on resources and fuel prices.

Director Marr commented on the financial impacts of pricing generation resources below cost and selling into the market for a loss. Ms. Vincent responded that pricing generation resources below cost can also negatively impact other entities financially and environmentally within the region.

Chair Gertig discussed the communication opportunity to educate the public on operating in the market. Director Marr commented on operating the gas generation units in the most financially and environmentally efficient way. Mr. Frisbie added that staff plans a series of presentations on operating in the RTO markets for future board meetings.

Monthly informational reports for September

7. Q3 performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie summarized the third quarter performance matrix for reliability, financial sustainability and environmental responsibility.



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

Ms. Leonard mentioned there are no new developments to report for September.

9. Resource diversification report (presenter: Paul Davis)

Mr. Davis highlighted the planning and development of the distributed energy resource programs and staff participation at conferences covering advancing technologies. He also provided an update on negotiations with vendors for the distributed energy storage projects within the four owner communities.

10. Operating report (presenter: Melie Vincent)

Ms. Vincent highlighted operating results for September. Warmer temperatures drove owner community demand and energy below budget. Overall net variable cost to serve owner community load was also below budget for the month due to coal generation fuel savings on Rawhide Unit 1. This was slightly offset by higher market purchase volume and pricing. Year to date, owner community demand and energy continue to be below budget and the net variable cost to serve owner community load continues to be below budget.

11. Financial report (presenter: Dave Smalley)

Mr. Smalley recognized the financial team for getting the reports finalized on time after migrating to the new Oracle system. He summarized financial results for September, reflecting a positive change in net position and being at budget operationally for the month due to below-budget operating expenses and above-budget unrealized gains on investments and other income, partially offset by below-budget revenues. Year to date, change in net position is favorable by \$9.1 million due to above-budget unrealized gains on investments. Revenues remain below budget due to owner community revenues being below budget. He mentioned that sustained lower loads will impact future load forecasting and will be addressed during rates discussions with owner community staff. He highlighted that capital additions are above budget due to the downpayment for the aeroderivative turbines.

Chair Gertig commented on the variables to consider when forecasting future load growth when current demand and energy have been below budget. Mr. Smalley responded that load forecasting is in Ms. Vincent's department and the team will analyze the impacts to load growth while factoring in electrification, energy efficiency, weather and other considerations.

12. General management report (presenter: Jason Frisbie)

Mr. Frisbie discussed the recent reorganization to Platte River's internal reporting structure, invited board members to the holiday employee appreciation party and thanked Director Dave Hornbacher for his time and commitment to Platte River and the board of directors. Directors shared their appreciation for his contributions to Platte River.



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Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 11:50 a.m. The next regular board meeting is scheduled for Thursday, Dec. 12, 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:

RESOLUTION NO. 13-24

The board of directors (board) of Platte River Power Authority (Platte River) hereby resolves that:

1. Unless otherwise directed by the board, the board's annual meeting and regular meetings during calendar year 2025 will be held at 9:00 a.m. local time in Platte River's boardroom, 2000 East Horsetooth Road, Fort Collins, Colorado, or virtually, according to the following schedule:

February 27 – annual meeting	August 28
March 27	September 25
April 24	October 30
May 29	December 11
July 31	

2. Board meetings are open to the public. The secretary is authorized and directed to post at the place designated below and to publish in newspapers of general circulation in Estes Park, Fort Collins, Longmont and Loveland full and timely notice of this meeting schedule.
3. The designated place for posting notices of board meetings is Platte River's public website, www.prpa.org, on the page specific to the board. For purposes of C.R.S. § 24-6-402(2)(c)(I), this action is deemed to have occurred at the board's first regular meeting in calendar year 2025 and will be incorporated into the record of that meeting.

AS WITNESS, I have executed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this 12th day of December, 2024.

Secretary

Adopted:
Vote:



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Memorandum

Date: 12/4/2024

To: Board of directors

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

Subject: **Defined Benefit Plan committee report**

The Defined Benefit Plan retirement committee held its quarterly meeting on Oct. 31, 2024. The minutes of the meeting are included in the board packet. At the board meeting, Dave Smalley will provide a summary of the October retirement committee meeting.

Following the Oct. 31, 2024 meeting, Chair Dave Hornbacher stepped down from the board of directors, leaving a vacancy on the retirement committee. At the December board meeting, the board will appoint Darrell Hahn, with the City of Longmont, to fill the vacant Defined Benefit Plan retirement committee position.

Attachments

- Oct. 31, 2024 Defined Benefit Plan committee minutes - DRAFT
- Resolution 14-24: Defined Benefit Plan committee appointment



Regular meeting minutes of the defined benefit plan committee

2000 E. Horsetooth Road, Fort Collins, CO and virtually via Microsoft Teams
Thursday, October 31, 2024

Attendance

Committee members

David Hornbacher, chair
Jason Frisbie (plan administrator)
Jeni Arndt¹
Gary Hall
Jacki Marsh
Dave Smalley

Platte River staff

Libby Clark (director, human resources and safety)
Julie Depperman (director, treasury services)
Jayna Martin, (total rewards administrator)
Kaitlyn McCarty (senior executive assistant, finance)
Shelley Nywall (director, finance)
Caroline Schmiedt (senior counsel)
Staci Sears (senior manager, human resources)

Guests

Jim Hayes of Northern Trust Asset Management (Northern Trust)²
Jason Palmer of Northern Trust ²
Garrett Kendall of Russell Investments³
Megan Roach of Russell Investments³
Brian Frick of Russell Investments³
Daryl Hahn, electric utilities director for Longmont Power & Communications

Call to order

The meeting was called to order at 12:32 p.m. A quorum was present and the meeting, having been duly convened, was ready to proceed with business. Committee Chair Dave Hornbacher led the meeting.

Action items

(1) Review minutes of Aug. 29, 2024 meeting. Chair David Hornbacher asked for a motion to approve the minutes from the Aug. 29, 2024 meeting. Jacki Marsh moved to approve the minutes as submitted. Gary Hall seconded, and the motion carried 6-0.

(2) Third quarter investment performance. Jason Palmer of Northern Trust reviewed third quarter performance and highlighted Defined Benefit Plan (Plan) performance relative to its

¹Left the meeting at 2:12 p.m.

²Left the meeting at 1:37 p.m.

³Joined the meeting at 1:37 p.m.

Defined benefit plan committee meeting minutes: Oct. 31, 2024

benchmarks (included in the meeting materials). Northern Trust staff summarized key market developments, economic indicators, and significant events that impacted the market.

Jeni Arndt asked if Northern Trust anticipates any surprises in market returns based on the presidential election. Jim Hayes stated they expect to see market volatility based on election results and the Federal Open Market Committee decision on changes to the federal funds rate.

Mr. Palmer provided a brief portfolio overview, highlighting that during the quarter the portfolio returned 6.4%, below the benchmark of 6.9%. Over the trailing six-month period, the Plan returned 7.9%, below the benchmark return of 8.2%. The long-term return goal is 7.5%.

For the quarter, Plan assets increased \$6.6 million to \$124.1 million, which accounts for contributions, income, appreciation, depreciation and benefit payments.

All portfolio allocations are within approved investment policy statement guidelines.

(3) Fiduciary review. Jason Palmer gave a brief overview of the purposes of this review, indicating that Northern Trust will summarize joint accomplishments with Platte River over the previous 12 to 18 months.

Mr. Palmer shared the asset management and outsourced chief investment officer (OCIO) expertise that Northern Trust delivers to Platte River and reiterated the firm's stability and dedicated resources in providing OCIO services to clients. Mr. Palmer discussed the scope of services provided by Northern Trust, which have been tailored to Platte River's unique needs. He reinforced the roles and responsibilities of his firm and the committee, which are outlined on page 8 of the report.

Jim Hayes emphasized that Northern Trust wants to be Platte River's partner and will do whatever it takes to continue to be Platte River's OCIO, noting integrity, service and expertise. Mr. Hayes noted that Northern Trust understands what is important to the committee and staff. Mr. Hayes mentioned the respectful dialogue between Platte River and Northern Trust pertaining to performance and wants to regain the trust and confidence of Platte River.

(4) Request for proposals (RFP): outsourced chief investment officer services.

Garrett Kendall of Russell Investments gave a brief overview of Russell Investments and the OCIO services they provide. Mr. Kendall explained their approach to how they would manage Platte River's Plan, including translating Platte River's objectives into a clear and responsive investment policy statement, building Platte River's portfolio based on an open architecture approach and dynamically adjusting to evolving circumstances, markets and strategies.

Brian Frick of Russell Investments provided information on how they would partner with Platte River, including revising the investment policy statement to clearly delineate stakeholder responsibilities, narrow rebalancing bands for better risk management and creating a derisking glide path as funding improves. Mr. Frick discussed potential allocation improvements, such as introducing additional diversifying assets, optimizing allocation to existing asset classes and targeting active management in less efficient markets. Mr. Frick provided information about customizing the investment policy statement to adapt as funded status changes.

Megan Roach of Russell Investments provided information about how Russell Investments builds custom institutional portfolios that are intelligently diversified with open architecture, daily risk management and a dedicated team.

Defined benefit plan committee meeting minutes: Oct. 31, 2024

Mr. Kendall described why Russell Investments is the right OCIO for Platte River, including the unmatched breadth of advice, investment strategies and technology, long-standing utility and public pension client experience and improved performance opportunities while minimizing fees. Mr. Kendall noted OCIO fees are constantly reviewed for appropriateness, and may change over time based on the trajectory of the portfolio.

Ms. Arndt asked, with the upcoming election, how does Russell Investments tailor to the volatility. Ms. Roach responded that Russell Investments tries to keep neutral until the uncertainty with the election and the Federal Open Market Committee meeting conclude, while still being flexible over the next six months as markets change. This is a firm-wide decision, not specific to Platte River.

(5) Committee direction to staff: next steps for OCIO services.

Jason Frisbie noted that Northern Trust's lack of action-taking and assertiveness has negatively impacted the Plan. He believes now is the time to make a change. Mr. Frisbie noted that following a thorough evaluation process, Russell Investments was selected because they are the best in class in researching and investment advisors.

Chair David Hornbacher asked for a motion to approve Russell Investments as the committee's OCIO, subject to a signed contract with Russell Investments. Jacki Marsh moved to approve the selection of Russell Investments as discussed. Jeni Arndt seconded, and the motion carried 6-0.

(6) Proposed 2025 retirement committee meeting schedule. The committee reviewed the following proposed 2025 schedule for the committee's quarterly meetings. Under the proposed schedule, all meetings will be held in the Platte River board room (or remotely via Microsoft Teams) and will begin at 12:30 p.m.

- Feb. 27, 2025
- May 29, 2025
- Aug. 28, 2025
- Oct. 30, 2025

Chair Hornbacher asked for a motion to approve the schedule as presented. Jacki Marsh moved, Gary Hall seconded, and the motion carried 5-0.

(7) Other business.

Mr. Frisbie suggested adding an active Plan participant or retiree to the committee in the future. The committee agreed to discuss the topic at a future meeting.

The next regular committee meeting is scheduled for February 27, 2025, at 12:30 p.m. in the Platte River board room or virtually via Microsoft Teams.

The meeting adjourned at 2:16 p.m.

Chair David Hornbacher

RESOLUTION NO. 14-24Background

A. The board of directors of Platte River Power Authority (Platte River) established a Defined Benefit Retirement Committee under the Platte River Defined Benefit Plan, consisting of four directors and two members of management to administer the Defined Benefit Plan.

B. Because David Hornbacher will no longer serve on Platte River's board of directors, there is now a vacancy on the Retirement Committee.

C. Darrell Hahn has expressed a willingness to serve on the Retirement Committee.

Resolution

The board of directors of Platte River Power Authority therefore resolves that Darrell Hahn is elected to serve on the Retirement Committee until the conclusion of the next annual meeting of the board of directors.

AS WITNESS, I have executed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this 12th day of December, 2024.

Secretary

Adopted:

Vote:



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Memorandum

Date: 12/4/2024

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
Jason Harris, senior manager, financial reporting and budget

Subject: 2025 Strategic Budget review and adoption

Thank you for your engagement and support through the budget process. The steps in the budget process included a budget work session on Sept. 26, 2024. The board held a public hearing with review of the proposed budget on Oct. 31, 2024. The budget is now in final form and ready for adoption.

The final budget includes total revenues of \$324.6 million and total expenditures of \$467 million, including a board contingency appropriation of \$75 million. Change in net position is projected to be \$7.5 million after deferring \$12 million of revenues under the board-approved deferred revenue and expense accounting policy. The fixed obligation charge coverage ratio is projected to be at 2.00 times.

Attached is the proposed resolution to adopt the 2025 Strategic Budget and appropriation of funds for 2025 expenditures. Your board materials include a copy of the 2025 Strategic Budget document, which is also available on Platte River's website. After approval, the final version will be printed, bound and distributed.

Since the October Board meeting, staff made one additional change to the budget. Sales for resale revenue increased \$3.1 million for anticipated capacity sales. Staff will provide a brief overview of final budget results at the December meeting.

Staff recommends the board adopt the 2025 Strategic Budget amounts as submitted and will be available at the board meeting to answer any questions.

The following table summarizes the 2025 Strategic Budget and outlines impacts from the most recent change to the budget.

\$ in thousands	October proposed budget	Short-term capacity sales	Favorable (unfavorable) changes	Final budget
Revenues				
Sales to owner communities	\$ 248,437		\$ -	\$ 248,437
Sales for resale - long-term	17,642		-	17,642
Sales for resale - short-term	34,569	\$ 3,060	3,060	37,629
Wheeling	9,452		-	9,452
Interest and other income	11,397		-	11,397
<i>Total revenues</i>	\$ 321,497	\$ 3,060	\$ 3,060	\$ 324,557
Operating expenses				
Purchased power	\$ 69,789		\$ -	\$ 69,789
Fuel	42,435		-	42,435
Production	55,512		-	55,512
Transmission	23,901		-	23,901
Administrative and general	43,186		-	43,186
Distributed energy resources	15,200		-	15,200
<i>Total operating expenses</i>	\$ 250,023	\$ -	\$ -	\$ 250,023
Capital additions				
Production	\$ 96,423		\$ -	\$ 96,423
Transmission	8,981		-	8,981
General	13,518		-	13,518
Asset retirement obligations	4,011		-	4,011
<i>Total capital additions</i>	\$ 122,933	\$ -	\$ -	\$ 122,933
<i>Total operating expenses and capital additions</i>	\$ 372,956	\$ -	\$ -	\$ 372,956
Debt service expenditures				
Principal	\$ 14,954		\$ -	\$ 14,954
Interest expense	4,092		-	4,092
<i>Total debt service expenditures</i>	\$ 19,046	\$ -	\$ -	\$ 19,046
Total expenditures	\$ 392,002	\$ -	\$ -	\$ 392,002
Contingency appropriation	\$ 75,000	\$ -	\$ -	\$ 75,000
Total expenditures and contingency appropriation	\$ 467,002	\$ -	\$ -	\$ 467,002

Attachments

- 2025 strategic budget at a glance
- 2025 Strategic Budget
- Resolution 15-24: 2025 Strategic Budget and Appropriation



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

2025 strategic budget at a glance

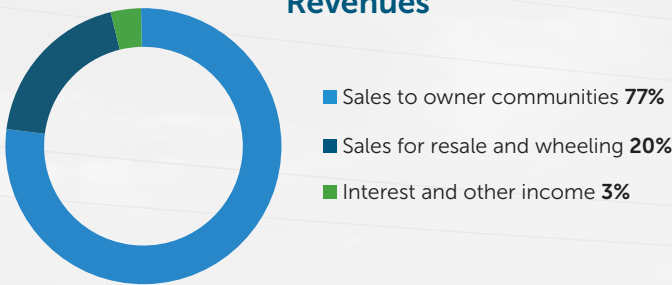
The Platte River Power Authority (Platte River) 2025 Strategic Budget, produced under the direction of the organization’s leadership, aligns with the long-range strategic plan to give community leaders, stakeholders and the public a transparent roadmap of Platte River’s tactical, operational and capital plans for the coming year.

Platte River’s 2025 budget enables ongoing investments to transform the organization based on its strategic initiatives and core operations. These reflect Platte River’s foundational pillars of system reliability, environmental responsibility and financial sustainability. These pillars guide the decision-making process for the resource allocations, revenues and expenses detailed in the budget.

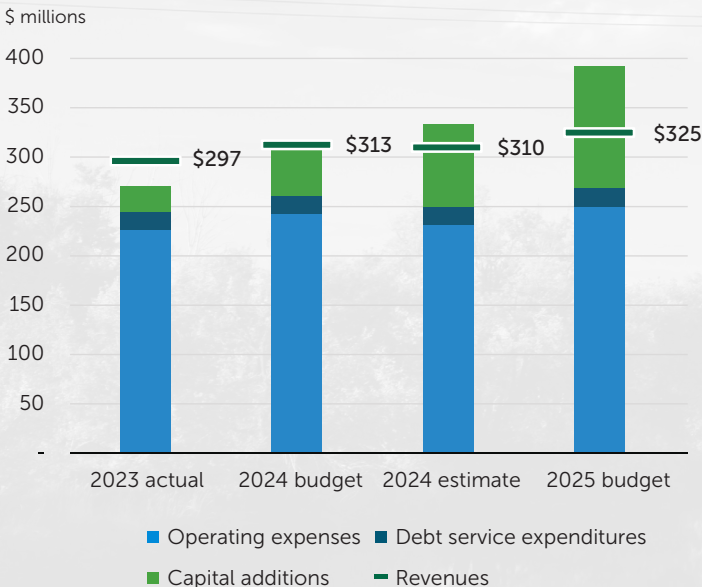
Platte River manages expenses from a broad perspective with the goal of operating the system in a safe, compliant and reliable manner while expanding environmental stewardship. Platte River communicates and collaborates with the owner communities to align processes and outcomes for the benefit of all customers.

Platte River’s budget includes \$324.6 million in revenues and \$392 million in expenditures, consisting of operating, capital and debt. After a contingency appropriation of \$75 million, \$142.4 million of funding is budgeted from prior reserves. Of the \$373 million in operating expenses and capital additions, approximately 64% and 36% are allocated to activities supporting core operations and strategic initiatives, respectively.

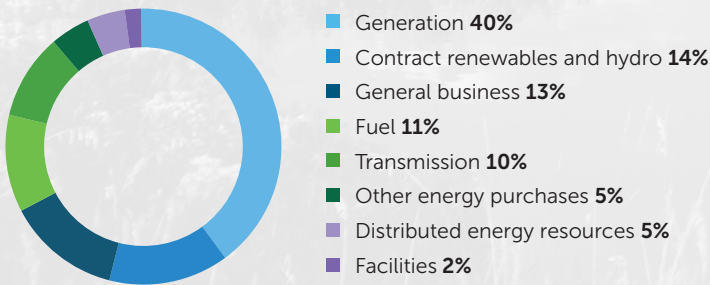
Revenues



Revenues and expenditures



Operating and capital additions



Strategic initiatives

\$134.2 million, 36% of operating and capital

- Resource diversification planning and integration, \$125.2 million, 33%
- Community partner and engagement, \$1.9 million, 1%
- Workforce culture, \$1.9 million, 1%
- Process management and coordination, \$5.2 million, 1%

Activities

- 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, virtual power plant including distributed energy resources management system and programs, and aeroderivative technology
- Operational flexibility and Southwest Power Pool Regional Transmission Organization West preparation and market software
- Completion of the Chimney Hollow Reservoir
- Public engagement including new website
- Workforce evolution and development
- Data management and analytics platform, project management and enterprise risk management

Core operations

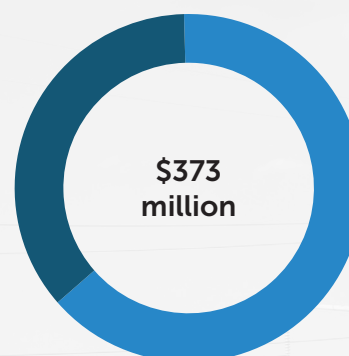
\$238.8 million, 64% of operating and capital

- Generation, including fuel, \$126.1 million, 34%
- Energy purchases including wind, hydropower and solar energy in commercial operation, \$62.8 million, 17%
- Transmission, \$42 million, 11%
- Customer energy programs, \$7.9 million, 2%

Activities

- Rawhide Energy Station and Craig Generating Station preventive, proactive maintenance and capital improvements for reliability, safety, efficiency and environmental compliance
- Rawhide Unit 1 five-week scheduled maintenance outage
- Ongoing operations and maintenance of the transmission system
- Proactive capital investments including frame combustion turbine projects, Trapper Mine reclamation, a new substation, transformer replacement, fiber optic replacement and expansion
- Continued generation from wind and solar resources under power purchase agreements
- Customer energy programs
- Community initiatives and facilities projects
- Staffing additions to support organization changes and strategic initiatives

Operating expenses and capital additions



- Core operations **64%**
- Strategic initiatives **36%**

2025 Strategic Budget



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

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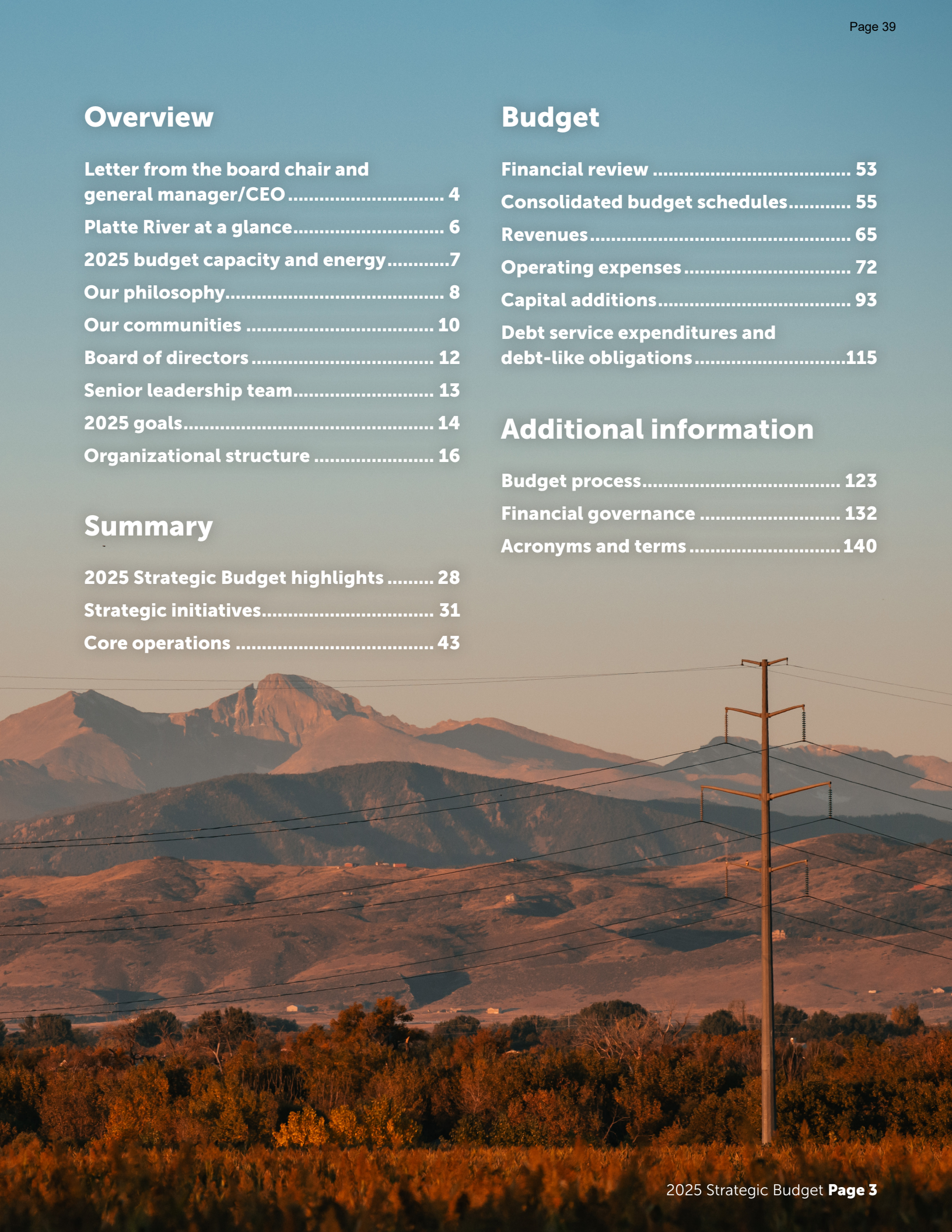
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Letter from the board chair and general manager/CEO

Platte River Power Authority (Platte River) and our owner communities of Estes Park, Fort Collins, Longmont and Loveland are committed to transitioning to a noncarbon energy portfolio as sustainably as possible. Since the Resource Diversification Policy passed in 2018, calling for leadership to work toward a 100% noncarbon energy future while maintaining our foundational pillars to provide reliable, environmentally responsible and financially sustainable energy and services, we have invested time and resources to achieve this goal equitably. We are committed to making renewable energy accessible to everyone while maintaining a competitive environment for business and industry.

The 2025 Strategic Budget reflects the current investments needed to proactively decarbonize our portfolio while maintaining our foundational pillars. It also aligns with the strategic initiatives established by Platte River's Board of Directors and senior leadership team in 2023, which guide our activities on resource diversification planning and implementation, community partner and engagement, workforce culture and process management and coordination.



We plan more than \$392 million in expenditures, with approximately 64% of operating and capital budgets allocated to core operations and 36% contributing to strategic initiatives. These investments reflect the ongoing integration of noncarbon resources and projects associated with our dispatchable capacity solution to maintain the reliability of Platte River's system.

The 2025 Strategic Budget includes tariff charges reflecting a budgeted 6.3% average wholesale rate increase. Long-term rate projections were updated in 2024 to reflect reductions in expected owner community loads and surplus sales revenues, higher costs for wind and solar resources, and higher capital costs for dispatchable resources. As we move forward, we will continue to evaluate our rate strategy to maintain financial sustainability and work with Platte River's Board of Directors if adjustments are needed to fulfill the Resource Diversification Policy.

We look forward to bringing 150 megawatts (MW) of new solar capacity online in 2025 with the completion of the first phase of the long-awaited Black Hollow Solar project. We expect to bring online another 107 MW of solar capacity, the second phase of the project, in 2026 and will continue efforts to procure additional renewable generation. As we replace our coal-fired generation with renewable energy, we are moving forward with our three-pronged approach to dispatchable capacity. We are exploring energy storage technology with ongoing modeling and planning activities; we will manage the next steps of developing a virtual power plant (VPP), including four-hour battery storage in our owner communities and coordinating with the selected vendor for the distributed energy resources management system (DERMS); and we will prepare for construction of aeroderivative combustion turbine units (aeroderivative units) at the Rawhide Energy Station. These projects help maintain system reliability while enabling deeper decarbonization.

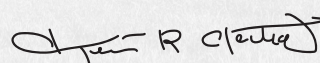
Developing and integrating distributed energy resources (DER) in our owner communities remains a priority, with emphasis in 2025 on integrating battery storage systems at the distribution level. This technology will help us

improve energy and reliability services. Our Efficiency Works™ team will continue building on the relationships they have created over two decades of energy efficiency activities by helping customers take a more active role in our energy transition, providing education and services for building electrification, electric vehicle (EV) adoption and demand response participation.

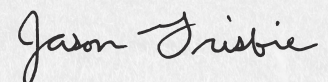
Our participation in the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) market is providing valuable experience for us as we work toward joining the SPP Regional Transmission Organization West (SPP RTO West) market in April 2026. This budget reflects the ongoing investments required to prepare for market entry and enables us to achieve a key milestone outlined in the Resource Diversification Policy.

In 2025, we will conduct the final scheduled major maintenance outage for Rawhide Unit 1 before the unit retires by the end of 2029. Rawhide Unit 1 is a critical part of Platte River's resource portfolio, providing reliable, low-cost energy while supporting renewable energy integration. Though it is still a baseload resource, staff is using the unit more flexibly and will maintain it to support its operations. Our existing frame combustion turbine units (frame units) will continue receiving upgrades and maintenance to increase operational flexibility and reduce emissions.

With six years behind us on our journey to achieve the Resource Diversification Policy, Platte River and our owner communities are more committed than ever to continue the trajectory toward a noncarbon energy future. While this journey is full of challenges – from the pandemic to supply chain issues and cost increases – we recognize the importance of doing our part to decarbonize while keeping this vital public health and safety service reliable and accessible. It is imperative that we continue supporting the economic vibrancy of our region – and everyone in it – while working toward a cleaner energy future.



Kevin Gertig
Board chair



Jason Frisbie
General manager/CEO

Platte River at a glance

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

Headquarters

Fort Collins, Colorado

**2025 deliveries of energy
to owner communities**

3,287,172 MWh

General manager/CEO

Jason Frisbie

2025 revenues

\$324.6 million

Began operations

1973

2025 operating expenses

\$250 million

2025 budget positions

323

2025 capital additions

\$122.9 million

**2025 peak demand of
owner communities**

701 MW

2025 debt service expenditures

\$19 million

2025 deliveries of energy

4,390,027 megawatt-hours (MWh)

Transmission system

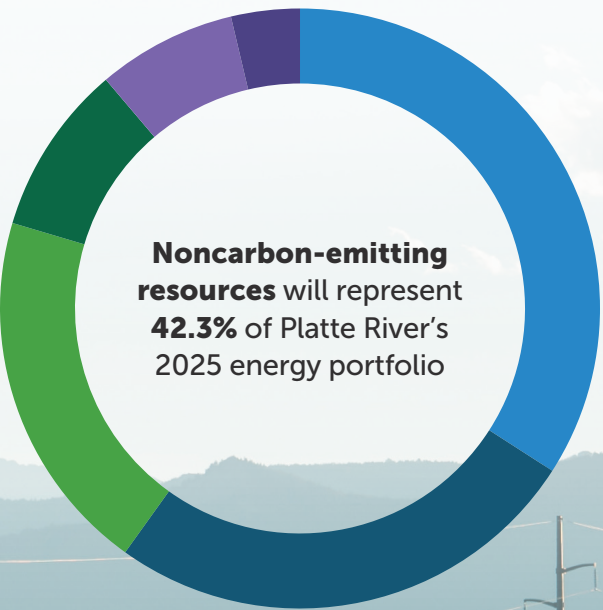
Platte River has equipment in 27 substations and owns 806 miles of transmission lines.

2025 budget capacity and energy

Resource summer peaking capacity

	Nameplate (MW)	Effective load carrying capability (ELCC) %	ELCC (MW)
Coal	431	100%	431
Natural gas ⁽¹⁾	430	100%	430
Hydropower ⁽²⁾	78	100%	78
Wind power ⁽³⁾	297	17.3%	51
Solar ⁽⁴⁾	202	29.7% ⁽⁵⁾	60
Total	1,438		1,050

- (1) Effective May 2025, summer peaking capacity of Rawhide Unit C is 77 MW and Rawhide Unit F is 158 MW. Rawhide units A, B and D are 65 MW each.
- (2) Hydropower capacity varies with drought conditions.
- (3) Includes 72 MW of wind currently sold to other entities, 60 MW of which will return to Platte River in 2030.
- (4) Includes 150 MW of new nameplate capacity for the commercial operation of Black Hollow Solar in 2025. Platte River is also using a 2 MWh battery charged by Rawhide Prairie Solar.
- (5) Weighted average of all solar resources. Rawhide Flats Solar and Rawhide Prairie Solar are assigned 56.7% and Black Hollow Solar is assigned 20.3%.



System total

- Coal **33.6%**
- Wind **25.5%**
- Other purchases **20.4%**
- Hydropower **9.3%**
- Solar **7.5%**
- Natural gas **3.7%**

Includes renewable energy certificate (REC) allocations to carbon resources.

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

Our philosophy

Platte River is guided by three pillars that drive our mission. Together with our vision and values, these pillars inform all Platte River activities and serve as the foundation for our decarbonization efforts.



Reliability



**Environmental
responsibility**



**Financial
sustainability**

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.

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.

Values

Safety

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

Respect

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

Innovation

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

Sustainability

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

Integrity

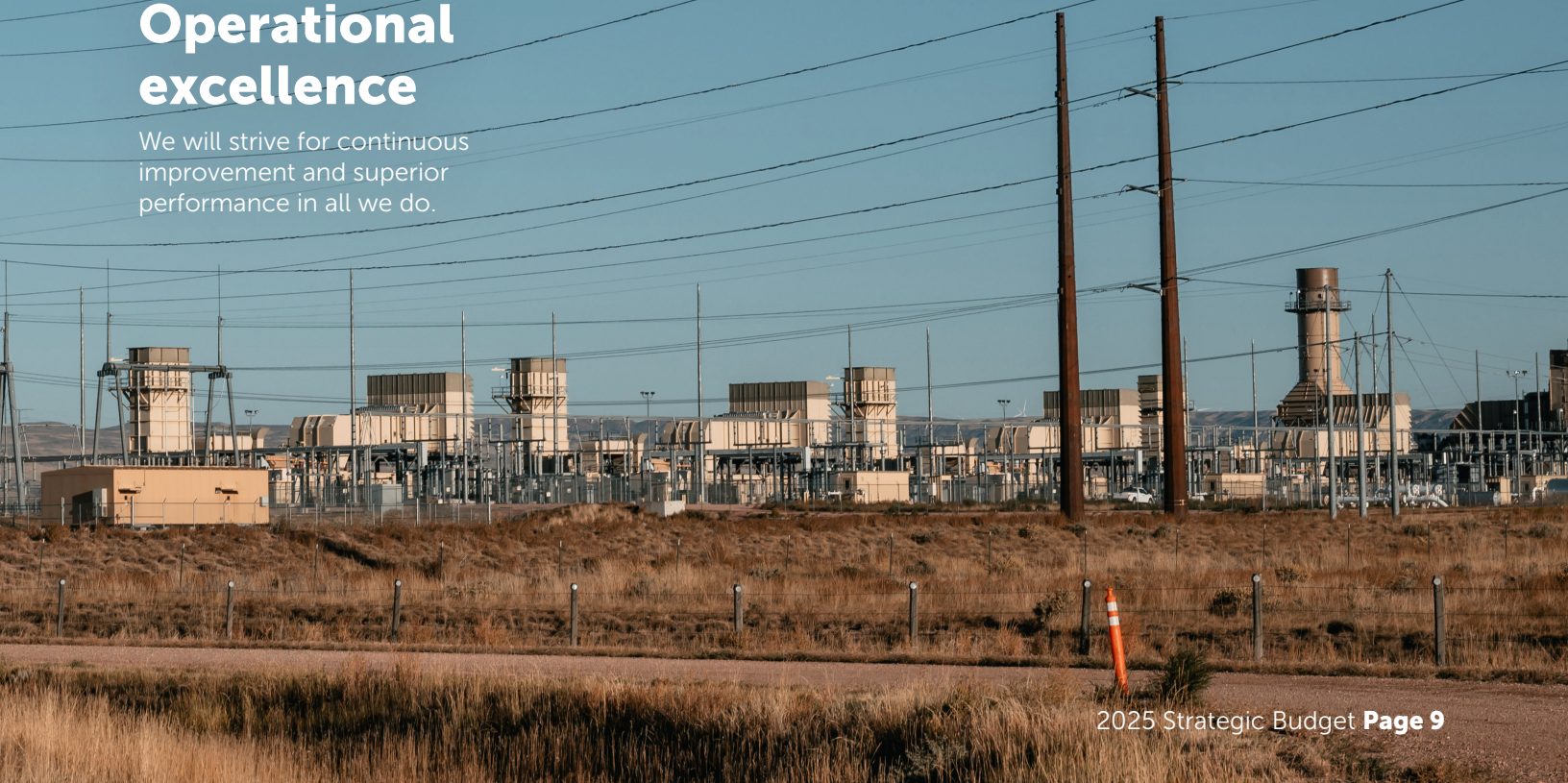
We will conduct business equitably, transparently and ethically while complying fully with all regulatory requirements.

Service

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

Operational excellence

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



Our communities

Platte River Power Authority is a Colorado political subdivision established to provide wholesale electric generation and transmission to the communities of Estes Park, Fort Collins, Longmont and Loveland.



Town of Estes Park

Estimated population*: 5,862

Utility: Estes Park Power and Communications, established in 1945

Number of customers: 11,043

2023 retail energy sales: 135,237 MWh

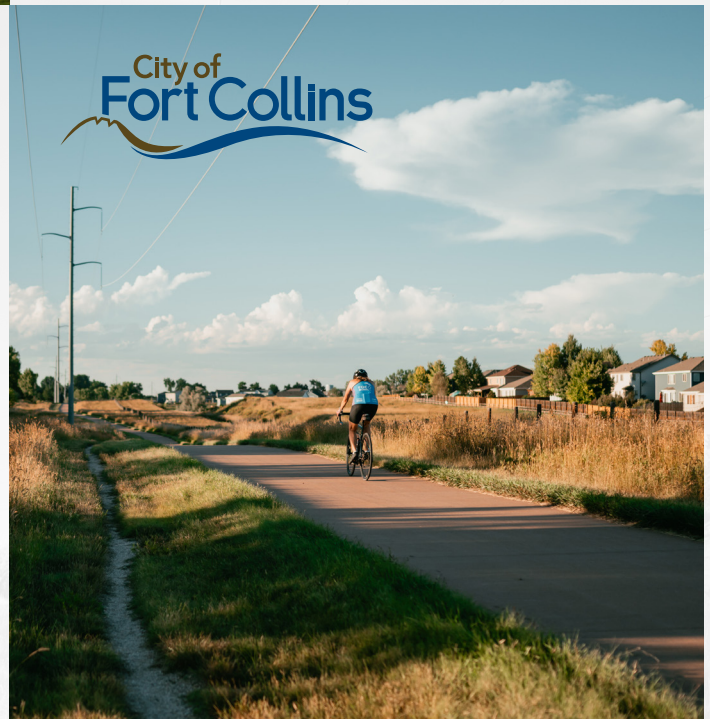
City of Fort Collins

Estimated population*: 169,249

Utility: Fort Collins Utilities, established in 1938

Number of customers: 79,036

2023 retail energy sales: 1,453,367 MWh



*Based on data from the U.S. Census Bureau



City of Longmont

Estimated population*: 98,687

Utility: Longmont Power & Communications, established in 1912

Number of customers: 43,271

2023 retail energy sales: 816,009 MWh

City of Loveland

Estimated population*: 77,884

Utility: Loveland Water and Power, established in 1925

Number of customers: 40,863

2023 retail energy sales: 703,605 MWh



Board of directors

Platte River is governed by an eight-person board of directors designed to bring relevant expertise to the decision-making process. The board includes two members from each owner community.

The mayor may serve or designate some other member of the governing board of their owner community to serve in their place on Platte River's Board of Directors. Each of the other four directors is appointed to a four-year staggered term by the governing body of the owner community represented by that director.



Gary Hall
Mayor
Town of Estes Park



Reuben Bergsten
Director of utilities
Town of Estes Park



Jeni Arndt
Vice chair
Mayor
City of Fort Collins



Tyler Marr
Deputy city manager
City of Fort Collins



Joan Peck
Mayor
City of Longmont



Darrell Hahn
Electric utilities
director for
Longmont Power &
Communication
City of Longmont



Jacki Marsh
Mayor
City of Loveland



Kevin Gertig
Board chair
Director of Loveland
Water and Power
City of Loveland

Senior leadership team

Platte River operates under the direction of a general manager who serves at the pleasure of the board of directors. The general manager is the chief executive officer with full responsibility for planning, operations and the administrative affairs of Platte River. Platte River's senior leadership team has substantial experience in the utility industry.



Jason Frisbie
General manager/CEO



Eddie Gutiérrez
Chief strategy officer



Travis Hunter
Chief generation and
transmission officer



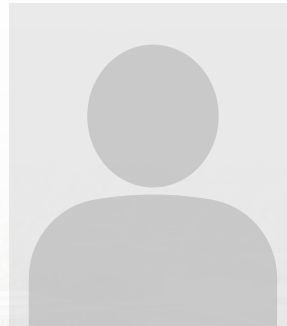
Sarah Leonard
General counsel



Dave Smalley
Chief financial officer/
deputy general
manager



Melie Vincent
Chief power supply
officer



Open
Chief technology
officer



Angela Walsh
Executive director
of board and
administration, board
secretary

2025 goals

The 2025 Strategic Budget supports Platte River’s ongoing efforts to carry out the Resource Diversification Policy while maintaining our foundational pillars to safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities.

Reliability

100%

No loss of load to Platte River’s owner communities

Transmission

≥ 97%

Adjusted equivalent availability factor

Rawhide Unit 1

0

No controllable outages

Rawhide Unit 1

≥ 97%

Adjusted equivalent availability factor

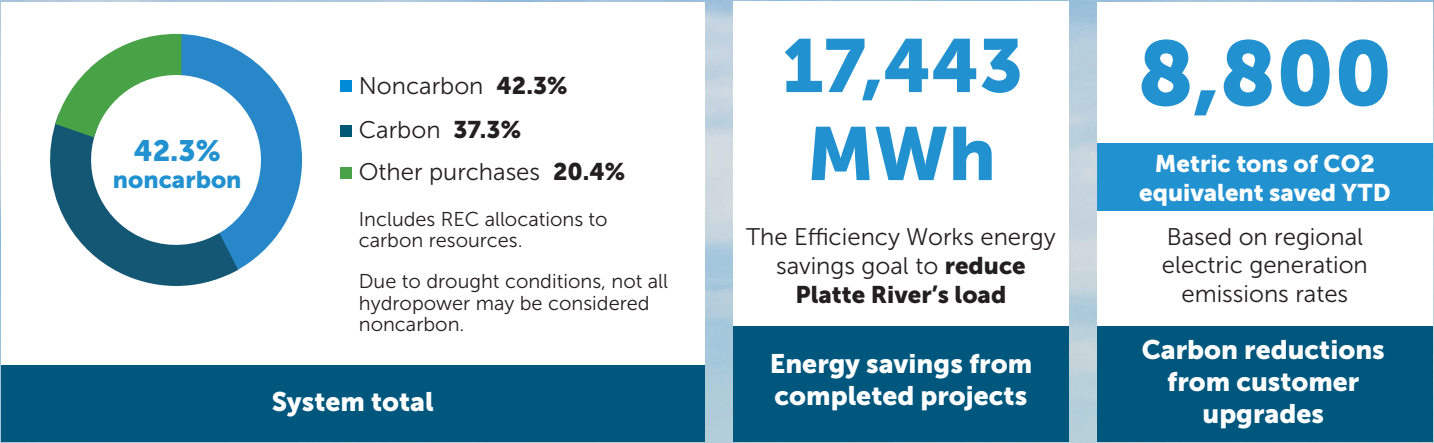
Rawhide frame combustion turbines

0

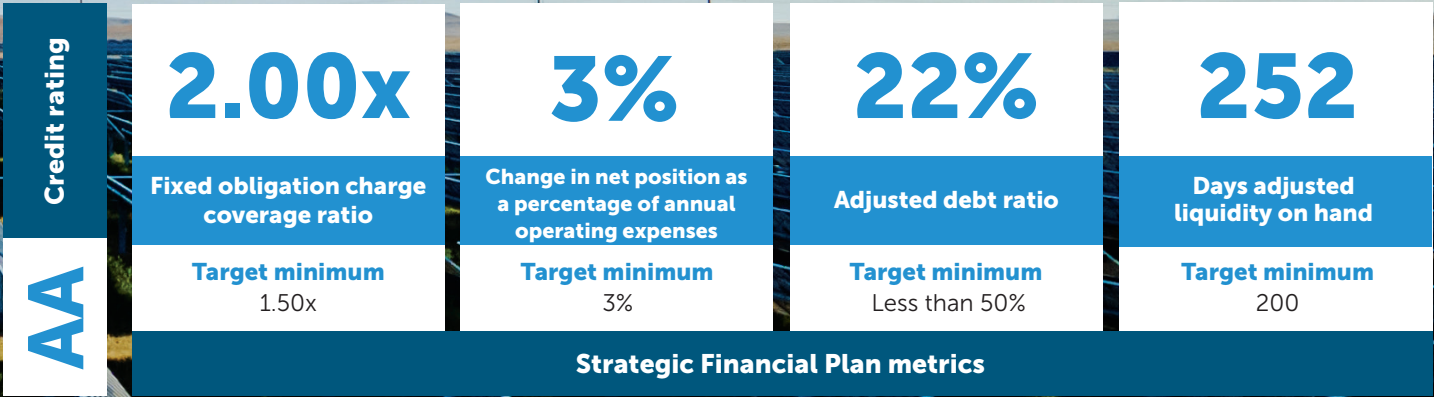
No unplanned communication outages to Platte River’s owner communities

Fiber communications

Environmental responsibility

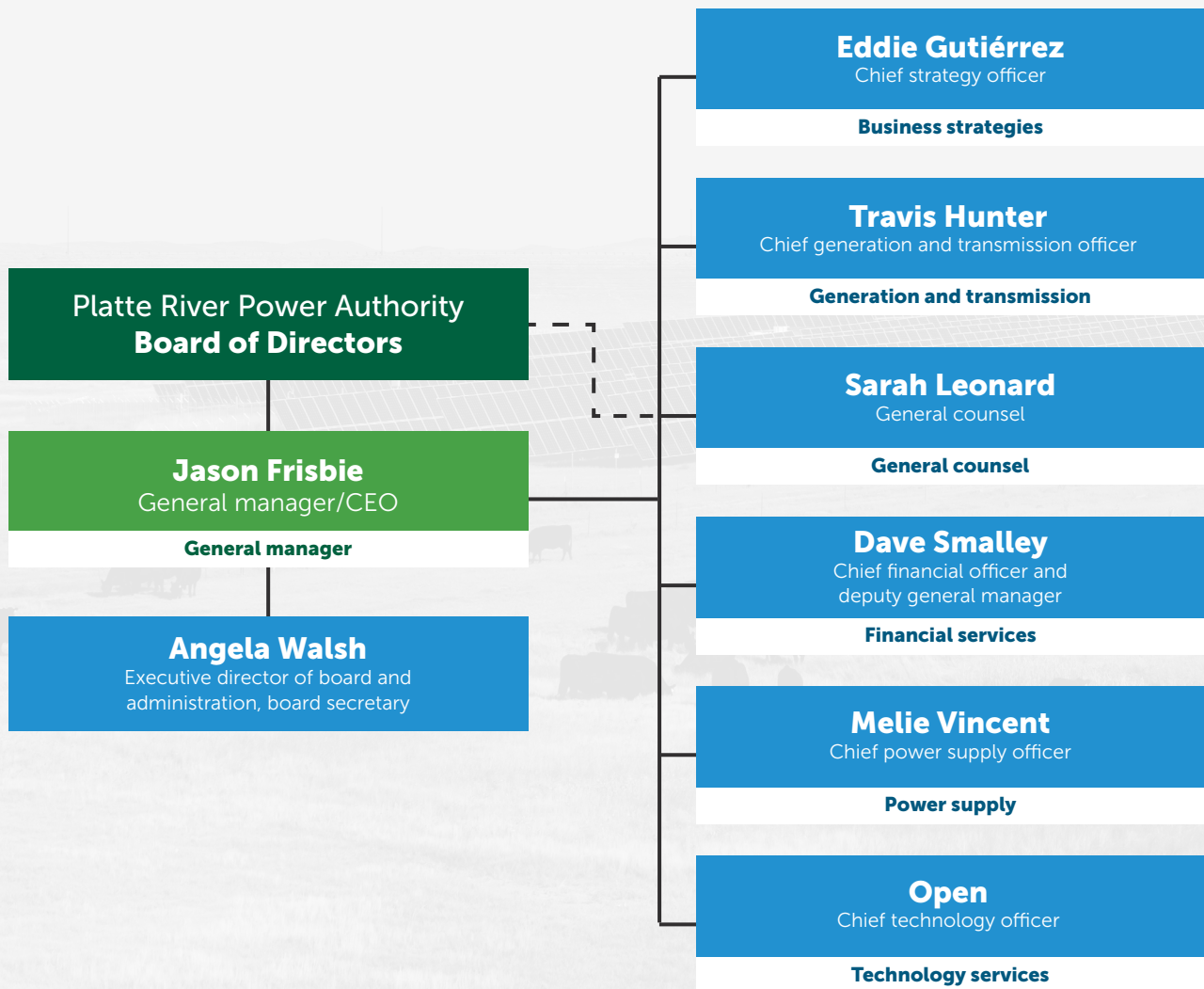


Financial sustainability



Organizational structure

Platte River's organizational structure consists of seven divisions, each containing the departments needed to safely deliver reliable, environmentally responsible and financially sustainable energy and services to the owner communities. A brief description follows of each division and its departments, including 2025 objectives.



General manager

The **general manager** provides strategic leadership and direction for the safe, ethical and effective operation of Platte River. The general manager consults with, advises and makes recommendations to the board of directors about Platte River's strategic direction and operations, based on Platte River's foundational pillars of system reliability, environmental responsibility and financial sustainability. The general manager also provides oversight and direction for the board secretary and all centralized business and office management functions.

In addition to ongoing operational oversight in 2025, the general manager will continue leading efforts to diversify Platte River's energy mix and achieve the board's and owner communities' carbon reduction goals. Platte River will work with utility leaders from the owner communities to welcome DER, facilitate a DERMS and further integrate the transmission and distribution systems. The general manager will lead essential collaborative efforts between Platte River and the owner communities.

Business strategies

In collaboration with the owner communities, the business strategies division manages relationships critical to Platte River's success, including those with staff, elected officials, owner communities, stakeholders and the public.

Communications, marketing and external affairs develops and executes tactical and strategic plans to support Platte River's mission and provide information about the utility to staff, board of directors, stakeholders and the public. The department specifically manages internal and external communications, public relations, marketing, public education and outreach, community engagement and support, state and federal legislation, and government affairs to support Platte River, Efficiency Works, and other specialized programs like DER. During 2025, the department will deploy significant communications and outreach programs to support Platte River's strategic initiatives. This will build on engagement and collaboration with the owner communities to pursue a noncarbon energy future. Other focus areas include ongoing public education efforts for the Resource Diversification Policy, continuing growth in community engagement and support efforts, navigating public policy proposals at the local, state, and federal levels, and supporting regulatory processes for key projects. External affairs also leads an internal grants working group that monitors government-funded grants to help fund clean energy projects. Lastly, the department will develop education and outreach strategies to support the growth of programs and initiatives for DER and distributed energy solutions.

Human resources proactively partners with internal operating departments to address strategic personnel opportunities that support Platte River's strategic initiatives. The department focuses on attracting, developing and retaining talent for the organization. Human resources manages and focuses on minimizing controllable healthcare costs and risks while maintaining attractive and competitive staff benefits. In 2025, the department will focus on continuous process improvement of the overall total rewards strategy and program, and support efforts toward the transition plan for Rawhide Energy Station staff. Human

resources will also refine and implement additional functionality within the human resources information system while documenting processes and identifying more efficient ways to support the organization as it seeks to achieve the Resource Diversification Policy.

Safety supports Platte River's core value of workforce, public and asset safety by administering and managing policies that leverage workforce training and education while developing and sustaining a safety culture. During 2025, the department will facilitate planned training for all employees and specialized groups while tracking safety certifications required for designated roles. The department will also conduct annual occupational health testing, evaluate and acquire personal protective equipment and systems, provide issue-specific safety training through traditional training methods, improve ongoing video training and engage with third-party subject-matter experts.

The **emergency response team** protects staff and infrastructure at the Rawhide Energy Station and provides mutual aid assistance to the owner communities, the Nunn Fire Protection District and the Wellington Fire Protection District. The team of firefighters is certified by the state of Colorado in structural firefighting, hazardous material operations, and medical response, and includes several licensed and certified emergency medical technicians. In 2025, the team will conduct 10 training events around Rawhide Unit 1's scheduled maintenance outage and perform the required annual system testing and inspection following National Fire Protection Association standards.

Generation and transmission

The generation and transmission division manages several of Platte River's core functions—power generation and the delivery of high-voltage electricity to substations in the owner communities. This division comprises several departments and teams collaborating to fulfill Platte River's core operations and strategic direction.

Power generation

The power generation departments perform every job associated with the generation of electricity at the Rawhide Energy Station. These departments manage plant operation and maintenance, fuel handling, control systems, design and engineering, and building and property maintenance.

Power generation administration oversees power generation, plant operations, maintenance, engineering, fuel handling and facilities maintenance at the Rawhide Energy Station. The team also participates on the engineering and operations committee of the Craig Generating Station. Continued efforts in 2025 will include further adapting the Rawhide Energy Station to changing market conditions driven primarily by increased use of intermittent resources and participation in the SPP WEIS market. The team will continue to work on a transition plan for Rawhide staff and a decommissioning plan for Rawhide Unit 1. The department will also support Rawhide Unit 1's scheduled maintenance outage.

Plant engineering services supports operations and maintenance activities for all Rawhide Energy Station infrastructure related to power generation. Primary functions include troubleshooting process issues, inspecting and assessing major plant equipment during

outages, providing maintenance assistance, and identifying and implementing capital projects. During 2025, the department will continue to make reliability and availability improvements to the frame units and enhance the flexibility of Rawhide Unit 1 to meet evolving market demands and accommodate increased noncarbon resources more effectively. The team will conduct the scheduled maintenance outage inspections of Rawhide Unit 1 and help prepare Platte River to enter the SPP RTO West market.

Plant mechanical maintenance conducts safe and effective maintenance of all mechanical equipment and systems at the Rawhide Energy Station. The team plans and executes all outages and collaborates with engineering for the planning and execution of capital projects. Efforts in 2025 include a scheduled combustion inspection on combustion turbine Unit C and the scheduled maintenance outage on Rawhide Unit 1. The team will also conduct ongoing mechanical maintenance on all generating assets at the Rawhide Energy Station.

Plant instrumentation and electrical conducts safe and effective maintenance of all low- and medium-voltage electrical equipment, instrumentation and control systems at the Rawhide Energy Station. The team performs troubleshooting and repair services for Rawhide Unit 1 and the frame units. It is also responsible for NERC compliance activities for several reliability and critical infrastructure protection standards, state-required maintenance of the boiler instrumentation and controls and performing covered tasks supporting the Colorado Department of Transportation's regulation of the natural gas pipeline. During 2025, the team will perform preventive maintenance and prioritize corrective action to maintain generation reliability. The team will also support Rawhide Unit 1's scheduled maintenance outage, various capital improvement projects and preparation for the new aeroderivative units at the Rawhide Energy Station.

Plant fuel handling manages the coal supply to Rawhide Unit 1 and maintains all buildings and structures, roofing, roads, HVAC systems, lighting, plumbing, elevators, doors, windows and floors for all 48 buildings at the Rawhide Energy Station. The department is responsible for operating the rotary car dumping system, suppressing dust in all plant areas, maintaining the Rawhide short-line railroad system and managing fly and bottom ash from Rawhide Unit 1. The team also manages the bison herds and maintains the grounds including landscaping, rangeland management, weed and pest control, and fencing. Objectives for 2025 include maintaining an adequate coal supply, efficiently transferring ash from the plant to the monofill in compliance with regulatory requirements and sustaining effective dust suppression throughout the facility. The team will also support Rawhide Unit 1's scheduled maintenance outage and conduct general maintenance activities.

Plant operations manages and maintains all systems and components of Rawhide Unit 1 and the frame units to maintain reliable generation that meets load demand and other obligations. In addition, the department supports operations of the water pump stations that serve the Rawhide Energy Station. The team will work in 2025 to support high reliability and operational flexibility of all generating assets at the Rawhide Energy Station.

Power delivery

Power delivery manages the complex, long-term planning and real-time demands of Platte River's high-voltage transmission and fiber optic systems to deliver energy and services to the owner communities, as well as oversees facilities, physical security and fleet. Staff leverages various tools to continually monitor thousands of system components, yielding maximum performance and ensuring a high level of system reliability. This requires developing plans to upgrade existing transmission facilities and building new transmission facilities to meet future customer reliability requirements and optimize participation in the SPP WEIS and SPP RTO West markets. Power delivery is critical to the continued resilient operation of Platte River's transmission system that supports the distribution systems of the owner communities.

System engineering is responsible for transmission planning, transmission line design, substation design, substation relaying and many compliance-related activities. The department also provides engineering services under intergovernmental agreements with the owner communities when requested. In 2025, the team will provide engineering support and project management for replacement of an autotransformer at the Longs Peak Substation and engineering support on the distribution battery projects and new resource interconnection projects.

System operations safely and reliably operates Platte River's transmission system, delivers power to the owner communities, administers the transmission tariff and provides training to applicable Platte River personnel and selected employees of the owner communities. The department also conducts coordinated transmission operations with neighboring reliability operators while complying with all required NERC and WECC reliability standards and in accordance with Platte River's processes and procedures.

System maintenance is responsible for maintaining and supporting the building of electrical substation assets, including those wholly owned by Platte River and assets owned by the distribution utilities of the owner communities. The department also inspects and maintains Platte River's 230 kilovolt (kV) and 115 kV transmission lines. Collaborating with internal and external groups, the department manages equipment installations and inspections for capital projects, provides ongoing maintenance and conducts testing of substation equipment. During 2025, the team will perform transformer maintenance, battery maintenance and testing and substation breaker maintenance at Platte River substations. The team will perform ongoing systemwide vegetation management and oversee contracted maintenance on the transmission system. The department will also work with system engineering to complete upgrades and improvements to substations and transmission line configuration changes for highway construction.

Fiber optics manages the network that provides high-speed, digital connectivity between Platte River's generating assets, its transmission system and the owner communities' distribution systems. Primary activities include maintenance, management and documentation of the physical fiber optic infrastructure and installation of new and relocation of existing fiber optic cable.

Telecommunications maintains the safe, reliable and secure operations of Platte River's wide-area communications network, a critical component of the transmission system's operation and communication with interconnected utilities.

Headquarters facilities is responsible for all building and grounds maintenance and repairs at the headquarters campus and substations. The team oversees maintenance activities so that spaces, structures and infrastructure are in optimal operating condition. They manage and perform routine, scheduled and anticipated maintenance on building equipment and systems that support the bulk electric system. Facilities also oversees maintenance at 27 sites around the four owner communities. During 2025, the team will complete substation heating, ventilation and air conditioning (HVAC) unit replacements at the Fordham and Northwest substations. The team will also continue optimizing the headquarters facility's building automation system to maximize efficiency and energy savings.

Physical security designs, implements, and supports access control systems, administers intrusion detection systems at substations, manages video surveillance systems, oversees security guard services, reviews security policies and procedures for all Platte River locations, and oversees multiple critical infrastructure protection standards to support compliance. In addition to ongoing operations in 2025, the team will install gate access control systems at the Horseshoe and LaPorte substations.

Fleet is responsible for purchasing and maintaining Platte River's vehicles. The team also maintains records and performs inspections as required by the Colorado Department of Transportation. In 2025, fleet will purchase a new telehandler and four new fleet vehicles.

General counsel

The general counsel division oversees Platte River's legal, environmental compliance and reliability compliance functions.

Legal provides a broad range of services to support Platte River's operations and strategic initiatives. Services include managing complex transactions, legal and regulatory compliance, support and advice to senior leadership and the board of directors, risk management and dispute resolution, contract management and review, and support for human resources and real estate matters. The legal department also supervises relationships with retained counsel who assist in specialized areas such as water law, public finance, pension and Federal Energy Regulatory Commission (FERC) regulations. The legal department also works with outside counsel in legal proceedings to protect Platte River's interests, as appropriate. In 2025, the legal department will support Platte River's efforts to develop further renewable energy and storage projects, from requests for proposals through term sheet development and final contract negotiations; advise on the legal implications of legislative and regulatory changes; continue to modernize contracting processes and documents; support Platte River as a participant in the Chimney Hollow Reservoir construction project; continue to improve information governance and privacy practices; and help train staff on legal and compliance obligations. Legal will continue to develop the framework for future participation in the SPP RTO West market.

Environmental compliance oversees Platte River's adherence to federal, state, and local environmental regulatory requirements governing Platte River's operations. The department's primary activities include obtaining and managing compliance with various permits; reporting key operational data to local, state and federal regulatory agencies; monitoring emissions; managing environmental projects; assessing emerging regulatory changes; and collaborating with trade groups and other utilities on environmental topics. The department's focus in 2025 will support activities that advance the Resource Diversification Policy by finalizing permitting and site preparation for the new aeroderivative units. The department will also continue implementing programs to help Platte River comply with new and existing regulatory requirements related to air quality, water quality, waste management and radiation safety.

Reliability compliance provides oversight and guidance for all North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) reliability obligations enforceable under the Energy Policy Act of 2005. Department activities include compliance risk analysis, monitoring, compliance implementation guidance, and support. In addition to providing reasonable assurance to senior leadership that Platte River meets all NERC and WECC regulatory compliance obligations, the department will continue to develop and implement a risk assessment and internal controls framework in 2025. This framework helps Platte River demonstrate effective risk mitigation practices to WECC staff ahead of Platte River's next formal audit.

Financial services

The financial services division protects the short- and long-term financial sustainability of Platte River, manages the organization's financial risk, and supports organizational leadership through the following functions.

Accounting manages the transactional side of accounting, including capital, fuel and invoicing for the organization. This team also provides reporting to managers, directors and senior leaders to make informed decisions in these areas. Accounting also assists with coordinating the annual financial audit and budget preparation.

Treasury manages Platte River's cash, investments and debt to verify that the organization has sufficient financial resources to fund projects and initiatives while meeting the organization's financial targets. Treasury includes Platte River's accounts payable, purchasing, warehousing, inventory control and contract administration functions.

Financial reporting and budgeting monitors and reports on Platte River's financial status. Focuses include budget development and monthly and annual financial reporting, which provide managers, directors, senior leaders and the board of directors with the tools and information they need to make informed decisions. This team manages the financial system, including evaluating opportunities to leverage best practice and take advantage of additional functionality and updates to the system in close collaboration with other departments. This team also coordinates Platte River's annual financial audit and leads the budget process in compliance with Colorado local government budget law.

Financial planning and rates develops financial and rate models and establishes metrics for financial sustainability. This team is responsible for long-term financial planning using

established models and works closely with the resource planning department. In collaboration with senior leadership and the board of directors, this team establishes rate strategy and design, maintains the rate-setting policy and establishes rate tariffs. This team is also responsible for counterparty credit management within the energy trading and risk management system.

Enterprise risk management coordinates risk management activities at Platte River. These activities include overseeing the risk assessment and mitigation process, working with risk owners in the organization and reporting to Platte River's risk oversight committee. The enterprise risk management team works with internal audit and the risk oversight committee to proactively address, develop, support and maintain enterprise and energy risk management programs.

Internal audit provides independent, objective assurance and advisory services. These include evaluating the effectiveness of governance, risk management and control processes, identifying risks to organizational objectives, and evaluating processes for compliance with regulations, policies and procedures. Internal audit helps management understand risks and provides recommendations to improve the effectiveness of governance, risk management and internal control processes.

During 2025, the financial services departments will adapt to a new financial information system; continue supporting preparations for SPP RTO West market entry; support the 2025 scheduled maintenance outage of Rawhide Unit 1; and collaborate with the owner communities to determine potential changes to Platte River's rate structure during and following the energy transition. The financial planning and rates team will also analyze varying cost allocations, rate designs and strategies for DER initiatives. The risk team will provide training and educational risk sessions to the organization and continue to expand the enterprise risk management program and work through the results of the risk assessment performed in 2023.

Power supply

The power supply division oversees ongoing participation in power markets and generation dispatch to minimize the net variable cost to serve owner community load, while driving Platte River's evolution toward a noncarbon energy future and focus on energy transition leadership.

Power markets and generation dispatch plans and schedules generating resources to reliably meet energy requirements of the owner communities and other obligations. The department optimizes available resources using bilateral trading and organized energy markets to create the most cost-effective and reliable energy supply to meet customer demand. The department also manages metering and market settlements. In 2025, staff will continue preparing for SPP RTO West market entry and simultaneously participate in the SPP WEIS market to support Platte River's strategic initiatives and the Resource Diversification Policy. Preparations include integrating new market software and new market products and completing all data submissions and training requirements. The department will also optimize

available resources and monitor the development of noncarbon resources under power purchase agreements (PPAs).

Portfolio strategy and integration develops near- and long-term power supply plans that drive strategies to achieve the Resource Diversification Policy and reduce carbon emissions. These plans are designed with industry-standard evaluation tools and analytical methods for integrated resource planning and power supply planning for budgeting and wholesale rate projections. The department also provides analytical support for power transaction evaluations, competitive bid evaluations, DER economic evaluation, short-term operational optimization and SPP WEIS market assessment. During 2025, the department will continue its routine activities while focusing on resource adequacy requirements and conducting various studies to prepare for optimal forecasting of power prices in the SPP RTO West market.

The **DER** department leads the coordinated and collaborative effort between Platte River and the owner communities to integrate DER, making them part of a reliable, financially sustainable and increasingly noncarbon electric system. DER are technologies deployed on the electric distribution system or on customer premises that can provide benefits to all customers through electric system optimization. DER technologies include EVs, energy storage, beneficial electrification and rooftop solar.

The department's work includes planning, developing and operating technologies that provide DER flexibility. The department also helps develop and deploy DER devices on the distribution system and works with the distributed energy solutions department to support deployment and registration of customer DER in the VPP. In 2025, the DER department will focus on working with the DERMS vendor and the owner communities to develop a solution that can meet the respective entities' functional requirements. The department will also work with the VPP customer program vendor, distributed energy solutions department and owner community program staff to develop program designs. The DER department will also support planning, permitting and construction of four 5 MW, 20 MWh storage projects after Platte River signs land leases and license agreements with the owner communities or other project site owners, as well as agreements with the storage project developer. Staff anticipates commercial operation of these projects by late 2026.

The **distributed energy solutions** department leads the development and implementation of customer energy programs, providing technical and financial support to help customers use energy more effectively. The department collaborates with owner communities' staff to provide distributed energy solutions to their customers under the Efficiency Works brand and support the customer wind power purchase programs and associated REC tracking for the communities. In 2025, the department will continue to expand beyond energy efficiency program offerings to support additional DER technologies that advance the Resource Diversification Policy. The department will continue offering energy efficiency programs to residents and businesses and plans to impact annual energy consumption through growing program offerings focused on building electrification and non-controlled EV services. These growing DER offerings will provide the foundational elements of future customer programming focused on EV charging, demand flexibility and battery storage initiatives that will directly interact with the DERMS and support the VPP.

Fuels and water manages the availability and delivery of critical resources necessary to operate generation facilities reliably and efficiently. Primary activities include managing contracts, developing strategies to optimize coal and rail agreements, maintaining a reliable water supply, and accurately planning for future fuel and water needs. In 2025, water-focused activities will include continued support of the Chimney Hollow Reservoir construction project, regional water discussions, and exploring future water projects and partnerships to optimize Platte River's water resources portfolio. Fuels-focused activities will include strategic planning efforts at the Trapper Mine to optimize coal inventory levels at the Craig Generating Station, strategic management of coal deliveries for Rawhide Unit 1 to align with projected burn rates and adapt to market-related operational changes, and evaluating natural gas firming strategies to support current and future generation resources.

Technology services

The technology services division, composed of six functional teams, enables a secure and reliable technology ecosystem by leading Platte River's digital transformation with innovative strategies and solutions.

Information and cyber governance develops the cybersecurity strategy and manages the cyber risk remediation program. The department designs and implements the asset management program, providing information governance support to the organization and making data and information more available, reliable, secure and transparent. The department researches technical security controls, manages security systems, provides cybersecurity education for the organization, and oversees the vulnerability management program.

Client technology and endpoint security manages end-user computing devices and applications, including laptops and desktops, special-purpose computers, non-enterprise software, audio and video systems, building support systems, printers, mobile devices and more. The team handles client-facing system administration and mobile device management via on-premises and cloud tools. The department collaborates with others to supply project resources, provides access services for market resources (local security administration), coordinates digital communications and remediates security vulnerabilities on client devices.

Enterprise applications manages the lifecycle of all enterprise applications, including data center and cloud-based applications used across the enterprise or by a large part of Platte River's user community. Examples include the financial, maintenance management and human resources information systems. Activities include supporting other departments with applications-related business needs analysis, requirements gathering, product research, vendor evaluations, project planning, contractor management and ongoing maintenance.

Enterprise infrastructure manages other departments' backend systems to deliver services to end users. The team designs, implements and manages wired and wireless enterprise networks, firewalls, servers, virtualization systems, storage systems, and backup and recovery solutions.

Supervisory control and data acquisition (SCADA) services maintains the reliability, resilience, security and compliance of the central control systems that are used to operate Platte River's high-voltage transmission lines and electrical substations, and monitors the surrounding regional transmission systems that impact load. The team provides transmission system asset control, situational awareness, advanced applications and operations data exchange with critical partners while overseeing compliance with NERC regulations.

Digital project management maintains the digital project portfolio and works with digital leaders, staff, and other departments to perform project intake and assist in project document creation. This functional team represents an important step in the evolution of project portfolio management at Platte River as the organization works toward best practices in project planning, prioritization and execution.

During 2025, the digital department will initiate and manage multiple projects central to Platte River's operations and long-term objectives. A partial scope of projects includes:

- Deploying and migrating Platte River's SCADA system to the new energy management system and work to transition the current SCADA systems hosted and managed for the owner communities to the same energy management system platform
- Supporting the implementation of new software required for entrance into the SPP RTO West market as well as efforts in the areas of network connectivity, authentication and cyber security, data management and integrations for the DERMS
- Continuing to develop and beginning to implement a data strategy and governance program for the organization's various dispersed data sources
- Implementing a data management and analytics platform
- Completing various fiber optic system replacement and expansion projects

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2025 Strategic Budget highlights

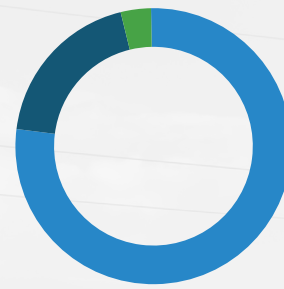
The Platte River Power Authority 2025 Strategic Budget, produced under the direction of the organization's leadership, aligns with the long-range strategic plan to give community leaders, stakeholders and the public a transparent roadmap of Platte River's tactical, operational and capital plans for the coming year.

Platte River's 2025 budget enables ongoing investments to transform the organization based on its strategic initiatives and core operations. These reflect Platte River's foundational pillars of system reliability, environmental responsibility and financial sustainability. These pillars guide the decision-making process for the resource allocations, revenues and expenses detailed in the budget.

Platte River manages expenses from a broad perspective with the goal of operating the system in a safe, compliant and reliable manner while expanding environmental stewardship. Platte River communicates and collaborates with the owner communities to align processes and outcomes for the benefit of all customers.

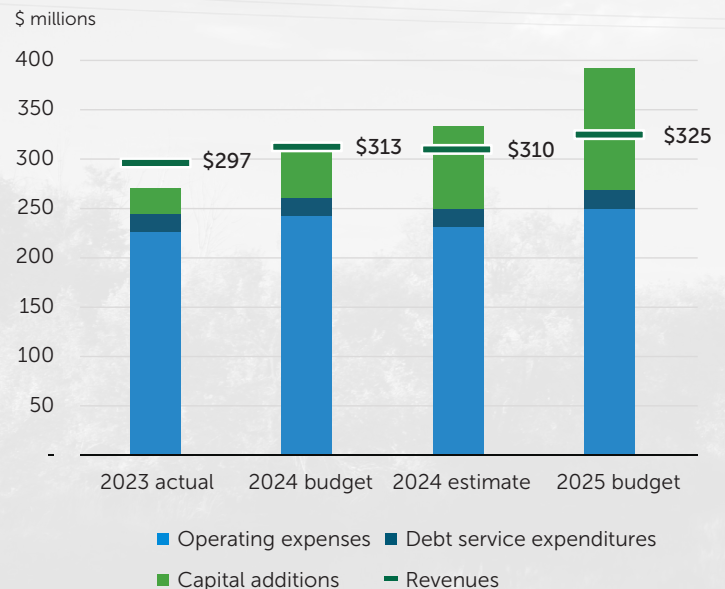
Platte River's budget includes \$324.6 million in revenues and \$392 million in expenditures, consisting of operating, capital and debt. After a contingency appropriation of \$75 million, \$142.4 million of funding is budgeted from prior reserves. Of the \$373 million in operating expenses and capital additions, approximately 64% and 36% are allocated to activities supporting core operations and strategic initiatives, respectively.

Revenues

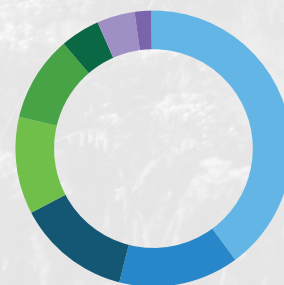


- Sales to owner communities **77%**
- Sales for resale and wheeling **20%**
- Interest and other income **3%**

Revenues and expenditures



Operating and capital additions



- Generation **40%**
- Contract renewables and hydro **14%**
- General business **13%**
- Fuel **11%**
- Transmission **10%**
- Other energy purchases **5%**
- Distributed energy resources **5%**
- Facilities **2%**

Strategic initiatives

\$134.2 million, 36% of operating and capital

- Resource diversification planning and integration, \$125.2 million, 33%
- Community partner and engagement, \$1.9 million, 1%
- Workforce culture, \$1.9 million, 1%
- Process management and coordination, \$5.2 million, 1%

Activities

- 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 and SPP RTO West preparation and market software
- Completion of the Chimney Hollow Reservoir
- Public engagement including new website
- Workforce evolution and development
- Data management and analytics platform, project management and enterprise risk management

Core operations

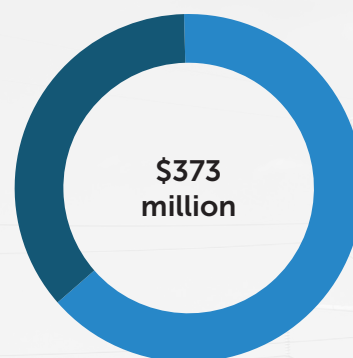
\$238.8 million, 64% of operating and capital

- Generation, including fuel, \$126.1 million, 34%
- Energy purchases including wind, hydropower and solar energy in commercial operation, \$62.8 million, 17%
- Transmission, \$42 million, 11%
- Customer energy programs, \$7.9 million, 2%

Activities

- Rawhide Energy Station and Craig Generating Station preventive, proactive maintenance and capital improvements for reliability, safety, efficiency and environmental compliance
- Rawhide Unit 1 five-week scheduled maintenance outage
- Ongoing operations and maintenance of the transmission system
- Proactive capital investments including frame combustion turbine projects, Trapper Mine reclamation, a new substation, transformer replacement, fiber optic replacement and expansion
- Continued generation from wind and solar resources under power purchase agreements
- Customer energy programs
- Community initiatives and facilities projects
- Staffing additions to support organization changes and strategic initiatives

Operating expenses and capital additions



- Core operations **64%**
- Strategic initiatives **36%**



Strategic initiatives

\$134.2 million, 36% of operating and capital

Platte River is committed to pursuing the board-adopted Resource Diversification Policy that directs leadership to work toward a 100% noncarbon energy mix by 2030 while maintaining the organization's foundational pillars. According to the policy, achieving this goal requires key advancements in battery storage technology, transmission infrastructure, distributed generation resource performance and active participation in an organized energy market. Additional information about Platte River's progress toward the Resource Diversification Policy is available at prpa.org/future.

In 2025, staff will continue following the guidance of the 2023 Strategic Plan that provides high-level direction for implementing Platte River's vision and mission, anchored by the foundational pillars. The 2023 Strategic Plan is available at prpa.org/2023-strategic-plan. The current strategic initiatives are:

- Resource diversification planning and integration
- Community partner and engagement
- Workforce culture
- Process management and coordination

The following information highlights investments in 2025 that support each strategic initiative.

Resource diversification planning and integration

\$125.2 million, 33%

Platte River's resource diversification planning and integration efforts focus on implementing a resource portfolio that reliably serves Platte River's owner communities ahead of the retirement of all coal-fired resources. This initiative includes identifying and implementing technological resources and data analytics to modernize the electric grid, optimizing assets for participation in an organized market and capturing opportunities as the industry continues to evolve. These efforts focus on new noncarbon resources, adding dispatchable capacity and emerging technologies, strategic transmission planning and expansion, participation in the SPP RTO West market, operational flexibility of existing resources and investments in water resources.

Noncarbon resources

Noncarbon resources are expected to represent 42.3% of Platte River's 2025 total energy production, which includes REC allocations to carbon resources. By securing additional solar, wind and storage resources before Rawhide Unit 1 retires, Platte River will spread out the necessary investments and resulting rate impact while gaining critical operational experience. This approach also helps the owner communities achieve interim carbon reduction goals.

Construction of the 150 MW Black Hollow Solar project (phase 1) began in 2024. The facility is slated to begin commercial operation in mid-2025, with 2025 total expected delivery of over 220,000 MWh of energy through a PPA at a cost of approximately \$7 million. Energy from new noncarbon resources is considered strategic in the first year of commercial operation. An amended PPA for an additional 107 MW of solar adjacent to the Black Hollow Solar site (phase 2) was signed in 2024, with an expected commercial operation date in 2026. When complete, both phases of Black Hollow Solar will deliver over 630,000 MWh of energy annually, which is enough to power more than 63,000 homes and is the last new solar resource expected before all coal-fired units retire by the end of 2029.

Platte River will also invest an estimated \$3 million to prepare an additional transmission bay at the Severance Substation to interconnect future solar or battery storage to the existing transmission network. This project is estimated to have a total multiyear project cost of \$3.2 million, net of reimbursements from others.

In 2024, Platte River issued an RFP for up to 250 MW of new wind energy. Following bid evaluations, staff will select a vendor and begin contract negotiations. The new wind project is expected to come online in early 2027.

Additionally, staff will complete transmission system studies for new resource interconnection requests and provide engineering project support for new renewable resources and transmission interconnection projects, as needed.

Dispatchable capacity

In accordance with the Resource Diversification Policy, Platte River is working to replace traditional coal generation with renewable energy and investing in dispatchable technologies to maintain reliability. In 2023, Platte River's Board of Directors unanimously voted to approve a resolution of support for highly flexible, dispatchable capacity through a three-pronged approach: energy storage, a VPP and aeroderivative technology. This approach will help Platte River manage dark calms (extended periods of low or no renewable generation) while providing regional market balancing and transmission services to maintain reliable delivery of energy to the owner communities.

Energy storage

The size and functionality of utility-scale energy storage depends upon several factors, including the location of the project on the grid and the mechanism used to store energy. Currently, the most common utility-scale energy storage solution that maintains Platte River's three pillars is four-hour batteries. Long-duration energy storage, which is storage that can consistently discharge at a near-maximum discharge rate for 10 or more hours, is emerging technology that Platte River staff will continue to monitor, including progress of new studies and demonstration projects. Examples of technologies that may prove commercially viable as long-duration energy storage include pumped hydropower, compressed air, gravity-based systems, flow batteries and stored green hydrogen created through electrolysis of water.

While long-duration energy storage is not yet commercially viable, Platte River issued a request for proposals (RFP) for a utility-scale 75-100 MW four-hour lithium-ion battery

project in 2024 and is currently evaluating proposals and negotiating contract details. This utility-scale battery system is expected to be online by early 2027. Generally, utility-scale batteries are installed at a generating resource, such as a wind farm, or placed on the transmission system at substations to help balance electric supply and demand.

Platte River is also pursuing distribution-level storage projects in partnership with all four owner communities. In December 2021, Platte River issued an RFP for vendors to provide dispatchable capacity from battery storage systems connected to owner community distribution systems. The goal is to have at least one 5 MW, four-hour battery in each owner community operational by the end of 2026, enhancing flexibility within the distribution systems' load, offering potential market benefits and improved local distribution reliability.

Owner community-specific objectives:

- **Loveland, Longmont and Fort Collins:** These battery storage projects may help address future renewable generation and load mismatches and manage peak distribution equipment constraints.
- **Estes Park:** This battery will provide similar services as those within the other owner communities. It may also provide services to a future microgrid. In 2024, Platte River, in collaboration with Estes Park, received a contingent award of nearly \$0.4 million from the Colorado Department of Local Affairs in Microgrids for Community Resilience Grant Program. These funds, if received, would be eligible to cover a portion of this project's monthly capacity charge. In return, Platte River and Estes Park will investigate and plan for the battery's use in a future microgrid. The award is contingent on initial construction of required infrastructure by Dec. 31, 2026.

To prepare for these distribution-level storage projects, Platte River will oversee and construct the interconnections, investing approximately \$3 million in 2025 as part of a total estimated \$3.8 million multiyear project. This initial cost in 2025 covers procurement of equipment, including:

- Medium voltage cables, relaying, and interrupters
- Conduit systems
- Control, metering and communication equipment

A contractor will install the interconnection equipment needed by 2026 to support the third-party owned and maintained distribution-level battery storage projects coming online. Once these storage projects are fully interconnected and commercially operational, Platte River will operate them in collaboration with each owner community's distribution operations through the VPP.

Virtual power plant

A VPP is a portfolio of aggregated flexible DER, such as EVs, battery storage and controllable equipment such as air conditioning, that utilities can leverage to provide capacity and energy services to the grid, much like a conventional power plant. The VPP is expected to grow over time to include thousands of flexible DER. While highly dependent on future adoption rates,

Platte River projects 32 MW of capacity by 2030 and 93 MW by 2040, not including the 20 MW of distribution-level storage discussed previously.

In May 2024, Platte River issued an RFP to obtain technology and services to support the development of the VPP. The RFP includes two scopes of work that one or more vendors (to be selected by the end of 2024) can fulfill. The first scope is to design and implement a DERMS, which is a system that supports the coordinated operation of DER by Platte River and the owner communities. The DERMS will enable Platte River to operate participating DER as a VPP to support integration of renewable energy and system reliability as the energy portfolio transition continues. The second scope is to support the design and implementation of programs that enable and incentivize customers to enroll their DER in the VPP.

In 2025, Platte River will invest approximately \$1.4 million of an estimated \$9.2 million multiyear project budget to procure a DERMS software from the selected vendor, customize the software to meet the needs of Platte River and the owner communities, and engage in project management activities including technical and integration advising and user and stakeholder participation. In addition, Platte River will invest approximately \$1.2 million to initiate programs to directly support customers' enrollment in the VPP.

While the distributed energy solutions team will continue its efforts to help consumers use their energy more effectively as discussed in the core operations section, the team will increase focus on broader energy use services including energy education, building electrification, EVs and other DER. These immediate efforts support broader adoption of various DER in the owner communities to expand and encourage participation in the VPP.

The distributed energy solutions team will prioritize the following initiatives in 2025:

- Participate with the DER team to help identify and evaluate DER technologies and initiatives to implement as customer solutions that can provide long-term net benefits
- Lead the distributed energy solutions customer energy program efforts to develop and implement programs recommended by the DER team to support the VPP
- Continue engaging and collaborating with other utilities and organizations that demonstrate effective approaches to integrating DER into customer distributed energy solution program offerings at local, regional and national levels
- Provide customer programming support for anticipated EV adoption growth by offering EV education on commercial fleets and light-duty EVs
- Continue to provide contractor trainings through guest lectures at community college HVAC courses and by hosting technology-specific trainings at Platte River's Energy Engagement Center to support a growing network of local contractors

Aeroderivative technology

Platte River engaged an independent consultant to assess the landscape of low- and no-carbon fuels and dispatchable power generation technologies. Platte River's 2024 Integrated Resource Plan (IRP) explains the technology selection process. Both the IRP, and the results from the generation technology screening by the third-party consultant, are available at prpa.org/2024irp/. After assessing options, Platte River relied on the consultant's recommendation and decided the best option is to use highly flexible, state-of-the-art,

hydrogen-capable aeroderivative combustion turbine technology. These machines will initially use natural gas fuel, but by 2035 may start using 50% green hydrogen blend and by 2040 may use 100% green hydrogen, if the technology matures.

Aeroderivative units will maintain reliability and financial sustainability as Platte River increases investment in renewable resources to offset retirement of its coal-fired generation by the end of 2029. These units start and ramp quickly to respond to the changing output of wind and solar resources, allowing Platte River to reliably invest in more noncarbon generation. They have lower maintenance and fuel costs compared to Platte River's existing frame units. Additionally, aeroderivative units can provide ancillary services to support overall grid stability by operating in synchronous condenser mode (that is, synchronized to the grid but not consuming fuel or producing energy).

In 2024, Platte River completed preliminary engineering designs and submitted an air permit application to the Colorado Department of Public Health and Environment (CDPHE) for new aeroderivative units. If CDPHE accepts the air permit application by the end of 2025, Platte River should have a final construction permit in early 2026.

Activities to support the construction of the aeroderivative units must occur in parallel to the permitting process to support Platte River's decarbonization timeline. A primary focus is on procurement activities. In 2025, approximately \$80.6 million of a total estimated multiyear \$352.9 million investment through 2028 is needed, primarily for partial payments on the aeroderivative units and for engineering, procurement and construction services.

In 2025, Platte River will also invest in the following projects that support the aeroderivative units.

Site preparation and fire training facility retirement

In 2024, Platte River identified the existing fire training facility at the Rawhide Energy Station as the preferred location of the new aeroderivative units. To accommodate the units, staff will expedite decommissioning of the fire training facility, which is partially a component of the Rawhide Unit 1 impoundments asset retirement obligation, as discussed in the financial governance section.

The first phase of this project is expected to conclude by the end of 2024 and includes data gathering and permitting activities, followed by preparation of bid documents for decommissioning. Decommissioning should begin in 2025 and will include removing infrastructure and any contaminated sediment until the area meets criteria approved by CDPHE. The total estimated cost of the project is \$7.3 million, which includes decommissioning and site preparation. Decommissioning of the fire training pond is a planned asset retirement obligation and is expected to be \$3.5 million of the total cost.

12.47 kV switchgear replacement

The aeroderivative units will require a new configuration for the auxiliary power infrastructure at the Rawhide Energy Station to create redundant feeds and provide a backup auxiliary power source for the new resources. In 2026, staff will phase out the existing 12.47 kV switchgear, located in the Rawhide Substation control building, that feeds auxiliary boiler 101,

102, the construction management building, the substation control house and the frame unit backup auxiliary power. Initial activities in 2025 of approximately \$0.7 million will include engineering design, contracting and procurement of the necessary equipment to support the new configuration, with a total multiyear project cost estimate of \$4.4 million.

Rawhide Substation expansion

To support the aeroderivative combustion turbines and other possible future resources, Platte River will continue efforts toward expanding the existing Rawhide Substation by mid-2027 by investing approximately \$0.4 million toward site development and procurement of long lead time equipment. With a total multiyear project cost of approximately \$17.4 million, this project includes grading land at the site, foundations, modifications to existing structures, equipment installation and additional perimeter fencing.

Transmission and substations

Platte River needs additional transmission lines and substation facilities to maintain the reliable operation of the transmission system and relieve transmission congestion as Platte River brings additional noncarbon resources online in the coming years. Staff will determine specific needs as projects progress, with approximately \$0.3 million allocated in 2025 to support these planning efforts. Including these planning costs, a multiyear total estimate of \$66.4 million is expected on these projects through 2028. Additional transmission investments are expected as shown later in the capital five-year forecast.

Operational flexibility

Platte River's existing frame units are increasingly important to support noncarbon resource additions, participate in the SPP WEIS market and meet peak energy demand.

Combustion turbine Unit C will receive significant upgrades in 2025, including an estimated \$4.5 million project to upgrade combustion components. This will reduce emissions, increase operational output range, double time between maintenance outages, improve reliability, and provide a spare set of hardware for use in other frame units. In addition, approximately \$1.6 million will be invested to add wet compression to combustion turbine Unit C. This will increase summer generating capacity, lower the heat rate, decrease fuel costs and reduce nitrogen oxide emissions.

Additional valves will be installed on the gas supply, for approximately \$0.4 million, to reduce the startup time required for combustion turbine Unit F. This will increase the operational flexibility of the unit and potentially enable Platte River to offer ancillary services to the SPP RTO West market in 2026, as the upgrades will allow the unit to qualify for zero purge credits, because it will no longer require a fresh-air purge of combustible fuels before each ignition. Avoiding a fresh air purge enables faster and more efficient unit starts while still meeting fire code and safety standards.

While actual capacity may vary after all equipment is fully installed and tested, proactive combined upgrades to the frame units are increasing summer peaking capacity. In time for the 2025 summer peaking season, capacity of combustion turbine Unit C is projected to increase from 65 MW to 77 MW and combustion turbine Unit F is projected to increase from

128 MW to 158 MW. Actual interval-by-interval capacity of all thermal generating resources varies based on ambient temperatures, humidity levels and various other factors.

The 2025 budget includes an estimated \$0.1 million for consulting services to develop and implement natural gas firming strategies to supply fuel for the new aeroderivative units and existing frame units. This will help staff better understand details of the natural gas market and learn how to best operate within it. The 2025 budget also includes training on natural gas supplies and options for firming this fuel type.

SPP RTO West market

As the organization prepares to join the SPP RTO West market in April 2026, Platte River will invest approximately \$1.7 million of a total estimated \$2.9 million multiyear project cost to implement required software. Platte River must have a scheduling and settlements tool to participate in the SPP RTO West market. Staff will use it to develop bids for Platte River's load or offer generation on a day-ahead and real-time basis and manage market information efficiently and accurately. The software will also integrate market data for settlements, risk analytics, valuation and reporting purposes. Initial implementation must be ready in 2025 to prepare for market trials, and be fully implemented in 2026 to begin operations in the SPP RTO West market. In addition to software, approximately \$0.9 million will be invested in project management, process development and other implementation services necessary to successfully enter the SPP RTO West market.

Resource planning staff will also evaluate the resource adequacy study for alignment with Platte River's interests and work with consultants to develop market energy price forecasts for the day-ahead market. Platte River also plans to enter a long-term contract to manage transmission congestion rights during its initial years in the SPP RTO West market. This is expected to be a three-year contract with annual expenses of approximately \$0.1 million.

Chimney Hollow Reservoir

Platte River will continue to collaborate with its partners through the construction of Chimney Hollow Reservoir, the most significant component of the Windy Gap Firming Project. The project supports the long-term, dependable delivery of Platte River's Windy Gap water, which is essential for reliable operations, and will optimize Platte River's water resource portfolio.

The 2025 budget reflects the debt service payment for the firming project as described in the debt service expenditures and debt-like obligations section of this document, as well as initial start-up and operational costs. Construction of the reservoir is expected to be complete in 2025, at which time filling can begin. Completely filling the reservoir is expected to take several years and will depend on the available water supply.

Community partner and engagement

\$1.9 million, 1%

The 2023 Strategic Plan initiatives emphasize greater engagement and collaboration with owner communities to collectively pursue a noncarbon energy future and build a regional

identity. Platte River will work to enhance the partnership with the owner communities and increase regional visibility through continued engagement efforts, accessible education and communication, and ongoing community support and involvement activities.

Communications, marketing and external affairs

In 2025, Platte River will invest approximately \$0.1 million to redesign the organization's website to better inform and engage stakeholders about Platte River. The site will include enhanced end-user experiences for requesting facility tours, community presentations, career and education presentations, and opportunities to learn more about the energy transition. Additionally, the updated Platte River website will comply with new Americans with Disabilities Act requirements. The website launch will be coupled with a public education campaign that will underscore the collaborative efforts between Platte River and its owner communities in working toward the Resource Diversification Policy goal.

Platte River will continue expanding its stakeholder engagement with public policy, business, educational, environmental and nonprofit organizations during 2025. This will help grow and strengthen relationships in support of Platte River's objectives. Part of the focus in 2025 will be supporting the planning and permitting work for additional noncarbon and aeroderivative unit resources. Additionally, Platte River and Efficiency Works will continue the two-year sponsorship of the Colorado State University Energy Institute's mobile classroom. The classroom seeks to provide education on clean energy and emerging technologies to K-12 students throughout Northern Colorado, with added outreach to schools that may not have the resources to access the university's on-campus educational opportunities.

Another focus will be celebrating the commercial operation of the Black Hollow Solar project with a ribbon cutting ceremony. As additional noncarbon resources are announced, staff will collaborate with project developers to organize milestone events and public relations efforts. These opportunities allow Platte River and the owner communities to celebrate milestones of the Resource Diversification Policy with staff, board members, stakeholders, community partners and the public.

Workforce culture

\$1.9 million, 1%

Platte River will build on its high-performing workforce through ongoing development opportunities, dynamic talent assessment, and job retention and succession planning for employees at the headquarters campus and the Rawhide Energy Station. As the organization continues to work on its energy transition, Platte River will maintain and enhance its strong workforce culture by recruiting the best available talent, fostering diversity and a culture of learning, personal growth and mutual respect.

Workforce evolution and development

Human resources will continue to evaluate Platte River's total rewards strategy in 2025 to ensure that it enhances employee retention and attraction while emphasizing work flexibility and wellness. Following the 2024 performance evaluation process update, work will continue

to link performance to compensation. Effective communication and change management will support successful rollout and sustainment.

Platte River will focus on the long-term transition at the Rawhide Energy Station as Rawhide Unit 1 retires by the end of 2029. In 2025, human resources and Platte River's leadership will expand on the transition plan and implement training opportunities for Rawhide staff to address future staffing needs and skills for managing a diverse energy mix. A skills assessment, led by human resources, will continue refining organizational roles. The assessment will provide data on employment trends and skill gaps to guide training and education for staff impacted by the retirement of Rawhide Unit 1. Platte River anticipates no involuntary workforce reductions and will continue to implement programs to re-skill or up-skill staff for new opportunities.

Process management and coordination

\$5.2 million, 1%

The Resource Diversification Policy challenges Platte River to change how it generates and delivers electricity to its owner communities. To meet this challenge, staff must also change how processes and projects are organized and managed. This requires a new or refined approach to systems thinking and change management, project management, technology integration and long-term planning, and comprehensive risk management.

Data management and analytics platform

As part of a comprehensive data strategy, Platte River will establish foundational capabilities spanning data governance, data management, data integration and data science through a data management and analytics platform. The platform is a foundational investment to accelerate Platte River's digital and data transformation in response to the evolving energy landscape. It will help the organization load data from retiring legacy systems as part of the new enterprise resource planning system implemented in 2024, giving business units access to historical information while phasing out legacy systems. In 2025, Platte River will invest an estimated \$0.8 million to implement the initial scope of the platform, provide training and facilitate the first data migration phase, with most custom interfaces between systems migrated by the end of 2025.

Establishing the data management and analytics platform allows the organization to govern, protect, organize, and operationalize its data assets. It will drive innovation by adopting cloud capabilities to support advanced analytics through artificial intelligence and machine learning. Key benefits include reduced duplicate data and assets, higher-quality and more timely insights for decision-makers, and increased agility and speed in developing future enterprise assets and data integrations under a consistent, managed data framework and process.

Information technology project management

The initial project management framework developed in 2024 captured over 70 projects in the project portfolio and will continue to evolve in 2025. It is difficult to align the correct

resources with the required skill sets unless staff improves management capabilities of resources required for specific projects and manages resource conflicts across the project portfolio. Focus areas for process improvement include better and more formal project prioritization decisions and related communications; implementing detailed project analysis and management at the resource level; and refining and standardizing project and portfolio dashboards used to communicate the status of projects across the organization.

Enterprise risk management

Platte River is committed to enterprise risk management, the process to identify potential events that may affect its ability to meet strategic objectives and manage identified risks appropriately. The enterprise risk management program is continually evolving to incorporate best industry practices.

In 2025, the risk team will implement further components of the enterprise risk management program and work through the results of the risk assessment performed in 2023. The team plans to provide training and educational risk sessions to the organization.

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Core operations

\$238.8 million, 64% of operating and capital

Platte River must continue to invest in core operations to maintain the safe, reliable production and transmission of environmentally responsible and financially sustainable energy and services to the owner communities. To diversify its resource portfolio, Platte River has PPAs for wind, hydropower and solar. With a focus on preventive and predictive maintenance strategies, core operations and maintenance expenses are relatively consistent from year to year.

Generation

In 2025, approximately 37% of Platte River's energy will come from owned baseload coal-fired and peaking natural gas resources. Through SPP WEIS market participation, Platte River has more opportunities to purchase power if market prices are lower than the cost to generate, and to sell excess energy if production costs are below market prices. Purchasing power decreases fuel expense, which is partially offset by higher purchased power expense; selling power increases revenue, which is partially offset by higher fuel expense. Additional information about Platte River's generation and energy mix is available on Platte River's website at prpa.org/generation. Resource and load information, including the resource mix for the trailing 24-hour period, is available at prpa.org/energy-production.

Rawhide Energy Station

The Rawhide Energy Station began commercial operation in 1984 and celebrated 40 years of reliable service in 2024. Over the past two decades, it has evolved into a diverse site with multiple forms of energy resources and staff continue to actively pursue integration of new renewable resources and upgrades to existing equipment to improve efficiency and decrease emissions. The current energy resources onsite include coal, natural gas, solar and battery storage, with interconnections for wind.

While Platte River diversifies its energy portfolio in pursuit of the Resource Diversification Policy, Rawhide Unit 1 continues to be its largest energy source. As additional non-dispatchable resources (wind and solar) are added to the portfolio, optimal performance of Rawhide Unit 1 and the frame units is critical to system reliability and a key factor in facilitating deeper levels of decarbonization. Platte River will emphasize efforts to upgrade and maintain these units to become more flexible as the generation portfolio evolves. In 2025, Rawhide Unit 1 and the frame units will generate 24.4% and 3.7%, respectively, of Platte River's energy before REC allocations.

Rawhide Unit 1

Continued operation of Rawhide Unit 1 requires funding to maintain optimal performance and environmental compliance until the unit retires by Dec. 31, 2029. A five-week scheduled maintenance outage is planned for fall 2025 to perform extensive inspection of major equipment and important overhaul activities in the boiler, turbine and other supporting systems. Several capital projects, described below, will also conclude during the outage.

Maintenance expenses, including personnel costs, are estimated to be \$13.3 million and total capital additions are estimated to be \$3.9 million. Replacement power of approximately \$1.5 million is also planned for energy requirements above Craig Energy Station and frame unit production while Rawhide Unit 1 is offline. Capital projects during the outage are outlined below.

- **Air heater fire protection upgrade:** Platte River will invest approximately \$0.1 million to complete this \$0.2 million multiyear fire detection system project that began in 2021 as a strategic project, best completed during an outage. Staff will install the thermocouple array and commission the system.
- **Boiler iron transport analyzer:** This system, with an investment of approximately \$0.1 million, will provide insight into maintenance needs, potential chemistry program changes and determine if a boiler chemical clean is needed.
- **Dust collection system replacement – coal transfer and crusher buildings:** These projects involve investing an estimated \$2.1 million in 2025, completing a total multiyear estimated investment of \$2.5 million, to upgrade the coal transfer and crusher buildings' dust collector systems to improve safety and comply with current regulations and connect to the pneumatic dust collecting system. Upgrades include new deflagration relief panels that vent to the outside, a new exhaust fan, new filter housing, bags and cleaning blowers. If deemed necessary, staff will perform electrical work upgrades to the motor control center buckets and system controls will be incorporated into the Ovation distributed control system.
- **Evergreen controls hardware upgrade:** This approximately \$1.1 million 2025 investment, concluding a total estimated \$2.3 million multiyear project, will bring the Rawhide Unit 1 distributed control system to the currently supported software platform via a turnkey solution. Current hardware is original and will no longer be supported. Staff will replace this hardware and install new network switches with security enhancements. Additionally, staff will update the Ovation controls and replace controllers for the processors.
- **Generator step-up transformer fire protection:** Platte River will invest approximately \$0.6 million to upgrade the transformer fire protection deluge systems to work together with the electrical relaying on Rawhide Unit 1, including installing linear fire protection and programming relays.

The board-approved outage accrual policy requires Platte River to accrue 100% of the estimated incremental costs ahead of a scheduled major maintenance outage and reverse those amounts in the year of the outage to alleviate a single-year significant increase in expenses, thus stabilizing how outages affect wholesale rates to the owner communities. A portion of the outage expenses will be accrued in 2025 up to the date of the outage. The cumulative amount accrued will be reversed in the months of the outage, resulting in a net reversal of approximately \$11.7 million, \$10.4 million of maintenance expenses and \$1.3 million of replacement power. As 2025 is the last scheduled major maintenance outage before the unit retires by the end of 2029, the 2025 budget does not include any accrual for a future scheduled maintenance outage under this policy. However, planned minor

maintenance outages will continue to keep the plant reliably and efficiently operating through retirement.

Frame combustion turbine units

To further increase the reliability and reduce maintenance activities for combustion turbine Unit A, Platte River will invest an estimated \$0.7 million to replace the electro-hydraulic stop/speed ratio valve and gas control valves with electric actuated valves.

Craig Generating Station

Continued operation of Craig Generating Station's units 1 and 2 requires funding to maintain optimal performance and environmental compliance until the units retire by Dec. 31, 2025 and Sept. 30, 2028, respectively. Platte River's share of planned production and transmission operating expenses, excluding fuel, is approximately \$8.4 million. One capital project for the switchyard station is planned, with less than \$0.1 million required for Platte River's share of the investment. There are planned outages during 2025. The Craig units will generate 9.3% of Platte River's energy.

As the retirement dates for the Craig units approach, Trapper Mine reclamation activities will intensify. Platte River annually appropriates capital funding for mine reclamation as an asset retirement obligation, as discussed in the financial governance section. The mine's post-closure care period is expected to run through 2041, with currently estimated total capital funding of \$11.1 million, including \$0.5 million expected in 2025 and amounts incurred in 2024. Actual funding need is uncertain. Platte River will evaluate these plans as additional information develops, including the impact to the mine's reclamation plan from highwall mining and recent decisions on final mining activity and scope through mine closure.

Purchased power

The remaining source of Platte River's energy, approximately 63%, is from wind, hydropower, solar (combined with battery storage) and other purchases. The operating expenses section has more information on each of these purchased power resources.

Due to ongoing drought conditions that have depleted water supplies in the Colorado River basin, the Western Area Power Administration (WAPA) increased rates and reduced deliveries of Colorado River Storage Project (CRSP) hydropower in late 2021. Stable CRSP rates with further delivery reductions are expected in 2025 but depend on water conditions. A small reduction in deliveries from the Loveland Area Projects (LAP) is expected, however an 8.8% rate increase is also planned for 2025, resulting in approximately \$0.3 million of additional funds required for about the same LAP energy as previous years. WAPA projects an additional LAP rate increase of 8.2% in 2026.

During 2024, Platte River received notice of early termination for the Medicine Bow Wind Energy site, with planned decommissioning by the end of 2024. Platte River will no longer receive energy from or incur purchase power costs associated with this wind power resource.

Transmission, substations and fiber optics

Transmission and substation capital projects are determined through an annual 10-year load study that identifies areas Platte River must address to meet operational standards. Scheduling future delivery points and other system improvements requires collaboration and coordination with the owner communities.

Transmission

A multiyear project initiated in 2017 will continue in 2025 with the procurement of airflow spoilers for sections of the Rawhide to Laporte 230 kV and Del Camino Tap to Terry Tap 115 kV transmission lines. Airflow spoilers prevent galloping and enhance reliability. Budgeted at approximately \$0.5 million in 2025, installation in 2026 will conclude this estimated \$3.7 million multiyear project.

Following a rebuild project on WAPA's transmission system that serves Estes Park, isolated outages have revealed the need for further outage risk mitigation. In close collaboration with WAPA, Platte River staff will continue to evaluate system upgrades and procedural change opportunities to further reduce outage risk and increase overall transmission system reliability to Estes Park.

Substations

The City of Loveland has requested a new substation in its southeast service territory, accommodating two city transformers. This multiyear project has a projected total investment of \$10.7 million through 2028, with approximately \$0.1 million in 2025 to begin engineering and surveying activities.

Engineering and material procurement will begin in 2025 with a planned investment of \$0.9 million to replace existing motor operating disconnects for transformers 1 and 2 at Rogers Road Substation in Longmont with circuit switchers, which provides compliance and maintenance benefits. This multiyear project, projected at \$3.9 million with completion in 2027, also prepares the site for load growth and future transmission system expansion projects if required.

Aged, single-phase 230-115 kV transformers at Longs Peak Substation will be replaced with a single, three-phase autotransformer. In addition to other activities, crews will complete new foundations and a transformer oil containment system and also modify existing connections and monitoring systems to accommodate the new unit. With continued 2025 investment of \$0.3 million, this multiyear project started in 2022 will have a total investment of \$4.6 million by completion planned in 2026.

Fiber optics

Platte River's fiber optic system enables efficient data communications between generation and transmission assets and gives the owner communities robust communications service capabilities. About \$1.9 million total is budgeted in 2025 to replace the section of Long-Haul

East overhead fiber cable from the Longs Peak Substation in Longmont to the Longmont Civic Center. The project will also increase fiber strand capacity and reduce outage risk.

Two expansion projects to the fiber optic system are planned. Expected to be completed in 2027 at a total multiyear project cost of \$4.9 million, the 2025 budget includes \$1.9 million to start procuring and installing a new 288-count Long-Haul West fiber cable from Horseshoe Substation to the Longmont Civic Center. Constructing and owning this cable alleviates capacity, performance, and future lease contract concerns, increasing redundancy and reliability of the network. An additional \$1.1 million is budgeted to install fiber cable from Lyons to the Northwest Substation in Longmont, creating a potential redundant fiber path between Estes Park and Longmont, contingent on acquiring rights to use others' fiber along Highway 36 to complete the path into Estes Park. Creating this redundancy enhances reliability for Platte River, as well as for owner community and third-party services such as emergency networks and broadband.

Customer energy programs

The distributed energy solutions team works collaboratively with the owner communities to provide customer energy programs to their customers under the Efficiency Works brand. In 2025, Platte River will invest approximately \$7.9 million by continuing to offer customer energy programs, including customer assessments, efficiency rebates and incentives and additional funding for income-qualified programs.

Customer energy programs target 17,443 MWh of energy savings (using Platte River funds). In addition to the energy savings, an additional 548 MWh will be impacted due to building and transportation electrification initiatives. The owner communities will provide an estimated additional \$1.8 million, not included in Platte River's budget but facilitated by Platte River staff, in directive funding to support owner community-specific initiatives for customer energy and water improvements.

In addition to the focus areas outlined in the strategic initiatives section, the distributed energy solutions team will conduct the following activities in 2025:

- Provide excellent customer service and distributed energy solutions to the owner communities and their customers
- Lead overall customer outreach efforts and coordinate with the communications, marketing and external affairs department to support outreach efforts with marketing needs of the customer energy program offerings

Ongoing communications and community engagement

The communications, marketing and external affairs team will continue expanding the public education program initiated in 2022 to cultivate a regional identity and explain how Platte River and the owner communities are working together to achieve their shared goals. Part of the collaboration includes investing \$0.8 million to manage the ongoing multimedia public education and outreach campaign efforts that highlight Platte River's progress on the Resource Diversification Policy. The team will also help manage communications and

marketing for all DER and distributed energy solutions programs, including ongoing awareness of the EV education website platforms.

This team will also continue to develop Platte River's community engagement strategy by diversifying opportunities to engage with the communities in the service region. This will include building community partnerships that aim to improve the quality of life for Northern Colorado residents, enhance the business climate and support economic development opportunities, support public health and safety, and increase access to science, technology, engineering and math-related education for students across all levels. An investment of over \$0.4 million also represents Platte River's commitment to communications and community engagement that serve to enhance long-standing outreach and initiatives such as the NoCo Time Trials, scholarships and enhancing partnerships with nonprofit organizations, economic development initiatives, and chambers of commerce.

Facilities improvements

Since construction in 2021, Platte River has hosted public meetings, industry events and trainings, owner community-sponsored meetings and more at its Energy Engagement Center, bringing together stakeholders to engage in the region's energy future. The Energy Engagement Center is also a regular meeting space for Platte River's all-staff business and safety meetings. In 2024, Platte River converted a sizable portion of the existing storage space for the Energy Engagement Center into a mechanical room. A new space is needed to store furniture, catering, janitorial and maintenance supplies to continue supporting these events and meetings. In 2025, Platte River will invest \$0.7 million for a 1,200-square-foot new storage space following the selection of an architect in late 2024.

Platte River will also begin a multiyear project in 2025 to begin replacing multiple end-of-life cameras and access control boards that support all locations for surveillance systems and security services. The replacements in 2025 require a \$0.2 million investment, included in maintenance expenses.

Personnel

Approximately 29% of the operating expense budget relates to employee salaries and benefits, which include retirement, medical and dental. Combined, these expenses are expected to rise 13.9% from 2024. For 2025, Platte River will implement merit-based salary adjustments following the framework of the new compensation philosophy, established at the conclusion of the compensation study conducted in 2022. Benefits for employees are spread across all functional areas as a percentage of salaries.

As timelines advance on strategic initiatives, additional staffing is required. Platte River evaluates all vacancies to determine and align resources where they are needed most. During 2024, Platte River evaluated and repurposed one position to meet current and future needs and eliminated two positions no longer required. Platte River restructured, resulting in one new division. For 2025, Platte River will add 13 new positions, for a net year-over-year increase of 11 positions. Of these new positions, one serves in the general manager division, one in financial services, four in generation and transmission, four in power supply and three

in technology services. From time to time, Platte River reorganizes its reporting structures and repurposes positions to better align with its strategic initiatives. As discussed in the workforce culture strategic initiative section, emphasis in future alignments will be on the long-term transition at the Rawhide Energy Station. Below is a summary of full-time positions by division, based on organizational structure at the end of 2024.

Positions by division	2023 actual	2024 budget	2024 estimate	2025 budget
General manager	5	5	5	6
Business strategies	24	27	27	27
General counsel	12	14	14	14
Financial services	32	30	30	31
Generation and transmission	148	151	148	152
Power supply	38	42	43	47
Technology services	41	43	43	46
Total positions	300	312	310	323

Revenues

Platte River anticipates approximately \$324.6 million in revenues during 2025. The majority of revenues, 77%, are derived from energy sales to the owner communities. The remainder are derived from sales for resale, wheeling, interest and other income. Owner community revenues include a 6.3% average wholesale rate increase and a reduction in loads of 0.8%. Revenues from sales for resale and wheeling are 20% of revenues and are expected to decrease by approximately \$0.7 million, primarily due to less volume of energy sold, partially offset by increased resold capacity and a rate increase for use of Platte River's transmission system.

Wholesale rates

Platte River establishes service offerings and a supporting rate structure that complements its foundational pillars, vision, mission, values, strategic plan and underlying policies. Platte River provides stable and financially sustainable wholesale rates while advancing the Resource Diversification Policy. The tariffs and charges are established to achieve Strategic Financial Plan targeted financial metrics. The rate structure provides unbundled transmission and generation rates and transparent fixed and variable costs. It also adds value to the owner communities by offering a desirable portfolio of services that meet community needs, more accurately align wholesale time-of-use pricing signals with costs of service and send clear pricing signals that lead to system benefits.

Platte River's Board of Directors is required to review the rates for electric power and energy furnished to the owner communities at least once each calendar year and approves the rate tariff schedules for the next year. Staff prepares long-term average wholesale rates projections for a 10-year planning horizon using current assumptions. The long-term projections can change as assumptions are updated. Platte River's rate philosophy includes implementing incremental increases to provide a more predictable path of smaller, more consistent annual rate increases.

Long-term average wholesale rate projections based on assumptions reviewed with the board of directors in May 2024 are listed below. Staff will update the long-term rate projections in May 2025.

- 6.3% (2025 – 2029)
- 5.3% (2030 – 2031)
- 2.1% (2032 – 2034)

The 2025 budget includes the 6.3% average wholesale rate increase, which reflects application of the board-approved deferred revenue and expense accounting policy. This accounting policy helps reduce rate pressure during the resource transition and supports greater long-term rate stability. Platte River's website has additional information about rates at prpa.org/wholesale-rates.

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Financial review

In addition to the budget items discussed, the table below compares Platte River's financial results to Strategic Financial Plan metrics, with more information on those metrics included in the financial governance section. In the years represented, all financial metrics were or are expected to be met.

Depreciation, amortization and accretion expense is a non-budgeted expense and is expected to increase in 2025 by \$6.5 million. Depreciation expense relates to capital assets in use and will increase as new capital improvements are placed into service and remaining estimated useful lives shorten with evaluation of future capital needs. Amortization expense relates to other assets due to board-approved accounting policies and Governmental Accounting Standards Board (GASB) pronouncements. Amortization expense will increase with a full year of the new enterprise resource planning software after its 2024 rollout, an increase for the Trapper Mine post-mining reclamation estimate and an acceleration of one Rawhide Energy Station impoundment, as discussed in the strategic initiatives section. Accretion expense will increase for inflation to reflect the accrual for the board-approved accounting policy for decommissioning costs at the Craig Generating Station. The financial governance section includes more information on board-approved accounting policies.

Strategic Financial Plan metrics	Target minimums	2023 actual	2024 budget	2024 estimate ⁽¹⁾	2025 budget
Fixed obligation charge coverage ratio	1.50 times	1.50x	1.93x ⁽²⁾	1.90x	2.00x
Change in net position as a percentage of annual operating expenses	3%	4%	3%	3%	3%
Adjusted debt ratio	less than 50%	26%	23%	24%	22%
Days adjusted liquidity on hand	200	461	443	415	252
Other selected data (\$000 except bond service coverage ratio)					
Change in net position		\$ 9,262	\$ 7,287	\$ 6,984	\$ 7,508
Accumulated deferred regulatory revenues		\$ 53,236	\$ 64,997	\$ 77,761	\$ 89,755
Accumulated net position		\$ 667,185	\$ 673,287	\$ 674,169	\$ 681,677
Dedicated reserves and available funds		\$ 295,587	\$ 302,372	\$ 272,490	\$ 181,773
Long-term debt and other long-term obligations		\$ 230,655	\$ 214,901	\$ 226,572	\$ 210,485
Capital additions		\$ 25,944	\$ 53,232	\$ 82,491	\$ 122,933
Bond service coverage ratio (minimum 1.1x)		2.11x	3.15x	3.02x	3.51x

(1) 2024 estimate represents ten months actual and two months budget adjusted for revised projections on all budget schedules.

(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.

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

	2023 actual	2024 budget	2024 estimate	2025 budget
Operating revenues				
Sales to owner communities	\$ 217,734,784	\$ 235,736,438	\$ 230,395,963	\$ 248,437,053
Sales for resale	61,666,256	56,442,604	55,757,471	55,270,429
Wheeling	9,344,605	8,941,957	9,983,306	9,452,245
Deferred regulatory revenues	(31,496,874)	(14,032,800)	(24,524,200)	(11,994,613)
Total operating revenues	257,248,771	287,088,199	271,612,540	301,165,114
Operating expenses				
Purchased power	61,729,736	63,775,644	63,377,624	69,788,991
Fuel	45,142,321	51,118,728	41,702,723	42,435,488
Operations and maintenance ⁽¹⁾	78,336,976	77,492,800	77,619,983	79,651,606
Administrative and general ⁽¹⁾	32,347,249	36,863,271	37,667,373	43,185,930
Distributed energy resources ⁽¹⁾	10,214,299	13,664,632	12,418,053	15,199,969
Depreciation, amortization and accretion ⁽¹⁾	29,729,607	45,398,213	44,514,320	51,873,561
Total operating expenses	257,500,188	288,313,288	277,300,076	302,135,545
Operating income	(251,417)	(1,225,089)	(5,687,536)	(970,431)
Nonoperating revenues (expenses)				
Interest income	7,735,173	11,359,881	11,165,780	10,393,098
Other income	317,936	281,992	2,596,642	851,090
Interest expense	(5,239,293)	(4,667,494)	(4,681,817)	(4,092,429)
Amortization of bond financing costs ⁽¹⁾	1,476,520	1,328,895	1,328,895	1,173,834
Net increase in fair value of investments ⁽¹⁾	5,222,844	209,268	2,261,602	152,698
Total nonoperating revenues (expenses)	9,513,180	8,512,542	12,671,102	8,478,291
Change in net position	9,261,763	7,287,453	6,983,566	7,507,860
Net position at beginning of period	657,923,256	665,999,750	667,185,019	674,168,585
Net position at end of period	\$ 667,185,019	\$ 673,287,203	\$ 674,168,585	\$ 681,676,445

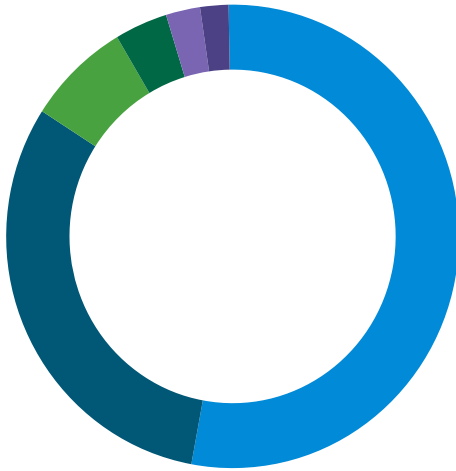
(1) Includes nonappropriated expenses when applicable due to basis of accounting differences discussed in the financial governance section.

Consolidated budget schedules

Source and use of funds	2023 actual	2024 budget	2024 estimate	2025 budget
Source of funds				
Operating revenues				
Sales to owner communities	\$ 217,734,784	\$ 235,736,438	\$ 230,395,963	\$ 248,437,053
Sales for resale - long-term	13,525,903	20,086,326	17,130,876	17,641,416
Sales for resale - short-term	48,140,353	36,356,278	38,626,595	37,629,013
Wheeling	9,344,605	8,941,957	9,983,306	9,452,245
Total operating revenues	288,745,645	301,120,999	296,136,740	313,159,727
Other revenues				
Interest income	7,789,484	11,569,149	11,375,048	10,545,796
Other income	317,936	281,992	2,596,642	851,090
Total other revenues	8,107,420	11,851,141	13,971,690	11,396,886
Total revenues	296,853,065	312,972,140	310,108,430	324,556,613
Funds from prior reserves	(26,409,646)	57,617,377	22,923,582	142,445,812
Total sources	\$ 270,443,419	\$ 370,589,517	\$ 333,032,012	\$ 467,002,425
Use of funds				
Operating expenses				
Purchased power	\$ 61,729,736	\$ 63,775,644	\$ 63,377,624	\$ 69,788,991
Fuel	45,142,321	51,118,728	41,702,723	42,435,488
Production	58,306,523	55,841,670	56,798,294	55,511,915
Transmission	19,348,242	21,412,126	20,363,295	23,900,687
Administrative and general	31,714,039	36,863,271	37,288,608	43,185,930
Distributed energy resources	10,130,875	13,664,632	12,381,293	15,199,969
Total operating expenses	226,371,736	242,676,071	231,911,837	250,022,980
Capital additions				
Production	11,758,192	12,362,483	42,394,826	96,422,778
Transmission	7,484,534	21,956,872	27,143,812	8,981,339
General	6,649,540	17,978,640	12,232,220	13,518,492
Asset retirement obligations	51,628	933,072	720,119	4,010,574
Total capital additions	25,943,894	53,231,067 ⁽¹⁾	82,490,977	122,933,183
Total operating expenses and capital additions	252,315,630	295,907,138	314,402,814	372,956,163
Debt service expenditures				
Principal	12,888,495	14,014,885	13,947,381	14,953,833
Interest expense	5,239,294	4,667,494	4,681,817	4,092,429
Total debt service expenditures	18,127,789	18,682,379	18,629,198	19,046,262
Total expenditures	270,443,419	314,589,517	333,032,012	392,002,425
Contingency appropriation	-	56,000,000 ⁽¹⁾	-	75,000,000
Total uses	\$ 270,443,419	\$ 370,589,517	\$ 333,032,012	\$ 467,002,425

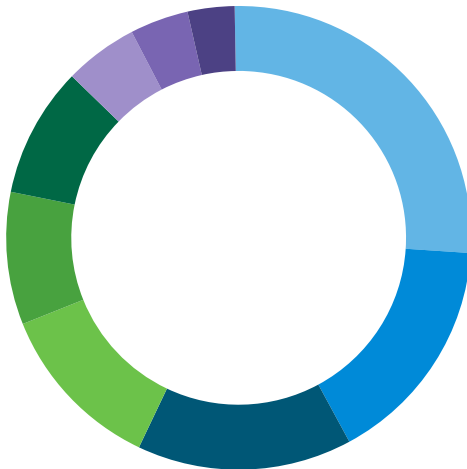
(1) Excludes projections for contingency transfers.

2025 sources



■	53%	Sales to owner communities	\$ 248,437,053
■	7%	Sales for resale - short-term	37,629,013
■	4%	Sales for resale - long-term	17,641,416
■	3%	Interest and other income	11,396,886
■	2%	Wheeling	9,452,245
		Total revenues	324,556,613
■	31%	Funds from prior reserves	142,445,812
		Total sources	\$ 467,002,425

2025 uses



■	27%	Capital additions	\$ 122,933,183
■	15%	Purchased power	69,788,991
■	12%	Production	55,511,915
■	9%	Administrative and general	43,185,930
■	9%	Fuel	42,435,488
■	5%	Transmission	23,900,687
■	4%	Debt service expenditures	19,046,262
■	3%	Distributed energy resources	15,199,969
		Total expenditures	392,002,425
■	16%	Board contingency	75,000,000
		Total uses	\$ 467,002,425

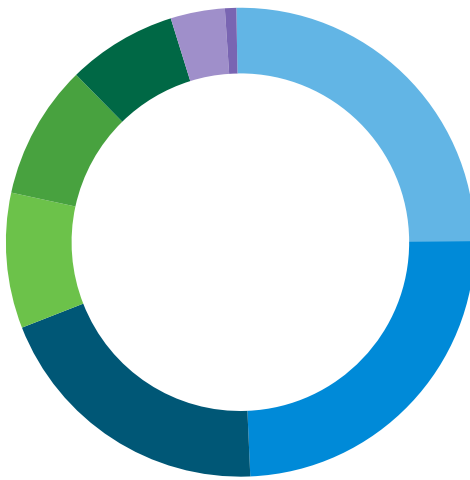
Revenue and expenditure detail	2023 actual	2024 budget	2024 estimate	2025 budget
Revenues				
Sales to owner communities	\$ 217,734,784	\$ 235,736,438	\$ 230,395,963	\$ 248,437,053
Sales for resale - long-term	13,525,903	20,086,326	17,130,876	17,641,416
Sales for resale - short-term	48,140,353	36,356,278	38,626,595	37,629,013
Wheeling	9,344,605	8,941,957	9,983,306	9,452,245
Interest income	7,789,484	11,569,149	11,375,048	10,545,796
Other income	317,936	281,992	2,596,642	851,090
Total revenues	296,853,065	312,972,140	310,108,430	324,556,613
Funds from prior reserves	(26,409,646)	57,617,377	22,923,582	142,445,812
Total revenues and prior funds	\$ 270,443,419	\$ 370,589,517	\$ 333,032,012	\$ 467,002,425
Expenditures				
Personnel expenses				
Salaries				
Regular wages	\$ 37,070,360	\$ 43,867,456	\$ 43,332,891	\$ 47,881,682
Overtime wages	2,631,033	1,911,615	2,424,934	3,418,999
Total salaries	39,701,393	45,779,071	45,757,825	51,300,681
Benefits				
Pension - defined contribution	2,167,721	2,352,055	2,633,100	3,259,370
Pension - defined benefit	4,515,409	6,571,899	6,571,902	7,258,782
Social security	2,779,894	3,279,920	3,211,162	3,619,988
Long-term disability	135,206	130,000	155,993	176,882
Medical and dental	6,284,773	6,868,792	6,398,030	7,948,793
Recruiting	197,346	207,000	261,767	339,000
Life insurance	139,407	143,000	160,647	157,300
Accidental death	31,058	33,000	34,891	36,300
Workers' compensation	90,291	140,000	134,662	140,000
Unemployment compensation	11,163	17,500	29,945	18,000
Salary and pension services	329,606	345,250	336,388	368,175
Total benefits	16,681,874	20,088,416	19,928,487	23,322,590
Total personnel expenses	56,383,267	65,867,487	65,686,312	74,623,271
Less charged to capital and other	1,948,459	2,737,929	2,755,585	2,693,485
Total operating personnel expenses	54,434,808	63,129,558	62,930,727	71,929,786
Materials and other expenses				
Office expenses	28,851	18,525	34,577	22,325
Safety expenses	143,394	224,465	215,797	253,415
Furniture and equipment	25,400	38,880	33,870	37,700
Local business expense	652,622	801,866	656,426	771,674
Postage and deliveries	18,138	36,850	21,657	46,850

Revenue and expenditure detail (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Materials and other expenses (continued)				
Rawhide O&M materials	\$ 4,148,247	\$ 3,548,778	\$ 3,083,990	\$ 7,085,022
Other O&M materials	1,228,709	2,038,710	907,892	805,963
Rawhide coal	23,514,013	30,569,730	21,263,428	19,984,720
Craig units 1 and 2 coal	10,861,431	11,724,307	14,434,144	12,959,330
Oil	472,723	45,000	154,501	220,000
Natural gas (Rawhide units A, B, C, D and F)	9,751,216	7,852,202	5,111,872	8,406,668
Natural gas (Craig units startup)	145,209	175,000	77,611	130,000
Gasoline and diesel	176,566	174,290	131,912	220,070
Tools, shop and garage equipment	95,775	130,754	90,317	123,668
Purchased power	61,008,257	63,458,454	63,060,434	71,061,272
Craig units 1 and 2 operating expenses	12,137,353	7,887,404	9,339,154	8,660,973
Computer equipment	715,546	655,100	499,830	548,542
Wheeling expense	3,671,960	4,225,440	3,606,660	4,167,053
Outage accrual	3,620,621	4,209,175	4,209,175	(11,669,807)
Total materials and other expenses	132,416,031	137,814,930	126,933,247	123,835,438
Contractual services				
Rawhide contracted services	8,299,357	6,543,589	6,526,454	13,442,229
Other contracted services	16,190,606	18,217,116	18,748,289	21,169,863
Insurance	3,019,414	3,020,340	3,171,548	3,441,221
Travel and training	1,075,902	1,481,024	1,236,647	1,632,572
Telephone services	139,281	223,347	169,345	165,635
Utilities	719,478	720,600	724,658	738,728
Dues, memberships and fees	992,457	1,109,322	1,095,221	1,409,621
Trustees fees	12,000	12,000	12,000	12,000
Pooled financing expenses	2,888,007	2,888,007	2,958,134	3,769,570
Leases and rents	558,522	514,462	520,225	915,047
Economic development	100,000	120,000	120,000	120,000
Fiscal impact payment	36,217	36,217	23,209	23,209
Rebates/incentives for retail customers: non-controlled	4,286,097	5,221,571	4,895,829	5,260,011
Rebates/incentives to owner communities: controlled	30,434	104,828	124,500	132,000
Audits/assessments for retail customers	1,138,747	1,462,260	1,684,021	1,754,150
Rebates/incentives for retail customers: controlled	-	-	-	223,000
Other financing expenses	34,378	56,900	37,783	48,900
Total contractual services	39,520,897	41,731,583	42,047,863	54,257,756

Revenue and expenditure detail (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Capital additions				
Personnel expenses				
Regular wages	\$ 959,086	\$ 1,609,980	\$ 1,546,081	\$ 1,495,078
Overtime wages	133,375	75,265	85,663	109,223
Benefits allocation	461,834	662,626	641,602	693,907
Total personnel expenses	1,554,295	2,347,871	2,273,346	2,298,208
Capital expenditures	24,452,344	50,022,794	79,693,513	116,624,401
Capital reimbursements and trade-in value	(114,373)	(72,670)	(196,001)	-
Asset retirement obligations	51,628	933,072	720,119	4,010,574
Total capital additions	25,943,894	53,231,067 ⁽¹⁾	82,490,977	122,933,183
Debt service expenditures				
Principal	12,888,495	14,014,885	13,947,381	14,953,833
Interest expense	5,239,294	4,667,494	4,681,817	4,092,429
Total debt service expenditures	18,127,789	18,682,379	18,629,198	19,046,262
Total expenditures	270,443,419	314,589,517	333,032,012	392,002,425
Contingency appropriation	-	56,000,000 ⁽¹⁾	-	75,000,000
Total expenditures and contingency appropriation	\$ 270,443,419	\$ 370,589,517	\$ 333,032,012	\$ 467,002,425

(1) Excludes projections for contingency transfers.

2025 resources

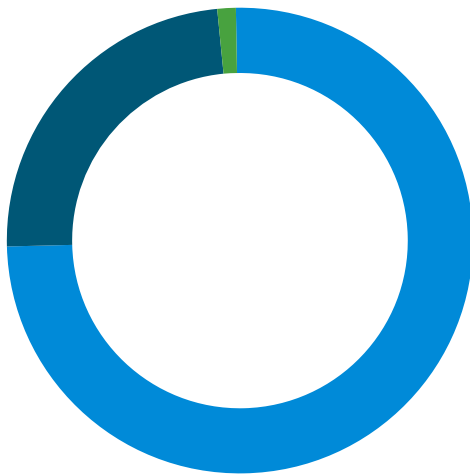


- Wind (1,106,471 MWh)
- Rawhide Unit 1 (1,071,523 MWh)
- Market purchases (866,367 MWh)
- Craig units 1 and 2 (409,553 MWh)
- Hydropower (406,406 MWh)
- Solar (330,903 MWh)
- Frame combustion turbines (164,346 MWh)
- Bilateral purchases and owner community solar (34,458 MWh)

Total resources* = 4,390,027 MWh

* Excludes REC allocations to carbon resources

2025 deliveries



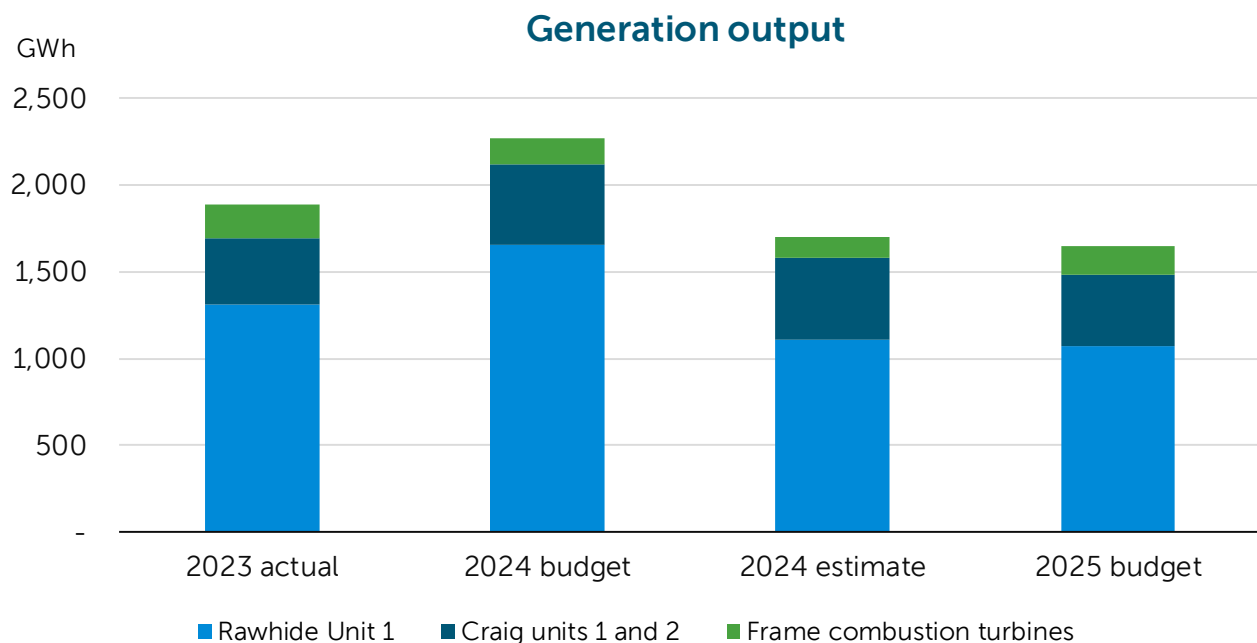
- Owner communities (3,287,172 MWh)
- Sales for resale (1,046,709 MWh)
- Losses and other (56,146 MWh)

Total deliveries = 4,390,027 MWh

Owned generation resources	2023 actual	2024 budget	2024 estimate	2025 budget
Rawhide Unit 1 (280 MW)				
Generation (MWh)	1,311,514	1,651,219	1,111,019	1,071,523
Capacity factor	53.5%	67.1%	45.2%	43.7%
Fuel cost (\$/MWh)	\$ 18.47	\$ 18.87	\$ 19.61	\$ 19.33
O&M cost (\$/MWh)	27.04	20.30	30.01	44.73
Total Rawhide (\$/MWh)	\$ 45.51	\$ 39.17	\$ 49.62	\$ 64.06
Craig units 1 and 2 (151 MW) ⁽¹⁾				
Generation (MWh)	383,137	466,915	466,694	409,553
Capacity factor	29.0%	35.2%	35.2%	31.0%
Fuel cost (\$/MWh)	\$ 29.13	\$ 25.94	\$ 31.73	\$ 32.53
O&M cost (\$/MWh)	31.07	16.33	19.23	20.39
Total Craig (\$/MWh)	\$ 60.20	\$ 42.27	\$ 50.96	\$ 52.92
Frame combustion turbines (430 MW) ⁽²⁾				
Generation (MWh)	190,491	149,317	125,154	164,346
Capacity factor	5.6%	4.4%	3.7%	4.5%
Fuel cost (\$/MWh)	\$ 51.19	\$ 52.59	\$ 40.84	\$ 51.15
O&M cost (\$/MWh)	20.67	41.47	43.67	16.83
Total frame combustion turbines (\$/MWh)	\$ 71.86	\$ 94.06	\$ 84.51	\$ 67.98

(1) Craig Unit 1 = 77 MW, Craig Unit 2 = 74 MW.

(2) Rawhide units A, B, D = 65 MW each, Rawhide Unit C = 77 MW, Rawhide Unit F = 158 MW. Prior to May 2025, Rawhide Unit C = 65 MW, Rawhide Unit F = 128 MW.



Purchased power resources	2023 actual	2024 budget	2024 estimate	2025 budget
Wind				
Roundhouse (225 MW)				
Generation (MWh)	847,015	839,693	811,219	837,468
Capacity factor	43.0%	42.5%	41.0%	42.5%
Total Roundhouse (\$/MWh) - delivered	\$ 21.18	\$ 22.37	\$ 21.47	\$ 23.14
Spring Canyon II (32 MW) ⁽¹⁾				
Generation (MWh)	102,435	125,251	78,489	125,208
Capacity factor	36.5%	44.6%	27.9%	44.7%
Total Spring Canyon II (\$/MWh) - delivered	\$ 47.22	\$ 45.66	\$ 51.89	\$ 46.41
Spring Canyon III (28 MW) ⁽¹⁾				
Generation (MWh)	86,527	105,982	97,564	105,945
Capacity factor	35.3%	43.1%	39.7%	43.2%
Total Spring Canyon III (\$/MWh) - delivered	\$ 47.61	\$ 46.00	\$ 46.48	\$ 46.75
Silver Sage (12 MW) ⁽²⁾				
Generation (MWh)	31,351	37,951	30,985	37,850
Capacity factor	29.8%	36.0%	29.4%	36.0%
Total Silver Sage (\$/MWh) - delivered	\$ 66.81	\$ 68.44	\$ 68.49	\$ 70.15
Medicine Bow ⁽³⁾				
Generation (MWh)	10,866	18,395	9,435	-
Capacity factor	20.7%	34.9%	17.9%	0.0%
Total Medicine Bow (\$/MWh) - delivered	\$ 52.26	\$ 48.33	\$ 53.04	-
Total wind (297 MW) ⁽³⁾				
Generation (MWh)	1,078,194	1,127,272	1,027,692	1,106,471
Capacity factor	40.6%	42.4%	38.6%	42.5%
Total wind (\$/MWh)	\$ 27.41	\$ 29.16	\$ 27.87	\$ 29.64
Hydropower				
WAPA-CRSP (106 MW-summer/136 MW-winter) ⁽⁴⁾				
Generation (MWh)	386,449	315,314	360,526	297,904
Capacity factor	36.5%	29.7%	33.9%	28.1%
Total WAPA-CRSP (\$/MWh)	\$ 32.06	\$ 36.50	\$ 33.48	\$ 37.91

Purchased power resources (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Hydropower (continued)				
WAPA-LAP (30 MW-summer/ 32 MW-winter) ⁽⁵⁾				
Generation (MWh)	109,536	109,264	109,197	108,502
Capacity factor	40.3%	40.1%	40.1%	40.0%
Total WAPA-LAP (\$/MWh)	\$ 34.64	\$ 34.64	\$ 34.65	\$ 37.67
Total hydropower (136 MW-summer/ 168 MW-winter)				
Generation (MWh)	495,985	424,578	469,723	406,406
Capacity factor	37.2%	31.8%	35.2%	30.5%
Total hydropower (\$/MWh)	\$ 32.63	\$ 36.02	\$ 33.75	\$ 37.85
Solar				
Black Hollow Solar (150 MW)				
Generation (MWh)	-	-	-	220,160
Capacity factor	0.0%	0.0%	0.0%	28.6%
Total Black Hollow Solar (\$/MWh) - including ancillary services	\$ -	\$ -	\$ -	\$ 32.46
Rawhide Flats Solar (30 MW)				
Generation (MWh)	62,356	60,801	62,317	59,226
Capacity factor	23.7%	23.1%	23.6%	22.5%
Total Rawhide Flats Solar (\$/MWh) - including ancillary services and maintenance	\$ 53.98	\$ 54.25	\$ 54.03	\$ 54.30
Rawhide Prairie Solar (22 MW)				
Generation (MWh)	46,834	53,226	44,939	51,517
Capacity factor	24.3%	27.5%	23.3%	26.7%
Total Rawhide Prairie Solar (\$/MWh) - including ancillary services, maintenance, interconnection and battery fee	\$ 34.15	\$ 33.31	\$ 32.00	\$ 33.38
Total solar (202 MW)				
Generation (MWh)	109,190	114,027	107,256	330,903
Capacity factor	24.0%	25.0%	23.5%	27.0%
Total solar (\$/MWh)	\$ 45.48	\$ 44.48	\$ 44.80	\$ 36.51
Other purchases				
Market purchases				
Energy (MWh)	769,731	816,027	1,067,500	866,367
Total market purchases (\$/MWh)	\$ 14.44	\$ 13.11	\$ 13.41	\$ 12.28

Purchased power resources (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Other purchases (continued)				
Bilateral purchases				
Energy (MWh)	86,177	10,393	14,021	26,819
Total bilateral purchases (\$/MWh)	\$ 35.09	\$ 44.99	\$ 32.86	\$ 27.73
Owner community solar programs (4.355 MW) ⁽⁶⁾				
Energy (MWh)	7,070	7,665	7,295	7,639
Total owner community solar programs (\$/MWh)	\$ 66.67	\$ 21.89	\$ 36.79	\$ 23.41
Total other purchases				
Energy (MWh)	862,978	834,085	1,088,816	900,825
Total other purchases (\$/MWh)	\$ 16.93	\$ 13.59	\$ 13.82	\$ 12.84

(1) Effective June 2020, Spring Canyon II and III energy and renewable attributes have been sold to a third party. At the end of the 10-year sales contract, the energy and renewable attributes will return to Platte River.

(2) Effective October 2018, Silver Sage energy and the renewable attribute have been sold to a third party.

(3) Medicine Bow will be decommissioned by December 2024. Prior to decommissioning, nameplate capacity was 6 MW and total wind was 303 MW.

(4) WAPA-CRSP capacity amounts shown represent the contract rate of delivery. Actual capacity available varies by month. During the summer season, estimated available capacity ranges from 32 MW to 48 MW. In the winter season, estimated available capacity ranges from 38 MW to 45 MW. Available capacity and energy may fluctuate with drought conditions.

(5) WAPA-LAP actual capacity available varies by month. During the summer season, available capacity ranges from 23 MW to 30 MW. In the winter season, available capacity ranges from 26 MW to 32 MW.

(6) Owner community solar programs: Fort Collins = 4.022 MW, Loveland = 0.333 MW. The owner communities retain the renewable attributes.

Revenues

Operating revenues

Platte River's operating revenues consist of sales to owner communities, sales for resale and wheeling revenues. The production cost model determines the forecast of revenues for the budget, but actual results are strongly influenced by weather and various market conditions and will vary from budget.

Sales to owner communities

Budgeted revenues from sales to owner communities are based on Platte River's load forecast and tariff charges. Average wholesale rate increases, when applicable, support Platte River's strategic initiatives and core operations. Sales to the owner communities represent the largest source of revenue.

Sales for resale

Sales for resale include long-term sales and short-term sales. Long-term sales are for a contracted term greater than one year. Short-term sales are for a term of one year or less and include seasonal, monthly, day-ahead and real-time bilateral and market sales. Platte River may also sell excess capacity. The production cost model determines the volume and price of sales for resale for the budget based on current market projections.

Typically, Platte River sells when energy available exceeds requirements of the owner communities and prices are higher than the marginal cost resource. Because of Platte River's must-take obligations under noncarbon PPAs, certain sales may reflect that it is more economical to sell energy at a low price than to curtail generation. These sales typically occur when the coal-fired facilities are at minimum output levels. Platte River's participation in the SPP WEIS market helps further manage and dispatch the must-take energy on the system and allows more economic dispatch of regional resources.

Sales for resale contribute to low rates for the owner communities, help manage variability and high noncarbon output during lower load conditions and benefit the regional grid by providing access to the reliable, economic and environmental performance of Platte River's baseload resources.

Wheeling

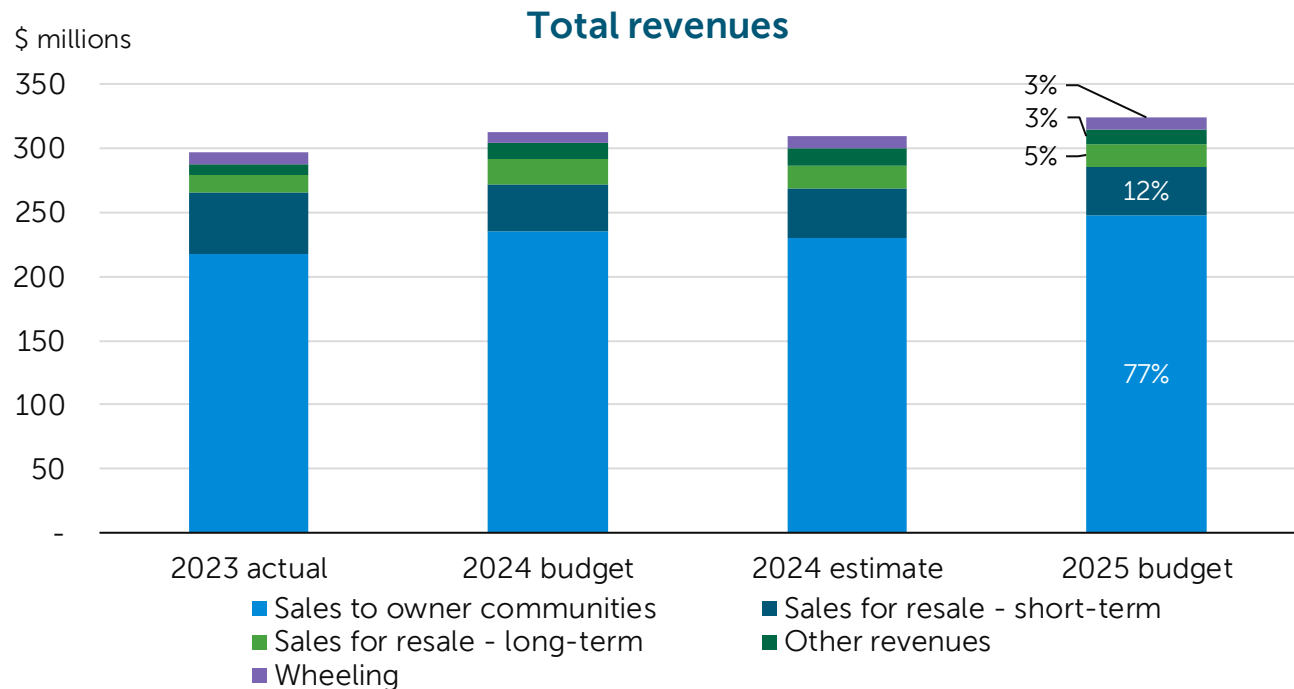
Wheeling revenues represent payments from other parties that use Platte River's transmission system. Platte River charges others for transmission service under its Wholesale Transmission Service tariff. The transmission system usage rates are adjusted annually based on the prior year's actual transmission system costs and loads.

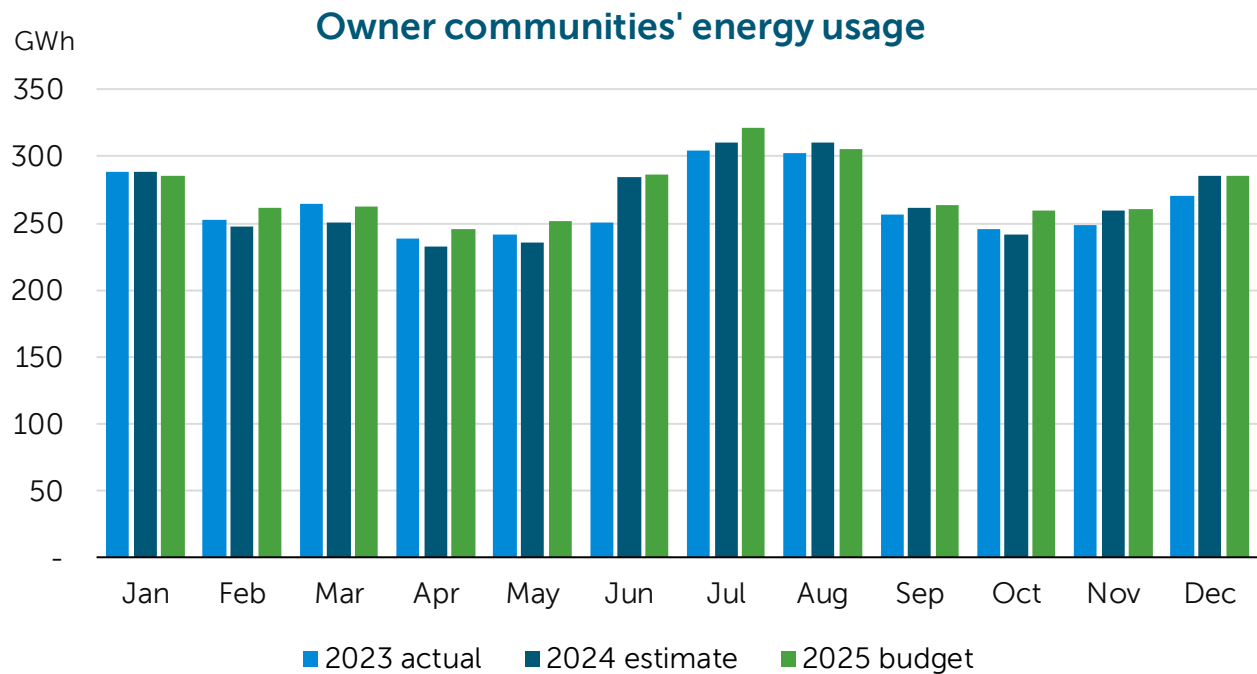
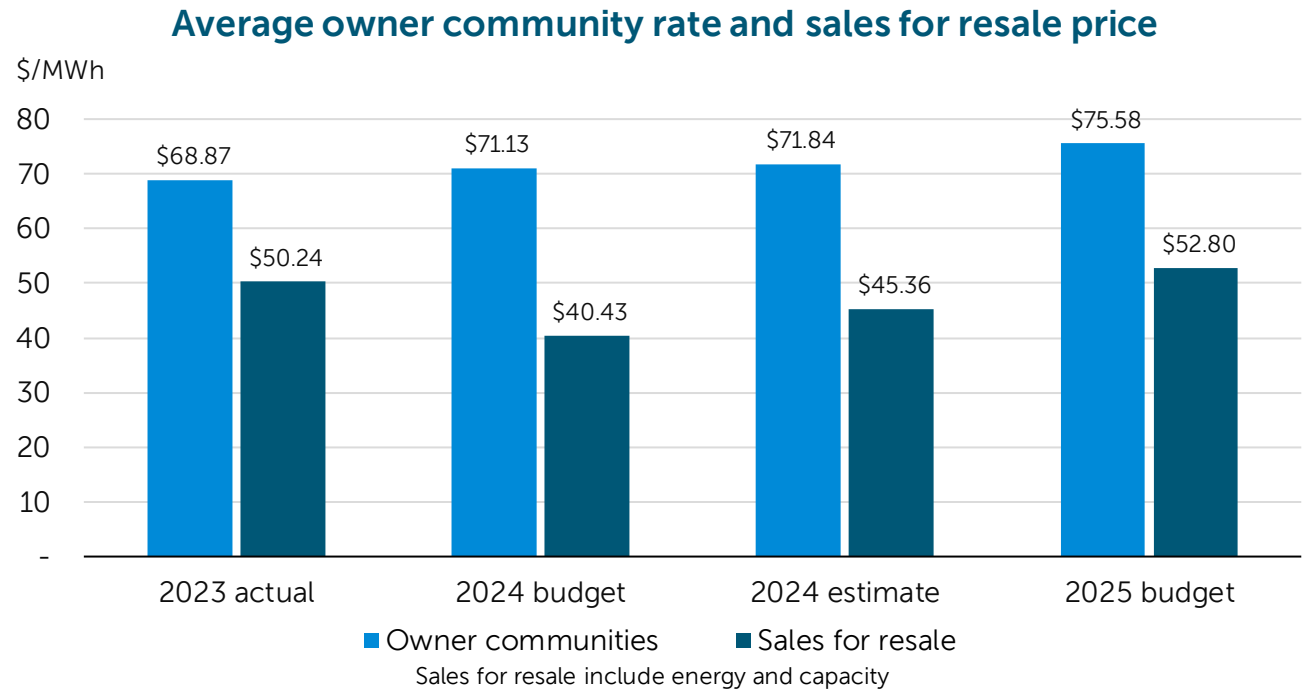
Other revenues

Interest and other income

Interest and other income represent a small portion of the revenue budget. Interest income fluctuates with investment balances and interest rates. The sale of Windy Gap water units, accumulated deferred regulatory revenues and above-budget overall financial results have improved investment balances over the past several years. Other income includes fiber and tower leases, fiber administration fees and other miscellaneous revenues.

Total revenues (\$000)	2023 actual	2024 budget	2024 estimate	2025 budget
Operating revenues				
Sales to owner communities	\$ 217,735	\$ 235,737	\$ 230,396	\$ 248,437
Sales for resale - long-term	13,525	20,086	17,131	17,642
Sales for resale - short-term	48,141	36,356	38,627	37,629
Wheeling	9,345	8,942	9,983	9,452
Total operating revenues	288,746	301,121	296,137	313,160
Other revenues				
Interest income	7,789	11,569	11,375	10,546
Other income	318	282	2,596	851
Total other revenues	8,107	11,851	13,971	11,397
Total revenues	\$ 296,853	\$ 312,972	\$ 310,108	\$ 324,557





	2023 actual	2024 budget	2024 estimate	2025 budget
Owner communities' loads				
Summer peak demand (MW) ⁽¹⁾	680	713	691	701
Nonsummer peak demand (MW) ⁽¹⁾	508	503	529	502
Metered coincident demand (MW) ⁽²⁾	6,192	6,391	6,184	6,302
Billing determinants ^{(2) (3)}				
Noncoincident billing demand (MW)	6,635	6,794	6,735	6,847
Coincident billing demand (MW)	6,578	6,734	6,657	6,786
Energy (MWh)	3,161,694	3,314,141	3,207,007	3,287,172
Sales for resale				
Energy (MWh) ⁽⁴⁾	1,227,403	1,396,082	1,229,231	1,046,709
Capacity (MW-Mo) ⁽²⁾	780	1,555	1,555	2,165

(1) Summer season is June through September. The nonsummer season is January through May and October through December.

(2) Accumulated monthly values.

(3) Billing demand is subject to a monthly minimum demand charge and excludes large customer service.

(4) Includes long-term and short-term sales.

Sales to owner communities	2023 actual	2024 budget	2024 estimate	2025 budget
Fort Collins				
Owner community allocation	47.5%	47.3%	47.3%	47.0%
Noncoincident billing demand (MW) ⁽¹⁾	2,986	3,047	3,010	3,075
Coincident billing demand (MW) ⁽¹⁾	2,982	3,039	3,007	3,070
Energy (MWh)				
Dispatchable	1,015,824	1,082,557	1,053,300	986,698
Intermittent ⁽²⁾	444,197	448,694	431,897	541,202
Total energy supplied	1,460,021	1,531,251	1,485,197	1,527,900
Owner community charge	\$ 7,542,117	\$ 7,409,160	\$ 7,409,160	\$ 8,652,432
Demand charges				
Transmission demand	\$ 20,065,644	\$ 20,352,810	\$ 20,109,927	\$ 20,602,608
Generation demand	15,483,809	16,961,928	16,727,866	20,008,538
Total demand charges	\$ 35,549,453	\$ 37,314,738	\$ 36,837,793	\$ 40,611,146
Energy charges				
Fixed cost energy	\$ 23,155,935	\$ 25,740,321	\$ 24,966,166	\$ 27,043,822
Variable cost energy	33,186,280	37,163,450	36,045,738	37,555,772
Total energy charges	\$ 56,342,215	\$ 62,903,771	\$ 61,011,904	\$ 64,599,594
Total charges	\$ 99,433,785	\$ 107,627,669	\$ 105,258,857	\$ 113,863,172
Average blended rate (\$/MWh)	\$ 68.10	\$ 70.29	\$ 70.87	\$ 74.52
Longmont				
Owner community allocation	25.6%	25.7%	25.7%	25.9%
Noncoincident billing demand (MW) ⁽¹⁾	1,856	1,898	1,887	1,908
Coincident billing demand (MW) ⁽¹⁾	1,851	1,890	1,865	1,901
Energy (MWh)				
Dispatchable	582,499	616,884	598,637	558,734
Intermittent ⁽²⁾	253,617	254,165	245,466	306,287
Total energy supplied	836,116	871,049	844,103	865,021
Owner community charge	\$ 4,059,187	\$ 4,028,964	\$ 4,028,964	\$ 4,776,612
Demand charges				
Transmission demand	\$ 12,474,343	\$ 12,674,718	\$ 12,604,931	\$ 12,781,915
Generation demand	9,629,410	10,554,036	10,383,288	12,391,488
Total demand charges	\$ 22,103,753	\$ 23,228,754	\$ 22,988,219	\$ 25,173,403

Sales to owner communities (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Longmont (continued)				
Energy charges				
Fixed cost energy	\$ 13,260,798	\$ 14,642,336	\$ 14,189,364	\$ 15,310,876
Variable cost energy	19,004,913	21,140,360	20,486,370	21,262,220
Total energy charges	\$ 32,265,711	\$ 35,782,696	\$ 34,675,734	\$ 36,573,096
Total charges	\$ 58,428,651	\$ 63,040,414	\$ 61,692,917	\$ 66,523,111
Average blended rate (\$/MWh)	\$ 69.88	\$ 72.37	\$ 73.09	\$ 76.90
Loveland				
Owner community allocation	22.7%	22.8%	22.8%	22.8%
Noncoincident billing demand (MW) ⁽¹⁾	1,519	1,571	1,562	1,587
Coincident billing demand (MW) ⁽¹⁾	1,516	1,569	1,556	1,582
Energy (MWh)				
Dispatchable and large customer service	510,211	552,081	529,544	492,670
Intermittent ⁽²⁾	215,126	216,294	210,521	258,729
Total energy supplied	725,337	768,375	740,065	751,399
Owner community charge	\$ 3,151,148	\$ 3,115,356	\$ 3,115,356	\$ 3,675,024
Demand charges				
Transmission demand	\$ 10,209,038	\$ 10,497,502	\$ 10,435,787	\$ 10,630,677
Generation demand	7,884,275	8,757,901	8,670,172	10,310,229
Total demand charges	\$ 18,093,313	\$ 19,255,403	\$ 19,105,959	\$ 20,940,906
Energy charges				
Fixed cost energy	\$ 10,047,733	\$ 11,261,955	\$ 10,947,490	\$ 11,687,782
Variable cost energy and large customer service	19,566,693	21,752,270	20,891,761	21,579,890
Total energy charges	\$ 29,614,426	\$ 33,014,225	\$ 31,839,251	\$ 33,267,672
Total charges	\$ 50,858,887	\$ 55,384,984	\$ 54,060,566	\$ 57,883,602
Average blended rate (\$/MWh)	\$ 70.12	\$ 72.08	\$ 73.05	\$ 77.03
Estes Park				
Owner community allocation	4.2%	4.2%	4.2%	4.3%
Noncoincident billing demand (MW) ⁽¹⁾	274	278	276	277
Coincident billing demand (MW) ⁽¹⁾	229	236	229	233

Sales to owner communities (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Estes Park (continued)				
Energy (MWh)				
Dispatchable	95,987	100,128	96,822	92,266
Intermittent ⁽²⁾	44,233	43,338	40,820	50,586
Total energy supplied	140,220	143,466	137,642	142,852
Owner community charge	\$ 661,979	\$ 659,736	\$ 659,736	\$ 786,588
Demand charges				
Transmission demand	\$ 1,831,617	\$ 1,859,086	\$ 1,842,424	\$ 1,858,289
Generation demand	1,145,613	1,270,968	1,235,976	1,482,503
Total demand charges	\$ 2,977,230	\$ 3,130,054	\$ 3,078,400	\$ 3,340,792
Energy charges				
Fixed cost energy	\$ 2,202,692	\$ 2,411,662	\$ 2,305,632	\$ 2,528,482
Variable cost energy	3,171,560	3,481,919	3,339,855	3,511,306
Total energy charges	\$ 5,374,252	\$ 5,893,581	\$ 5,645,487	\$ 6,039,788
Total charges	\$ 9,013,461	\$ 9,683,371	\$ 9,383,623	\$ 10,167,168
Average blended rate (\$/MWh)	\$ 64.28	\$ 67.50	\$ 68.17	\$ 71.17
Total owner communities				
Owner community allocation	100.0%	100.0%	100.0%	100.0%
Noncoincident billing demand (MW) ⁽¹⁾	6,635	6,794	6,735	6,847
Coincident billing demand (MW) ⁽¹⁾	6,578	6,734	6,657	6,786
Energy (MWh)				
Dispatchable and large customer service	2,204,521	2,351,650	2,278,303	2,130,368
Intermittent ⁽²⁾	957,173	962,491	928,704	1,156,804
Total energy supplied	3,161,694	3,314,141	3,207,007	3,287,172
Owner community charge	\$ 15,414,431	\$ 15,213,216	\$ 15,213,216	\$ 17,890,656
Demand charges				
Transmission demand	\$ 44,580,642	\$ 45,384,116	\$ 44,993,069	\$ 45,873,489
Generation demand	34,143,107	37,544,833	37,017,302	44,192,758
Total demand charges	\$ 78,723,749	\$ 82,928,949	\$ 82,010,371	\$ 90,066,247
Energy charges				
Fixed cost energy	\$ 48,667,158	\$ 54,056,274	\$ 52,408,652	\$ 56,570,962
Variable cost energy and large customer service	74,929,446	83,537,999	80,763,724	83,909,188
Total energy charges	\$ 123,596,604	\$ 137,594,273	\$ 133,172,376	\$ 140,480,150
Total charges	\$ 217,734,784	\$ 235,736,438	\$ 230,395,963	\$ 248,437,053
Average blended rate (\$/MWh)	\$ 68.87	\$ 71.13	\$ 71.84	\$ 75.58

(1) Accumulated monthly values.

(2) Intermittent is energy delivered from Roundhouse, all solar facilities and, prior to decommissioning by December 2024, Medicine Bow.

Operating expenses

Expenses incurred to generate and deliver electricity include purchased power, fuel, production, transmission and administrative and general. In addition, operating expenses include investments in DER. The production cost model determines the budgeted expense for purchased power and fuel, whereas expenses for production, transmission, administrative and general and DER are predominately determined by departmental budgets. Platte River emphasizes preventive and predictive maintenance to help control expenses while also investing in strategic initiatives and working toward the Resource Diversification Policy goal.

Purchased power

Purchased power is the largest classification of operating expenses. Purchased power includes purchases under long-term contracts for wind, hydropower and solar energy. Other purchases supplement additional energy requirements. Platte River historically included an accrual for estimated future replacement power costs during specified maintenance outages when applicable, with 2024 being the final year this accrual was used. Purchased power fluctuates with outages and market conditions. When SPP WEIS market prices are low, the market dispatches Platte River coal-fired and online natural gas resources down, allowing Platte River to instead purchase lower-cost market power. Purchases of low-cost market power enable Platte River to realize significant fuel savings.

Platte River continues to diversify its resource portfolio by adding more noncarbon resources and by relying less on coal-fired resources through the PPAs listed below.

Wind

Wind generation includes 297 MW of nameplate capacity (51 MW of ELCC) provided under long-term PPAs. The agreements are for deliveries from the following facilities.

- Roundhouse Wind Energy Center (225 MW) in Wyoming; contract ends May 31, 2042.
- Spring Canyon Wind Energy Center Phase II and III (60 MW combined) in Colorado; contracts end Oct. 31, 2039, and Dec. 10, 2039, respectively. To accommodate additional energy available from the Roundhouse Wind Energy Center and reduce ancillary services expense, Platte River sold the energy and renewable attribute from these sites under a 10-year contract that began in 2020. This energy is therefore not delivered to the owner communities for the term of the sales contract. At the end of the sales contract, the energy will return to Platte River.
- Silver Sage Windpower Project (12 MW) in Wyoming; contract ends Sept. 30, 2029. To accommodate additional wind available from the Roundhouse Wind Energy Center and to reduce transmission and ancillary services expenses, Platte River sold the energy and renewable attribute from this site under a long-term contract. This energy is therefore not delivered to the owner communities.

Hydropower

Platte River receives hydropower under two long-term contracts with WAPA. The hydropower contracts are subject to periodic price changes. The CRSP and LAP contracts end Sept. 30, 2057, and Sept. 30, 2054, respectively.

- CRSP contract rate of delivery amounts are 106 MW in the summer and 136 MW in the winter, which are not being met due to drought conditions. Actual capacity available varies by month. During the summer season, estimated available capacity ranges from 32 MW to 48 MW. In the winter season, estimated available capacity ranges from 38 MW to 45 MW. Available capacity and energy may further change with drought conditions, and if conditions worsen, there may be periods with no delivered energy.
- LAP capacity is 30 MW in the summer and 32 MW in the winter. The available capacity from LAP varies from 23 MW to 30 MW in the summer season and 26 MW to 32 MW in the winter season.

Solar and battery storage

Solar generation includes 202 MW of nameplate capacity (60 MW of ELCC) with 2 MWh of battery storage provided under long-term PPAs. The agreements are for deliveries from the following facilities.

- Black Hollow Solar project (150 MW-phase 1) in Weld County; contract ends 20 calendar years from the first Jan. 1 after phase 2 achieves commercial operation expected to occur during 2026.
- Rawhide Flats Solar facility (30 MW) located at the Rawhide Energy Station; contract ends Dec. 14, 2041.
- Rawhide Prairie Solar facility (22 MW) located at the Rawhide Energy Station; contract ends March 18, 2041. This project has an integrated battery storage system of 2 MWh, which can be discharged once daily at a rate up to 1 MW per hour.

Other purchases

Market purchases provide energy through participation in the SPP WEIS market, which provides access to lower-cost resources and increased operational efficiencies while enhancing reliability. The SPP WEIS market is a real-time organized energy market operated by SPP, in which generation and load are balanced regionally based on marginal cost and generation resource characteristics calculated for every five-minute interval. Platte River entered the SPP WEIS market in April 2023 and will participate until joining the SPP RTO West market (expected in 2026). Additional information about the SPP WEIS market is available on SPP's website at spp.org/weis.

Bilateral purchases involve a single counterparty and are specifically negotiated deals. These provide energy to satisfy loads, replace power during outages and meet reserve requirements.

Platte River purchases capacity of approximately 4.022 MW and 0.333 MW from Fort Collins and Loveland community solar facilities, respectively. For these two facilities, the owner

communities retain the renewable attributes and the facilities are not part of Platte River's noncarbon resource portfolio.

Maintenance outage accrual policy

This policy allows replacement power for Rawhide Unit 1 scheduled maintenance outage costs exceeding \$5 million to be spread over the interim period between outages to smooth rate impacts to the owner communities. Rawhide Unit 1's scheduled maintenance outage in fall of 2025 is expected to be the final outage using this policy.

Fuel

Fuel expense is one of the largest classifications of operating expenses, although it has declined as a percentage of total operating expenses as fossil-fueled generation becomes a smaller component of Platte River's resource portfolio. Changes to market conditions, primarily in coal and natural gas pricing, have significant impact on fuel expense. Fuel expense includes coal purchased for Rawhide Unit 1, Craig units 1 and 2 and natural gas purchased for the frame units. The production cost model determines the majority of fuel expense for the budget year, which fluctuates as resource availability changes with outages and market conditions, including weather.

Rawhide Unit 1 (280 MW) is Platte River's largest baseload resource and has historically operated at a high capacity factor. As Platte River adds more noncarbon energy to its resource portfolio and participates in organized energy markets that help balance regional noncarbon generation, Rawhide Unit 1 now operates at lower average load levels, with greater variability, to accommodate higher intermittent renewable resource output.

Platte River purchases coal for Rawhide Unit 1 under a long-term contract that supplies all coal needed through the unit's useful life. The coal price defaults to a market index unless Platte River chooses to use price lock provisions outlined in the contract, which Platte River has exercised for all 2025 projected coal purchases. The current coal contract is for low-sulfur coal from Antelope Mine in the Powder River Basin in Wyoming. A long-term transportation contract through 2026 establishes a base rate per delivered ton, which is subject to an annual adjustment based on specified indices and a fuel adjustment charge.

Platte River owns 18% of Craig units 1 and 2 (151 MW combined). Platte River purchases coal for the Craig units under the long-term contract with Trapper Mining, Inc., that runs through 2025. Platte River has a minority ownership share of the mine. Platte River will work to structure future fuel supply contracts and fuel inventory levels to align with operations and the planned closure timelines of the Craig units. Recent changes in mining technique to lessen environmental impact and reduce future reclamation burden, as well as lower overall production as mine participants' demand for coal has decreased, have increased price and price volatility for coal delivered from Trapper Mine.

Natural gas-fired combustion turbines include five simple-cycle frame combustion turbines: four GE 7EAs (Rawhide units A, B and D, 65 MW each; Rawhide Unit C, 77 MW) and one GE 7FA (Rawhide Unit F, 158 MW). The combustion turbines meet peak load demand, provide reserves during outages of the coal-fired units and serve sales for resale. Platte River

purchases natural gas at market prices as needed. Natural gas needs fluctuate with load, market energy prices and the addition of noncarbon energy resources.

Production

Production expenses include operations and maintenance expenses (excluding fuel) incurred for the Rawhide Energy Station, the Craig Generating Station and power operations. The Rawhide expenses are predominately determined by departmental budgets. Craig expenses are determined by Tri-State Generation and Transmission Association, Inc. (Tri-State), the operating agent, and approved by the engineering and operations committee, of which Platte River is a member. An accrual for estimated future costs during specified Rawhide maintenance outages is also included.

Rawhide Energy Station

Rawhide Unit 1 is Platte River's largest resource and will retire by the end of 2029. Platte River plans continued investment in preventive and predictive maintenance so that the resource is reliable, safe and compliant through its remaining operating life. Through this proactive and planned approach, ongoing operations and maintenance expenses have been consistent from year to year. Regular outages are required to keep the unit operable and reliable. An accrual for estimated future costs during specified maintenance outages of Rawhide Unit 1 is also included and smooths out costs of outages over a longer period. Historically, Rawhide Unit 1 has had scheduled major maintenance outages about every three years, with a scheduled minor maintenance outage about halfway between scheduled major maintenance outages. Based on needs ahead of retirement, the final scheduled major maintenance outage is planned for the fall of 2025. After this outage, no accruals for estimated future costs are expected. Scheduled maintenance outages are also required for the frame units, based on the number of unit starts. Due to more frequent starts, outage needs have increased in recent years; however, capital investments have mitigated some of this increase. Personnel expenses that are charged to operations and maintenance can fluctuate with labor charged to capital projects and fluctuations in headcount in any given year.

Craig Generating Station

Routine operations and maintenance expenses for Craig units 1 and 2 are to maintain reliability until retirement. Scheduled maintenance outages typically cause a non-recurring increase in expenses. To limit reliance on coal-fired resources and avoid excessive capital costs to comply with changing environmental regulations, participants in Craig units 1 and 2 agreed to retire the facilities by the end of 2025 and September 2028, respectively.

Power operations

Power operations relates to managing resources, including purchases, to meet load and sales for resale obligations. The focus is to provide the owner communities with a reliable energy supply, cost-effectively optimize how that demand is served and create additional value through the sale of available energy and capacity to third parties.

Transmission

Transmission maintenance is important to support the safe and reliable delivery of power across Platte River's regional transmission system. Transmission expenses also include Platte River's share of operating and maintaining jointly owned transmission facilities, ancillary services for regulation of wind and solar resources, and transmission wheeling expenses paid to WAPA and others for wind and a portion of Platte River's load. Transmission expenses are primarily developed through departmental budgets. Personnel expenses that are charged to operations and maintenance can fluctuate with the amount of labor charged to capital projects and changes in headcount in any given year.

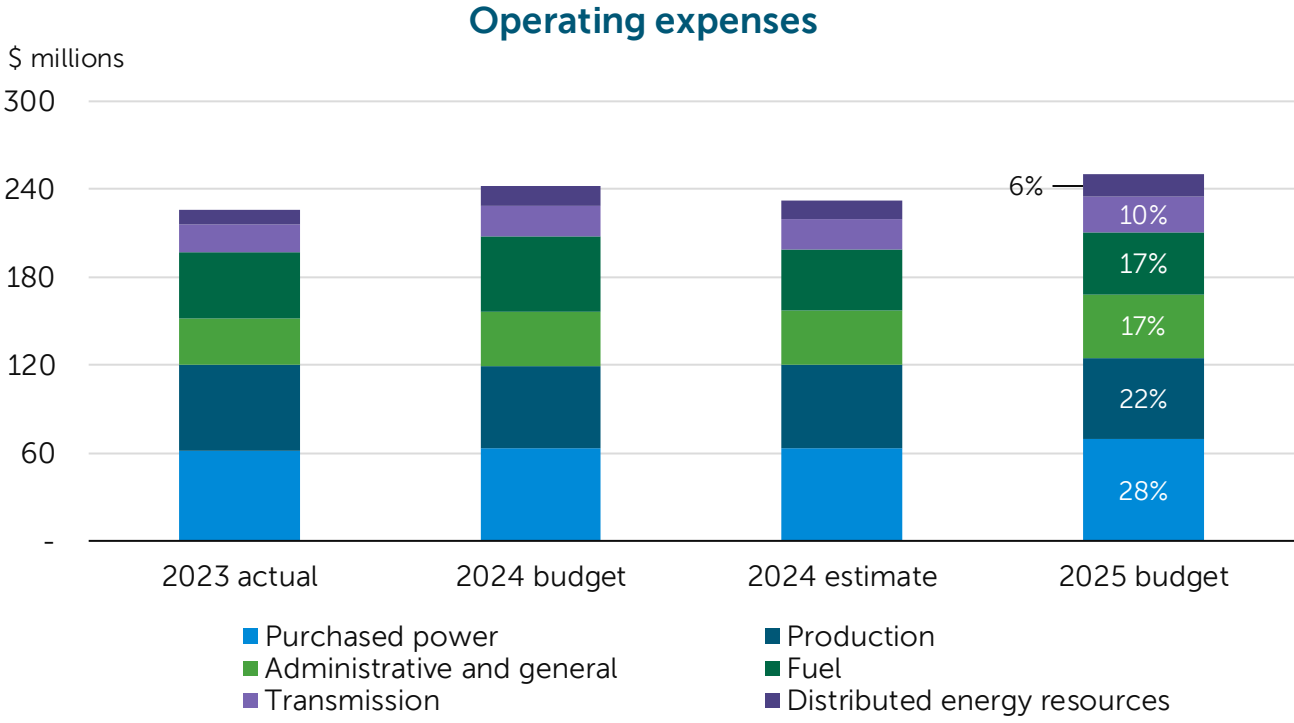
Administrative and general

Administrative and general expenses include all expenses incurred that are not directly allocated to capital or assignable to fuel, production, transmission or DER. These expenses include those related to the general manager, communications, community and government affairs, human resources, safety, general counsel, digital, financial services, facilities and fleet. The largest expense is personnel, which includes salaries and benefits. With the changing environment and continued focus on operational excellence, Platte River has invested and will continue to invest in employees to achieve strategic initiatives and goals.

Distributed energy resources

DER expenses include all expenses to administer and implement Platte River's DER programs. Energy efficiency and demand response programs, early forms of DER, began in 2002 with a budget of \$0.4 million. Distributed energy solutions investment continues due to its success and positive system and community benefits. Development and testing continue with other DER, DERMS and demand response programs as Platte River works to implement the long-range DER strategy to support the resource diversification planning and integration strategic initiative and the Resource Diversification Policy.

Operating expenses (\$000)	2023 actual	2024 budget	2024 estimate	2025 budget
Purchased power	\$ 61,730	\$ 63,776	\$ 63,378	\$ 69,789
Fuel	45,142	51,119	41,703	42,435
Production	58,307	55,842	56,798	55,512
Transmission	19,348	21,412	20,363	23,901
Administrative and general	31,714	36,863	37,289	43,186
Distributed energy resources	10,131	13,664	12,381	15,200
Total operating expenses	\$ 226,372	\$ 242,676	\$ 231,912	\$ 250,023



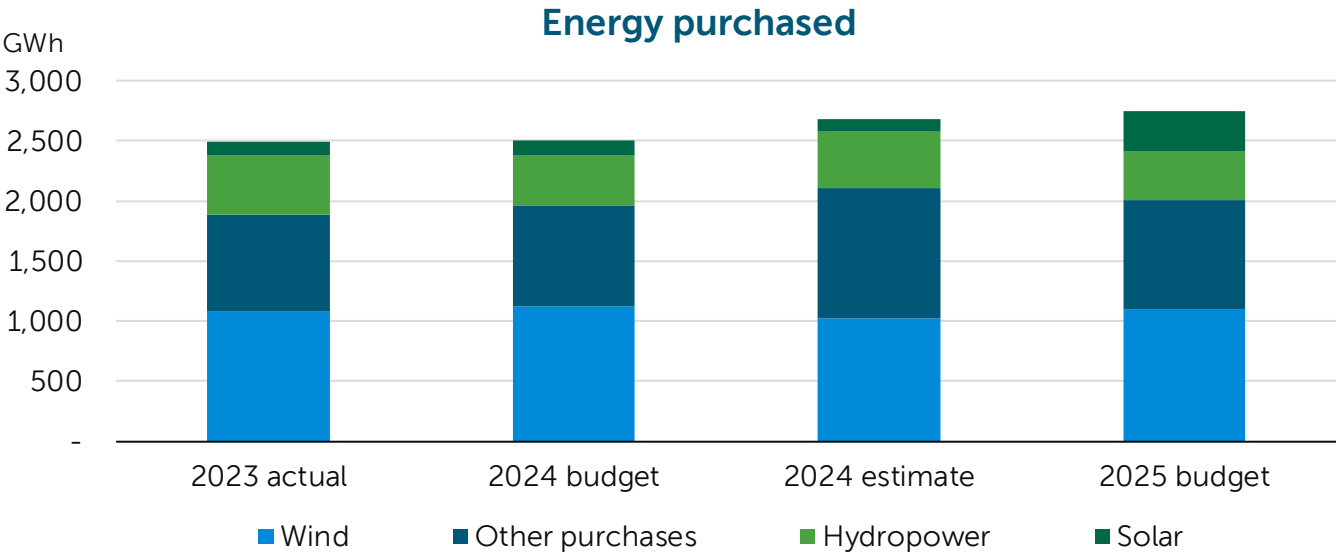
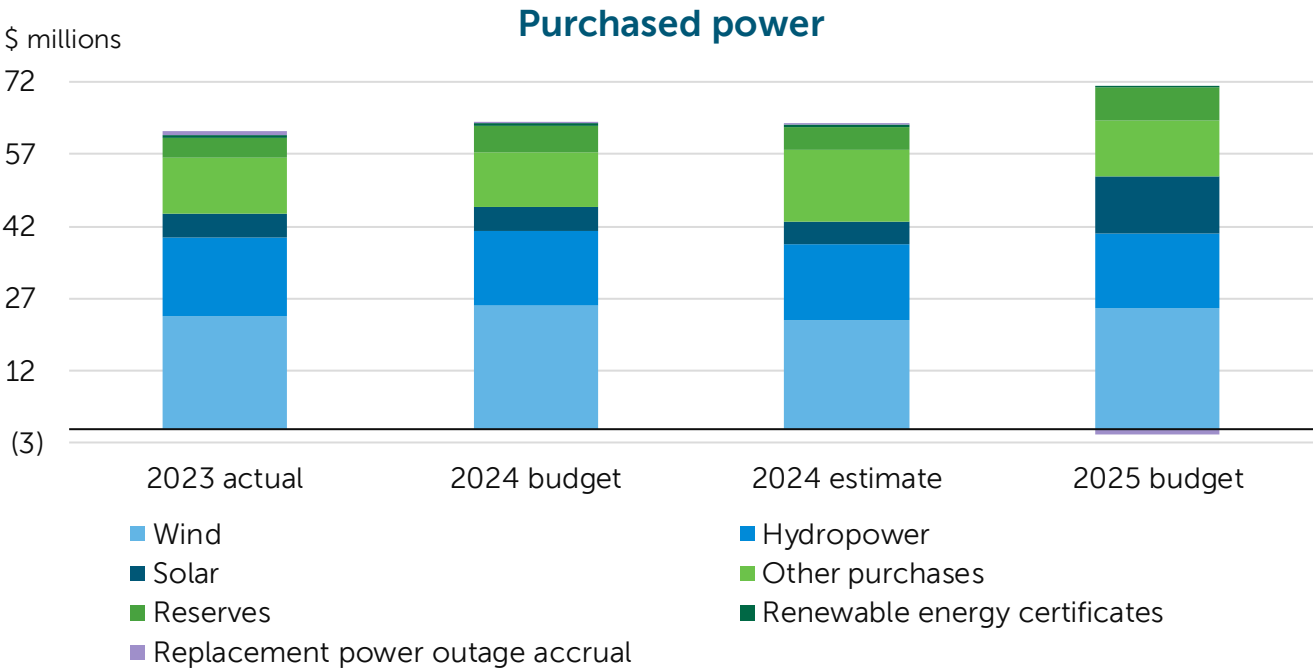
	2023 actual	2024 budget	2024 estimate	2025 budget
Purchased power				
Wind				
Roundhouse				
Energy (MWh)	847,015	839,693	811,219	837,468
Energy \$	\$ 14,679,369	\$ 14,526,688	\$ 14,034,036	\$ 14,488,210
Spring Canyon II ⁽¹⁾				
Energy (MWh)	102,435	125,251	78,489	125,208
Energy \$	\$ 3,382,954	\$ 4,235,815	\$ 2,654,867	\$ 4,339,994
Spring Canyon III ⁽¹⁾				
Energy (MWh)	86,527	105,982	97,564	105,945
Energy \$	\$ 2,847,720	\$ 3,577,339	\$ 3,293,982	\$ 3,665,331
Silver Sage ⁽²⁾				
Energy (MWh)	31,351	37,951	30,985	37,850
Energy \$	\$ 2,094,552	\$ 2,597,349	\$ 2,122,212	\$ 2,655,268
Medicine Bow				
Energy (MWh)	10,866	18,395	9,435	-
Energy \$	\$ 434,663	\$ 721,208	\$ 370,008	\$ -
Total wind				
Energy (MWh)	1,078,194	1,127,272	1,027,692	1,106,471
Energy \$	\$ 23,439,258	\$ 25,658,399	\$ 22,475,105	\$ 25,148,803
Hydropower				
WAPA-CRSP				
Demand (MW-Mo)	1,450	1,450	1,450	1,450
Demand \$	\$ 7,612,511	\$ 7,612,512	\$ 7,612,512	\$ 7,612,512
Energy (MWh)	386,449	315,314	360,526	297,904
Energy \$	\$ 4,776,504	\$ 3,897,279	\$ 4,456,102	\$ 3,682,096
Total CRSP	\$ 12,389,015	\$ 11,509,791	\$ 12,068,614	\$ 11,294,608
WAPA-LAP				
Demand (MW-Mo)	373	372	372	369
Demand \$	\$ 1,788,509	\$ 1,784,130	\$ 1,784,130	\$ 1,926,306
Energy (MWh)	109,536	109,264	109,197	108,502
Energy \$	\$ 2,005,612	\$ 2,000,630	\$ 1,999,388	\$ 2,161,366
Total LAP	\$ 3,794,121	\$ 3,784,760	\$ 3,783,518	\$ 4,087,672
Total hydropower				
Demand (MW-Mo)	1,823	1,822	1,822	1,819
Demand \$	\$ 9,401,020	\$ 9,396,642	\$ 9,396,642	\$ 9,538,818
Energy (MWh)	495,985	424,578	469,723	406,406
Energy \$	\$ 6,782,116	\$ 5,897,909	\$ 6,455,490	\$ 5,843,462
Total \$	\$ 16,183,136	\$ 15,294,551	\$ 15,852,132	\$ 15,382,280
Solar				
Black Hollow Solar				
Energy (MWh)	-	-	-	220,160
Energy \$	\$ -	\$ -	\$ -	\$ 6,996,682

Purchased power (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Solar (continued)				
Rawhide Flats Solar				
Energy (MWh)	62,356	60,801	62,317	59,226
Energy \$	\$ 3,332,940	\$ 3,249,843	\$ 3,330,863	\$ 3,165,645
Rawhide Prairie Solar				
Energy (MWh)	46,834	53,226	44,939	51,517
Energy \$	\$ 1,576,504	\$ 1,749,121	\$ 1,413,984	\$ 1,693,583
Total solar				
Energy (MWh)	109,190	114,027	107,256	330,903
Energy \$	\$ 4,909,444	\$ 4,998,964	\$ 4,744,847	\$ 11,855,910
Other purchases				
Market purchases				
Energy (MWh)	769,731	816,027	1,067,500	866,367
Energy \$	\$ 11,115,503	\$ 10,697,149	\$ 14,316,968	\$ 10,641,291
Bilateral purchases				
Energy (MWh)	86,177	10,393	14,021	26,819
Energy \$	\$ 3,024,085	\$ 467,530	\$ 460,686	\$ 743,703
Owner community solar programs ⁽³⁾				
Energy (MWh)	7,070	7,665	7,295	7,639
Energy \$	\$ 471,386	\$ 167,807	\$ 268,416	\$ 178,818
Forced outage exchange				
Energy (MWh)	(55,900)	-	(9,500)	-
Energy \$	\$ (2,942,610)	\$ -	\$ (217,621)	\$ -
Total other purchases				
Energy (MWh)	807,078	834,085	1,079,316	900,825
Energy \$	\$ 11,668,364	\$ 11,332,486	\$ 14,828,449	\$ 11,563,812
Reserves	\$ 4,258,075	\$ 5,623,834	\$ 4,609,681	\$ 6,976,092
Renewable energy certificates	\$ 549,980	\$ 550,220	\$ 550,220	\$ 134,375
Replacement power outage accrual	\$ 721,479	\$ 317,190	\$ 317,190	\$ (1,272,281)
Total purchased power	<u>\$ 61,729,736</u>	<u>\$ 63,775,644</u>	<u>\$ 63,377,624</u>	<u>\$ 69,788,991</u>

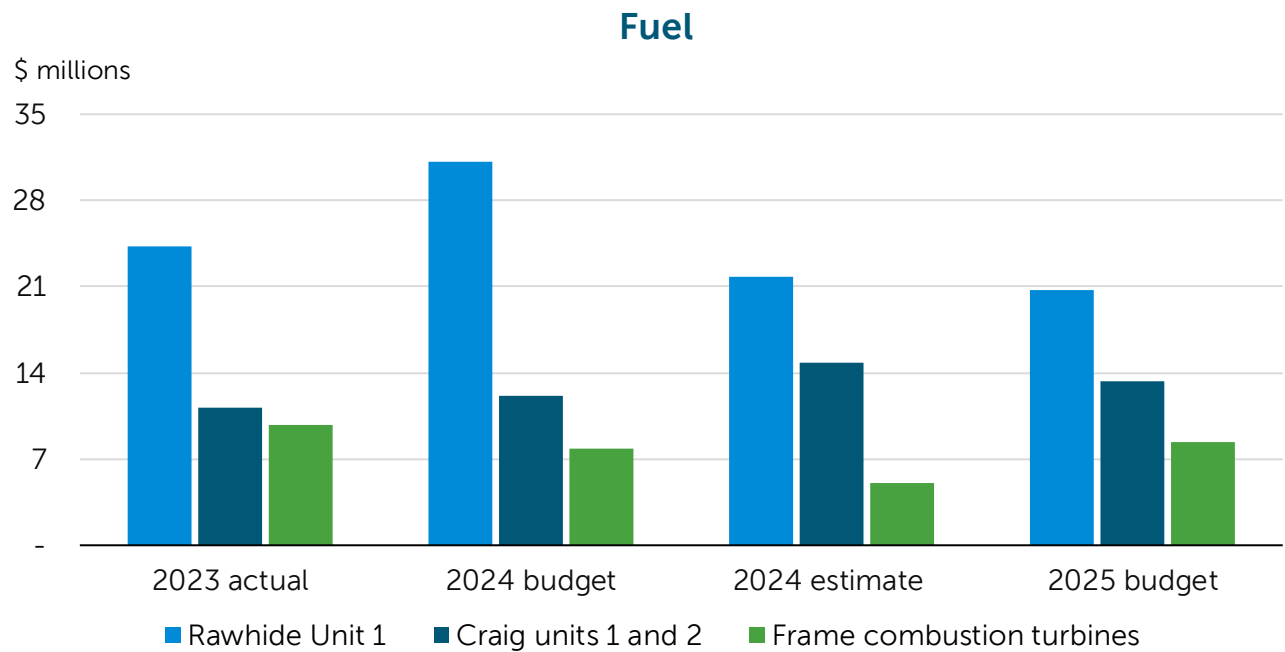
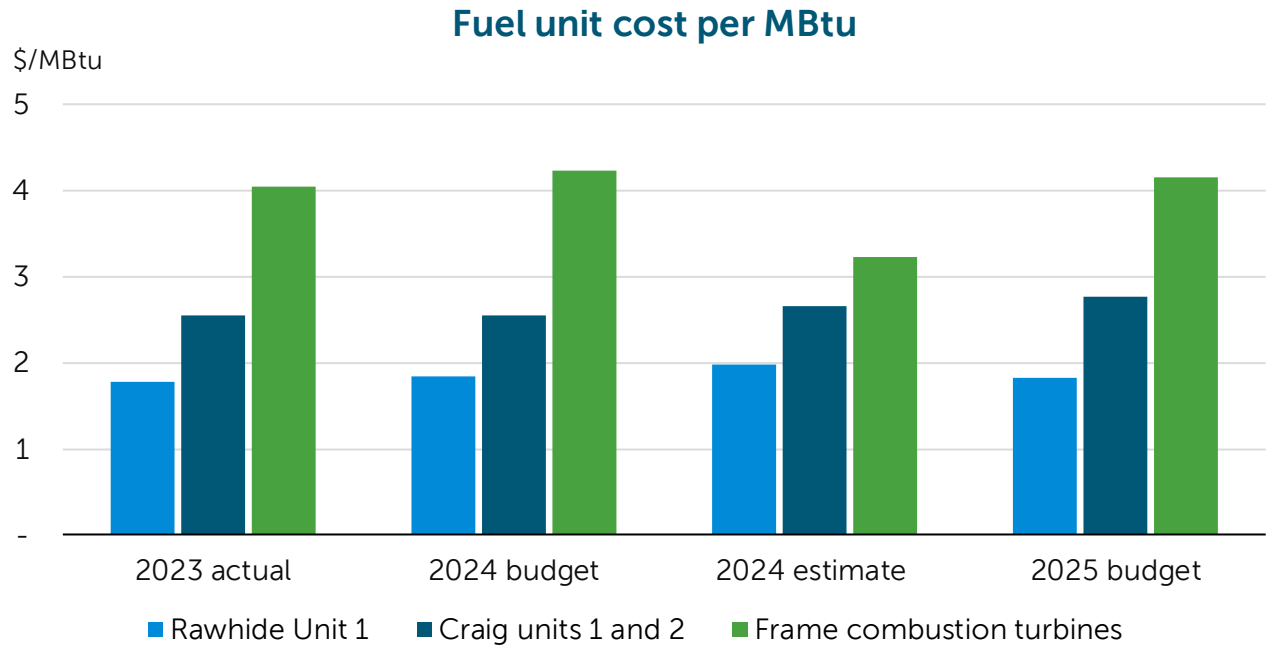
(1) Effective June 2020, Spring Canyon II and III energy and renewable attributes have been sold to a third party.

(2) Effective October 2018, Silver Sage energy and the renewable attribute have been sold to a third party.

(3) The owner communities retain the renewable attributes.

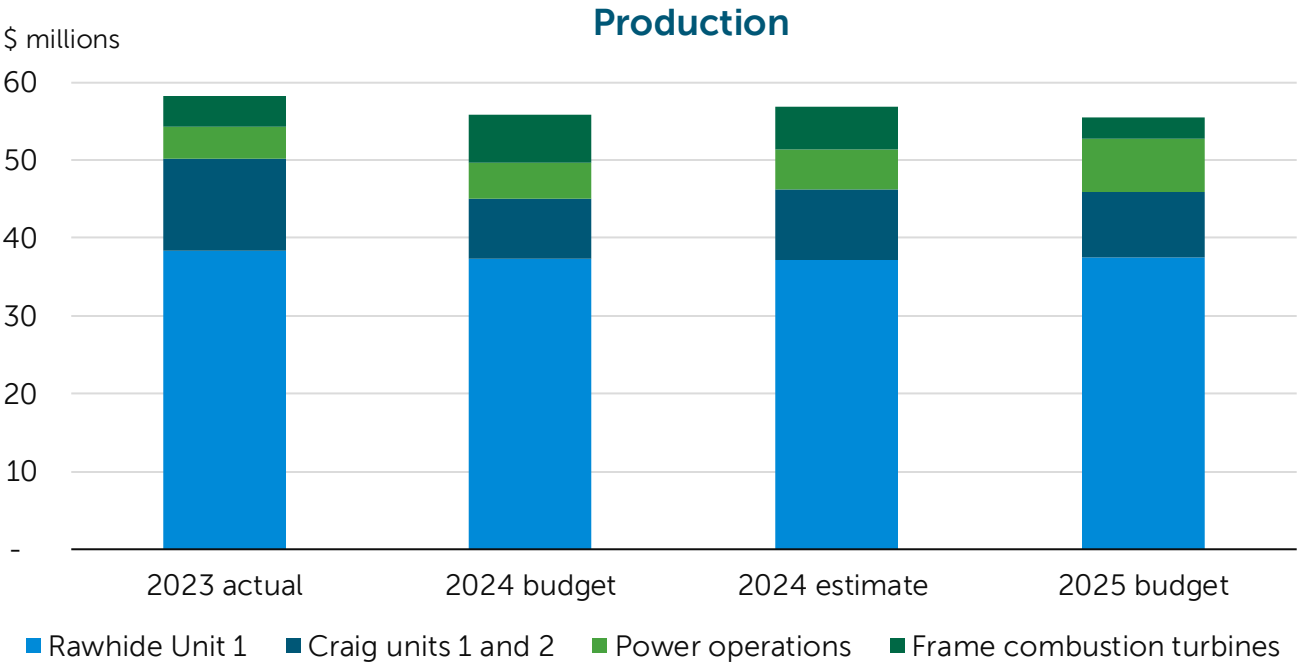


Fuel	2023 actual	2024 budget	2024 estimate	2025 budget
Rawhide Unit 1				
Coal burned (MBtu)	13,678,004	16,930,242	11,010,275	11,302,576
\$/MBtu	\$ 1.72	\$ 1.80	\$ 1.93	\$ 1.77
Coal expense	\$ 23,489,562	\$ 30,552,730	\$ 21,259,697	\$ 19,962,720
Car lease and other	24,451	17,000	3,731	22,000
Oil	413,927	20,000	136,330	200,000
Fuel ash disposal	(130,765)	(90,000)	(140,829)	(100,000)
Fuel handling	386,330	608,801	474,156	572,466
Testing and analysis	45,576	47,000	49,490	49,000
Total Rawhide Unit 1	\$ 24,229,081	\$ 31,155,531	\$ 21,782,575	\$ 20,706,186
Craig units 1 and 2				
Coal burned (MBtu)	4,387,880	4,763,000	5,567,688	4,809,905
\$/MBtu	\$ 2.48	\$ 2.46	\$ 2.59	\$ 2.69
Coal expense	\$ 10,861,431	\$ 11,724,307	\$ 14,434,144	\$ 12,959,330
Oil	58,796	25,000	18,171	20,000
Natural gas	145,209	175,000	77,611	130,000
Fuel handling	96,588	186,688	278,350	213,304
Total Craig units 1 and 2	\$ 11,162,024	\$ 12,110,995	\$ 14,808,276	\$ 13,322,634
Rawhide units A, B, C, D and F (frame combustion turbines)				
Natural gas burned (MBtu)	2,416,385	1,857,373	1,582,543	2,021,874
\$/MBtu	\$ 3.93	\$ 4.17	\$ 3.16	\$ 4.11
Natural gas expense	\$ 9,490,769	\$ 7,752,202	\$ 5,002,646	\$ 8,306,668
Other gas expense	260,447	100,000	109,226	100,000
Total Rawhide units A, B, C, D and F (frame combustion turbines)	\$ 9,751,216	\$ 7,852,202	\$ 5,111,872	\$ 8,406,668
Total fuel	\$ 45,142,321	\$ 51,118,728	\$ 41,702,723	\$ 42,435,488

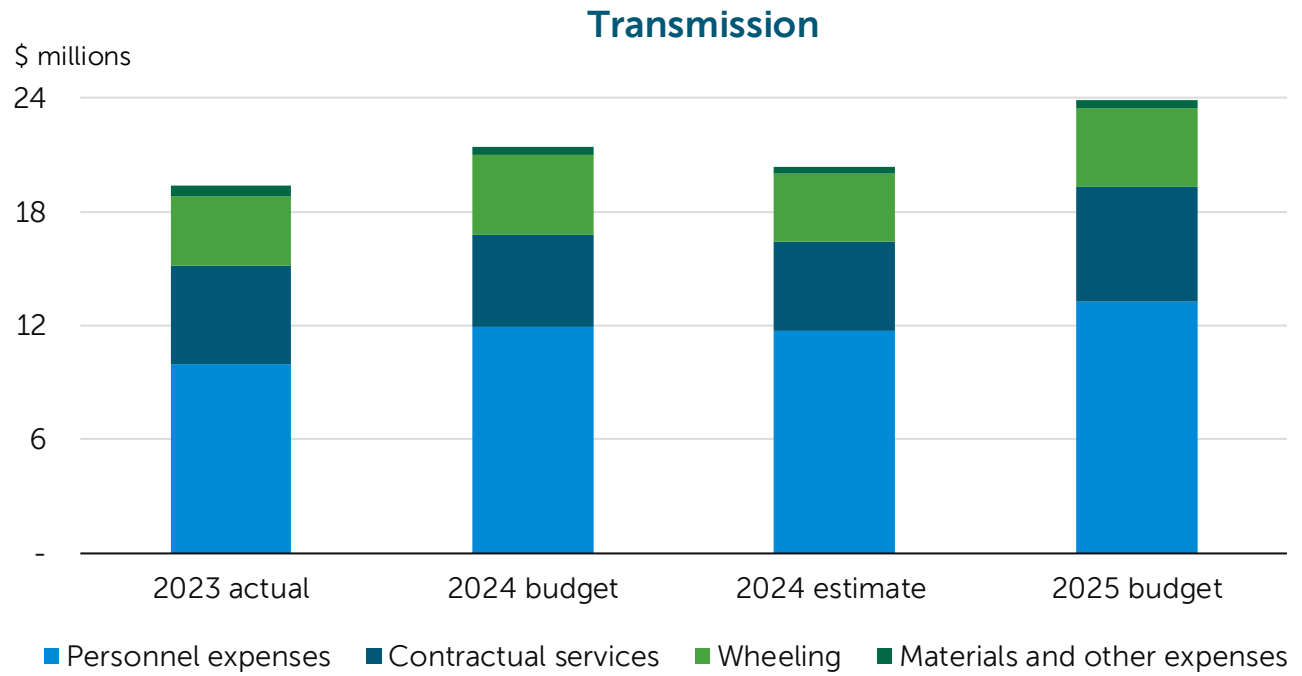


	2023 actual	2024 budget	2024 estimate	2025 budget
Production				
Rawhide Unit 1				
Personnel expenses				
Regular wages	\$ 10,258,437	\$ 10,771,560	\$ 10,745,317	\$ 11,016,215
Overtime wages	1,625,714	1,115,713	1,386,632	2,505,958
Benefits allocation	4,931,948	5,202,324	5,308,622	6,140,764
Total personnel expenses	16,816,099	17,089,597	17,440,571	19,662,937
Operations and maintenance				
Office expenses	17,414	15,900	9,007	19,200
Safety expenses	51,827	102,350	80,290	129,700
Furniture and equipment	6,893	20,200	13,179	20,200
Local business expense	54,485	28,800	27,371	54,650
Postage and deliveries	7,542	11,000	7,052	23,500
O&M materials and supplies	4,532,923	4,044,781	3,517,808	7,496,735
Gasoline and diesel	113,560	120,240	77,938	152,570
Tools and shop equipment	69,015	83,300	57,157	83,820
Total operations and maintenance	4,853,659	4,426,571	3,789,802	7,980,375
Contractual services				
Contracted services	8,255,257	6,512,845	6,526,451	13,408,458
Insurance	1,185,280	1,173,552	1,223,356	1,409,512
Travel and training expenses	327,873	326,754	298,187	301,825
Telephone services	29,173	71,650	46,790	35,013
Utilities	462,028	474,900	482,194	494,628
Dues, memberships and fees	63,604	59,375	64,658	30,120
Outage accrual	2,899,142	3,891,985	3,891,985	(10,397,526)
Total contractual services	13,222,357	12,511,061	12,533,621	5,282,030
Windy Gap				
Water O&M expenses	532,165	491,560	495,343	786,492
Pooled financing expenses	2,888,007	2,888,007	2,958,134	3,769,570
Total Windy Gap	3,420,172	3,379,567	3,453,477	4,556,062
Total Rawhide Unit 1 production	38,312,287	37,406,796	37,217,471	37,481,404
Craig units 1 and 2				
Operating expenses	11,863,608	7,590,738	8,941,810	8,328,662
Fiscal impact payment	36,217	36,217	23,209	23,209
Total Craig units 1 and 2 production	11,899,825	7,626,955	8,965,019	8,351,871
Total thermal production	50,212,112	45,033,751	46,182,490	45,833,275
Rawhide units A, B, C, D and F (frame combustion turbines)				
Regular wages	614,965	992,870	611,577	884,645
Overtime wages	170,412	105,389	182,650	122,621

	2023 actual	2024 budget	2024 estimate	2025 budget
Production (continued)				
Rawhide units A, B, C, D and F (frame combustion turbines) (continued)				
Benefits allocation	\$ 317,743	\$ 482,571	\$ 363,693	\$ 459,260
O&M materials and supplies	747,494	1,683,703	592,255	405,314
Contracted services	1,585,947	2,285,859	3,138,973	540,902
Insurance	481,939	587,028	552,793	262,988
Travel and training expenses	8,210	43,500	12,264	37,000
Telephone services	594	600	805	600
Utilities	2,077	2,400	1,176	3,000
Dues, memberships and fees	7,466	7,500	8,979	49,500
Total Rawhide units A, B, C, D and F (frame combustion turbines)	3,936,847	6,191,420	5,465,165	2,765,830
Power operations				
Regular wages	2,163,959	2,214,981	2,663,636	3,465,912
Overtime wages	65,131	73,296	79,112	90,843
Benefits allocation	916,602	992,479	1,146,427	1,586,663
Local business expense	4,347	3,200	1,845	3,200
Craig units 1 and 2 operating expenses	31,478	29,009	33,315	30,834
Contracted services	912,724	1,202,008	1,141,634	1,606,217
Travel and training expenses	28,271	69,500	49,691	77,100
Telephone expenses	13,532	14,226	12,956	20,566
Dues, memberships and fees	21,520	17,800	22,023	31,475
Total power operations	4,157,564	4,616,499	5,150,639	6,912,810
Total production	\$ 58,306,523	\$ 55,841,670	\$ 56,798,294	\$ 55,511,915



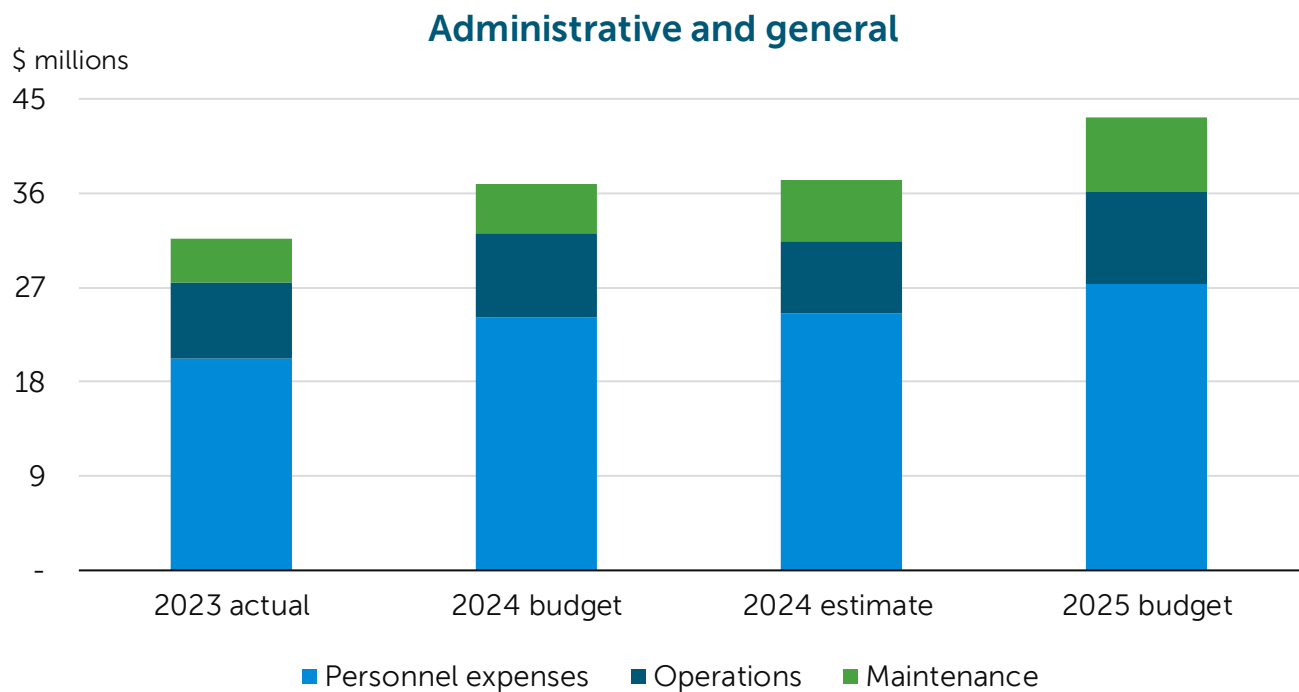
Transmission	2023 actual	2024 budget	2024 estimate	2025 budget
Personnel expenses				
Regular wages	\$ 6,569,872	\$ 7,862,639	\$ 7,631,590	\$ 8,623,757
Overtime wages	477,425	453,760	571,218	512,963
Benefits allocation	<u>2,900,312</u>	<u>3,613,429</u>	<u>3,508,052</u>	<u>4,106,845</u>
Total personnel expenses	9,947,609	11,929,828	11,710,860	13,243,565
Materials and other expenses				
Safety expenses	8,856	12,600	8,800	16,450
Local business expense	11,932	8,504	19,153	13,750
Postage and deliveries	-	3,000	1,058	500
O&M materials and supplies	396,416	323,275	258,394	336,691
Gasoline and diesel	32,418	36,950	33,056	35,100
Tools and shop equipment	12,735	22,004	9,229	19,008
Computer equipment	<u>40,877</u>	<u>18,000</u>	<u>5,041</u>	<u>24,000</u>
Total materials and other expenses	503,234	424,333	334,731	445,499
Contractual services				
Contracted services	4,451,581	3,950,150	3,953,430	4,929,171
Insurance	-	-	-	228,274
Travel and training expenses	92,932	178,954	107,196	171,000
Telephone services	44,463	58,325	37,527	27,252
Utilities	4,056	6,600	2,575	4,008
Dues, memberships and fees	366,253	439,062	405,157	456,700
Leases and rents	110,393	107,902	108,918	128,555
Craig units 1 and 2 transmission expenses	<u>155,761</u>	<u>91,532</u>	<u>96,241</u>	<u>99,610</u>
Total contractual services	<u>5,225,439</u>	<u>4,832,525</u>	<u>4,711,044</u>	<u>6,044,570</u>
Total operations and maintenance	15,676,282	17,186,686	16,756,635	19,733,634
Transmission by others				
Wheeling expense				
Load	913,436	1,405,925	922,116	1,409,054
Spring Canyon Wind Energy Center	2,726,154	2,782,059	2,658,465	2,757,999
Medicine Bow Wind Project	<u>32,370</u>	<u>37,456</u>	<u>26,079</u>	<u>-</u>
Total wheeling expense	<u>3,671,960</u>	<u>4,225,440</u>	<u>3,606,660</u>	<u>4,167,053</u>
Total transmission	<u>\$ 19,348,242</u>	<u>\$ 21,412,126</u>	<u>\$ 20,363,295</u>	<u>\$ 23,900,687</u>



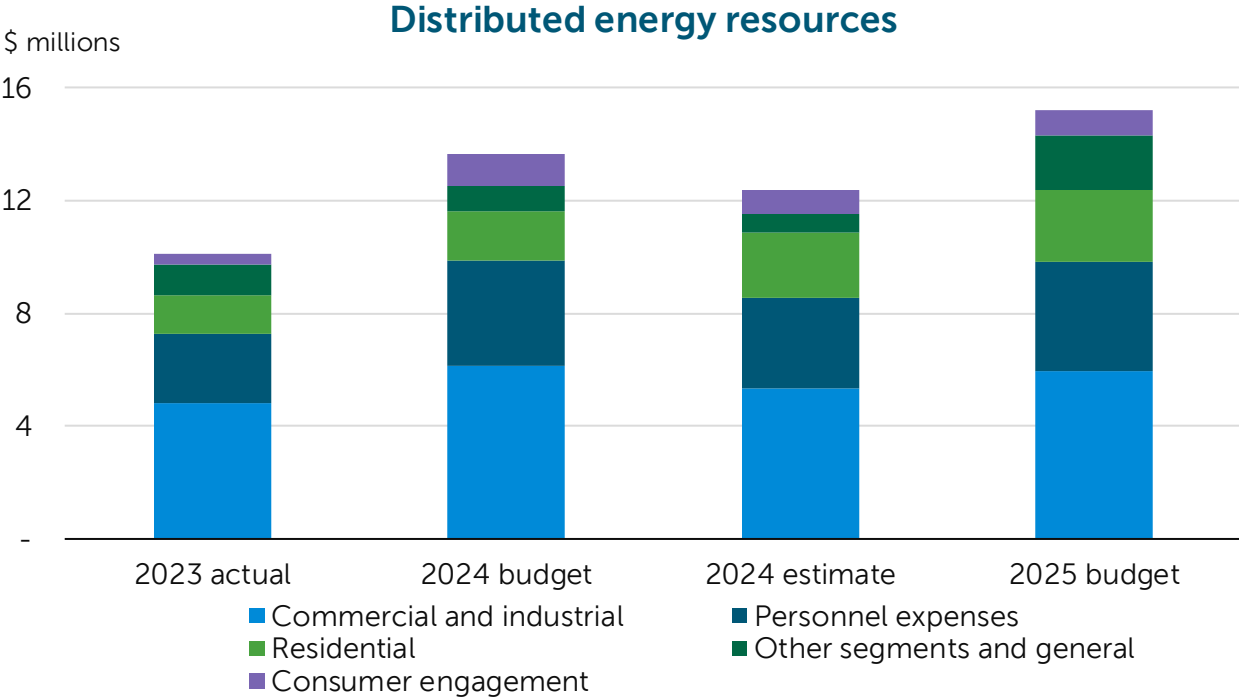
Administrative and general	2023 actual	2024 budget	2024 estimate	2025 budget
Operations				
Personnel expenses				
Regular wages	\$ 14,171,042	\$ 16,837,282	\$ 17,121,932	\$ 18,850,916
Overtime wages	122,014	52,300	79,594	47,380
Benefits allocation	5,917,244	7,270,647	7,321,076	8,423,373
Total personnel expenses	20,210,300	24,160,229	24,522,602	27,321,669
Office operations and other expenses				
Office expenses	11,437	2,625	25,570	3,125
Furniture and equipment	16,763	13,680	19,073	12,500
Local business expense	215,460	306,462	188,962	230,224
Postage and deliveries	10,461	19,550	11,472	19,550
Gasoline and diesel	30,588	17,100	20,918	32,400
Computer equipment	695,942	747,246	558,706	641,598
Total office operations and other expenses	980,651	1,106,663	824,701	939,397
Safety and training expenses				
Safety expenses	4,648	9,265	15,968	7,015
Local business expense	1,238	3,000	7,540	3,500
Contracted services	37,933	31,625	27,338	31,125
Travel and training expenses	476,988	638,396	573,886	740,734
Dues, memberships and fees	625	700	420	700
Wellness and incentive program	160,031	169,400	164,047	180,600
Total safety and training expenses	681,463	852,386	789,199	963,674
Contractual services				
Contracted services	557,818	808,012	609,482	709,552
Travel and training expenses	90,405	159,170	135,397	219,313
Telephone services	44,939	48,350	56,105	53,760
Utilities	251,317	236,700	238,713	237,092
Dues, memberships and fees	220,814	177,285	273,817	339,413
Other financing expenses	34,378	56,900	37,783	48,900
Total contractual services	1,199,671	1,486,417	1,351,297	1,608,030
Insurance	1,352,195	1,259,760	1,395,399	1,540,447
Board and enterprise expenses				
Local business expense	10,674	12,000	11,810	12,000
Contracted services	29,250	-	-	-
Travel and training expenses	30,915	28,500	25,931	32,500
Dues, memberships and fees	124,891	146,550	119,813	136,950

Administrative and general (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Operations (continued)				
Board and enterprise expenses (continued)				
Trustees fees	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Owner community economic development	100,000	120,000	120,000	120,000
Total board and enterprise expenses	307,730	319,050	289,554	313,450
Reporting and promotional expenses				
Local business expenses	143,748	141,500	121,699	124,300
Contracted services	713,367	1,108,900	1,082,582	1,283,150
Total reporting and promotional expenses	857,115	1,250,400	1,204,281	1,407,450
Community engagement expenses				
Local business expenses	140,857	265,500	244,363	293,000
Dues, memberships and fees	18,957	20,300	38,937	40,855
Total community engagement expenses	159,814	285,800	283,300	333,855
Planning and customer service expenses				
Local business expenses	-	-	237	-
Contracted services	1,502,095	1,058,500	506,384	1,331,325
Dues, memberships and fees	123,836	197,000	120,822	195,000
Total planning and customer service expenses	1,625,931	1,255,500	627,443	1,526,325
Compliance expenses				
Local business expenses	8,447	1,250	2,406	5,000
Contracted services	9,245	154,900	28,950	47,000
Travel and training expenses	20,274	34,250	32,457	51,100
Total compliance expenses	37,966	190,400	63,813	103,100
Total administrative and general operations	27,412,836	32,166,605	31,351,589	36,057,397
Maintenance				
Building and grounds maintenance				
Materials and supplies	130,321	157,331	151,384	150,684
Tools and shop equipment	2,782	5,500	6,756	5,000
Contracted services	536,021	533,760	626,451	727,850
Total building and grounds maintenance	669,124	696,591	784,591	883,534
Computer maintenance				
Contracted services	3,109,216	3,369,147	4,590,774	5,581,774
Total computer maintenance	3,109,216	3,369,147	4,590,774	5,581,774

Administrative and general (continued)	2023 actual	2024 budget	2024 estimate	2025 budget
Maintenance (continued)				
Office equipment maintenance				
Postage and deliveries	\$ 135	\$ 3,300	\$ 2,075	\$ 3,300
Telephone services	4,864	26,764	13,421	14,572
Total office equipment maintenance	4,999	30,064	15,496	17,872
Vehicle maintenance				
Materials and supplies	37,164	34,615	34,902	33,673
Tools and shop equipment	7,235	16,150	12,732	12,000
Contracted services	18,661	42,000	3,080	44,000
Total vehicle maintenance	63,060	92,765	50,714	89,673
Security maintenance				
Materials and supplies	48,512	53,127	49,893	85,965
Tools and shop equipment	4,008	3,800	4,443	3,840
Contracted services	402,284	451,172	441,108	465,875
Total security maintenance	454,804	508,099	495,444	555,680
Total administrative and general maintenance	4,301,203	4,696,666	5,937,019	7,128,533
Total administrative and general	\$ 31,714,039	\$ 36,863,271	\$ 37,288,608	\$ 43,185,930



Distributed energy resources	2023 actual	2024 budget	2024 estimate	2025 budget
Personnel expenses				
Regular wages	\$ 1,717,219	\$ 2,611,120	\$ 2,225,277	\$ 2,675,347
Overtime wages	159	-	64	-
Benefits allocation	701,899	1,138,907	974,223	1,208,725
Total personnel expenses	2,419,277	3,750,027	3,199,564	3,884,072
Commercial and industrial				
Contracted services	803,628	1,125,000	869,479	1,122,000
Rebates/incentives for retail customers: non-controlled	2,939,651	3,892,000	3,035,525	3,462,008
Audits/assessments for retail customers	1,088,625	1,110,000	1,420,641	1,337,000
Rebates/incentives for retail customers: controlled	-	-	-	33,450
Total commercial and industrial	4,831,904	6,127,000	5,325,645	5,954,458
Residential				
Contracted services	216,762	435,864	460,992	487,260
Rebates/incentives for retail customers: non-controlled	1,144,968	977,101	1,621,671	1,438,000
Audits/assessments for retail customers	50,122	352,260	263,380	417,150
Rebates/incentives for retail customers: controlled	-	-	-	189,550
Total residential	1,411,852	1,765,225	2,346,043	2,531,960
Consumer engagement				
Contracted services	197,275	771,900	602,467	520,696
Rebates/incentives for retail customers: non-controlled	201,478	352,470	238,633	360,003
Total consumer engagement	398,753	1,124,370	841,100	880,699
Other segments and general				
Contracted services	992,414	744,000	500,467	1,672,000
Travel and training expenses	34	2,000	1,638	2,000
Telephone services	1,716	3,432	1,741	13,872
Dues, memberships and fees	44,491	43,750	40,595	128,908
Rebates/incentives to owner communities: controlled	30,434	104,828	124,500	132,000
Total other segments and general	1,069,089	898,010	668,941	1,948,780
Total distributed energy resources	\$ 10,130,875	\$ 13,664,632	\$ 12,381,293	\$ 15,199,969



Capital additions

Capital projects are viewed strategically with a long-term outlook to support Platte River's strategic initiatives, core operations and foundational pillars to safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities. Capital additions generally consist of projects to maintain and improve system reliability, replace or upgrade aging infrastructure, implement technology improvements, diversify and transition resources, maintain compliance and improve efficiency.

Production capital additions include new aeroderivative units, power plant upgrades and equipment replacements, as well as compliance-related projects at the Rawhide Energy Station. Transmission capital additions include transmission lines, distributed battery storage, substations and supporting equipment. Projects are based on transmission studies and consultation with the owner communities' staffs through the joint technical advisory committee. These projects will enhance system reliability and add capacity to serve new and existing loads, as well as allow future noncarbon projects. General plant capital additions include computer hardware and implementation costs for subscription-based information technology arrangements, communication equipment, fiber expansion, building modifications and other general plant equipment purchases. Asset retirement obligations include payments to satisfy legally enforceable liabilities when tangible capital assets such as impoundment or electric generation facilities retire.

The five-year capital forecast is developed to outline future investment in capital projects. Capital planning is an ongoing effort as needs change, so Platte River reviews and updates the plan three times annually, along with financial projections. The plan is the basis for each budget year. Production projects focus on plant equipment improvements (including equipment replacements or enhancements during scheduled maintenance outages), dust collection system replacements, combustion component upgrades, wet compression upgrades, controls hardware upgrades, the new aeroderivative units and associated projects. Transmission projects focus on new substations for new noncarbon resources, substation expansion for the new aeroderivative units, a new transmission line and interconnection assets for noncarbon resources, transformer replacements, transmission line replacement, and include coordinating and planning owner community requests for substation additions. Future general plant projects focus on replacing information technology equipment (including fiber optic cable and equipment) and implementing strategic software solutions (including DER management systems and additional energy market software). Asset retirement obligations consist of reclamation activities at Trapper Mine and the fire training pond closure at the Rawhide Energy Station. Due to the large capital investment needed for the resource transition, Platte River plans debt financing to provide funding.

Project management continues to be a focus. In the past several years, Platte River has emphasized resource availability and improving project planning and execution. This process will continue to evolve, striving toward operational excellence. Projects typically experience schedule changes for various reasons. Staff will therefore request a portion of unspent 2024 budget capital additions be carried over into the 2025 budget. If overall capital additions are

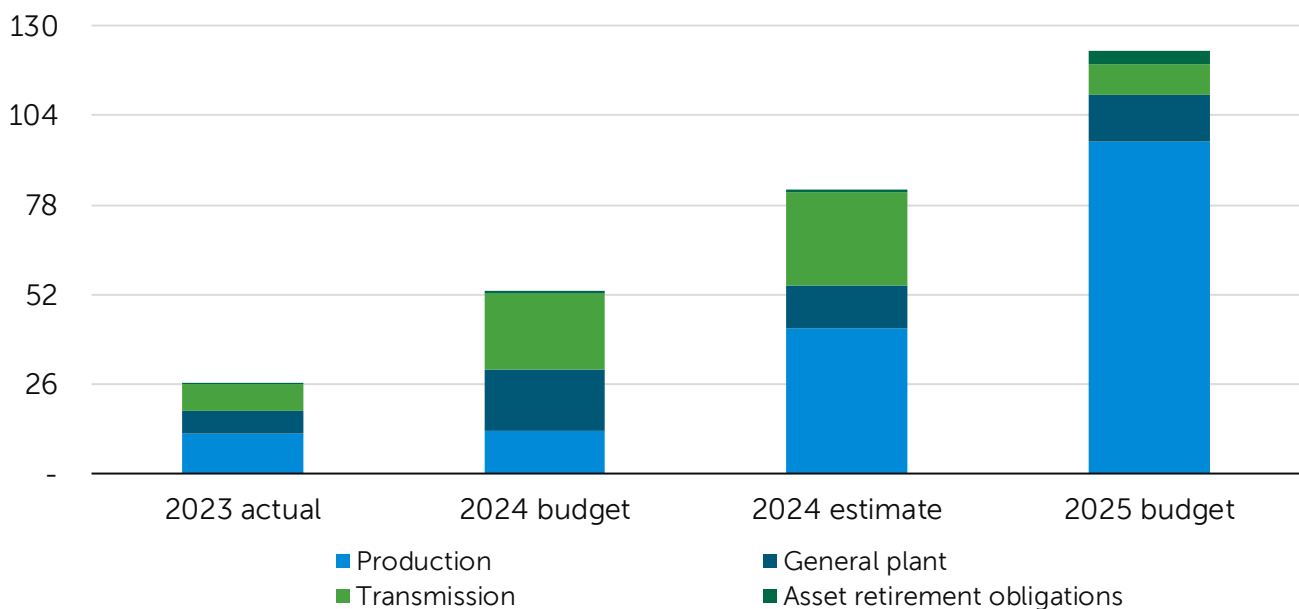
above budget at the end of the year, after considering the impact of carryovers, that above-budget amount will be funded through a contingency transfer. Current lead times and resource constraints have been considered in the 2025 budget, but evolving economic conditions create uncertainty.

The next pages include project descriptions, as well as estimated project cost and carryover amounts, noting which projects support strategic initiatives.

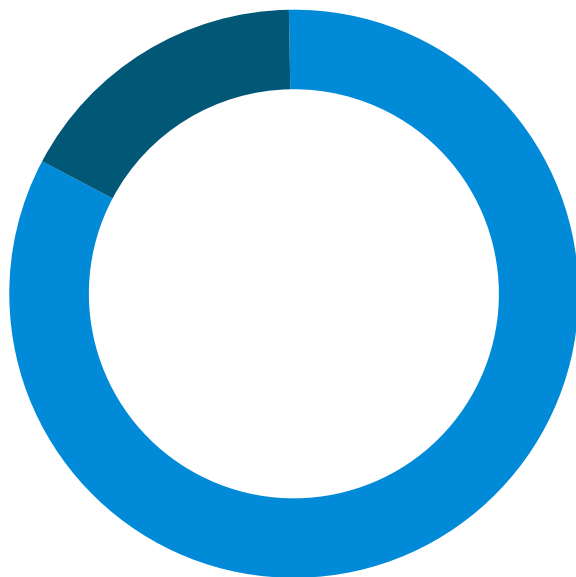
Capital additions (\$000)	2023 actual	2024 budget	2024 estimate	2025 budget
Production	\$ 11,758	\$ 12,363	\$ 42,395	\$ 96,423
Transmission	7,484	21,957	27,144	8,981
General plant	6,650	17,979	12,232	13,518
Asset retirement obligations	52	933	720	4,011
Total capital additions	\$ 25,944	\$ 53,232	\$ 82,491	\$ 122,933

Capital additions

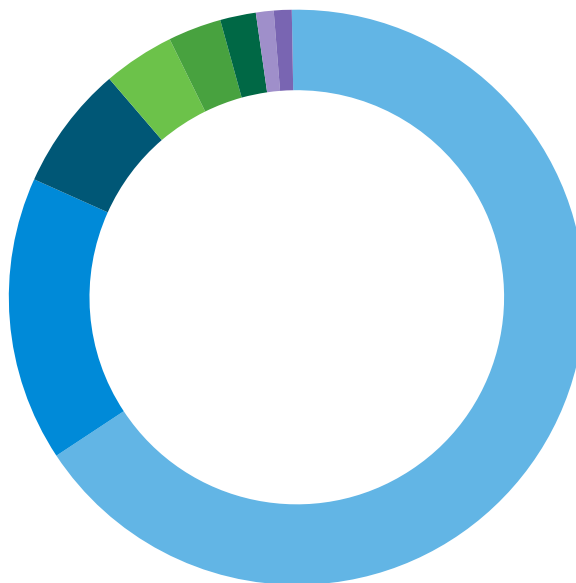
\$ millions



2025 capital additions: \$122.9 million



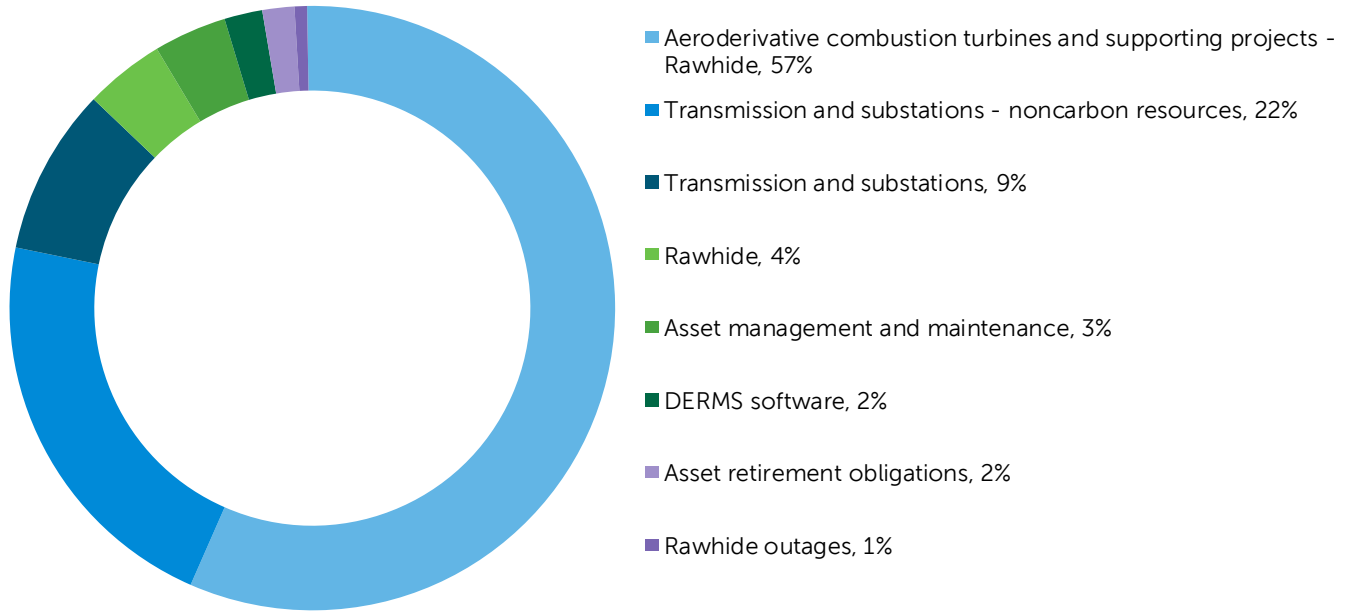
- Strategic initiatives, 83%
- Core operations, 17%



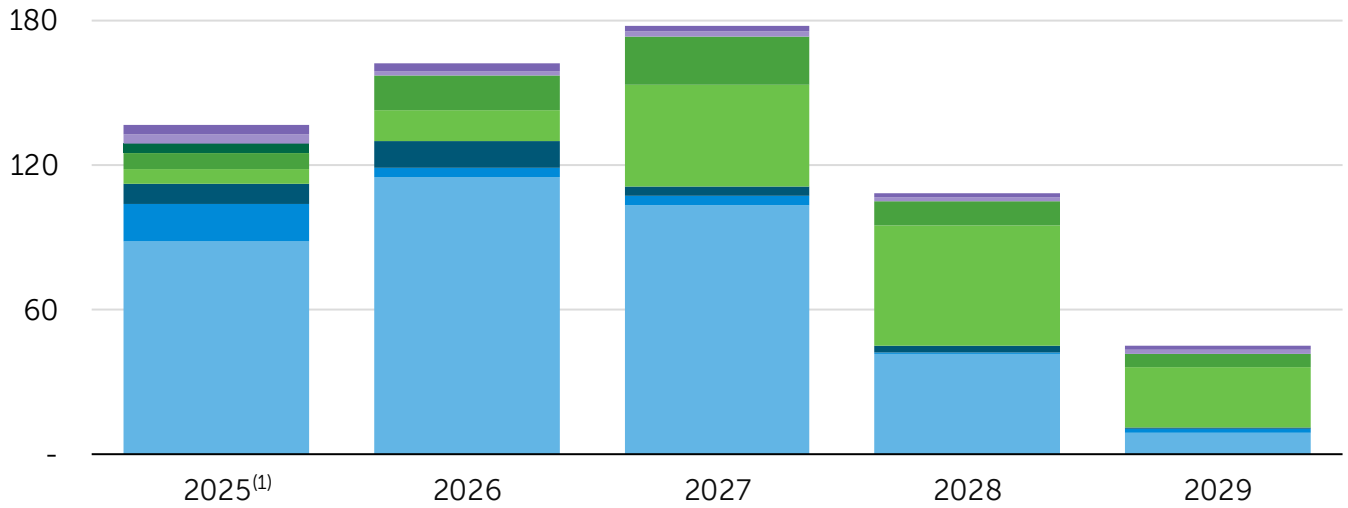
- Aeroderivative combustion turbines - Rawhide*, 66%
- Other strategic projects*, 16%
- Asset management and maintenance, 7%
- Rawhide, 4%
- Asset retirement obligations, 3%
- Transmission and substation equipment, 2%
- DERMS software*, 1%
- Craig units 1 and 2, 1%

* Strategic projects

Capital five-year forecast 2025-2029 \$630 million



\$ millions



- Aeroderivative combustion turbines and supporting projects - Rawhide
- Asset management and maintenance
- Rawhide
- Transmission and substations - noncarbon resources
- Transmission and substations
- Rawhide outages
- Asset retirement obligations
- DERMS software

(1) Includes \$13.9 million in estimated carryover funds from 2024 budget to 2025 budget.

Production capital additions	2025 budget	Total cost estimate⁽¹⁾
Rawhide projects		
• Aeroderivative combustion turbines - Rawhide ⁽²⁾	\$ 80,645,077	\$ 352,931,000
• Combustion component upgrade - combustion turbine Unit C	4,485,571	
• Site preparation (fire training facility) - aeroderivative combustion turbines	3,784,985	
• Wet compression - combustion turbine Unit C	1,633,699	
Gas control valve replacement - combustion turbine Unit A	667,021	
• 12.47 kV switchgear replacement - Rawhide	656,806	4,416,000
• Purge credit - combustion turbine Unit F	425,442	
Cathodic protection upgrade - Soldier Canyon pipeline	144,300	
Total Rawhide projects	92,442,901	
Rawhide outage projects		
Dust collection system replacement - crusher building ⁽²⁾	1,162,754	1,385,000
Evergreen controls hardware upgrade - Rawhide Unit 1	1,141,685	2,253,000
Dust collection system replacement - coal transfer building ⁽²⁾	961,436	1,152,000
Generator step up transformer fire protection deluge upgrade - Rawhide Unit 1	570,198	
Boiler iron transport analyzer - Rawhide Unit 1	50,044	
• Air heater fire protection upgrade - Rawhide Unit 1	46,843	151,000
Total Rawhide outage projects	3,932,960	
Rawhide purchases		
Portable motor analyzer - Rawhide	16,725	
Trex communicator - Rawhide	12,000	
Total Rawhide purchases	28,725	
Other production projects		
Craig units 1 and 2 projects	18,192	
Total production capital additions	\$ 96,422,778	

Transmission capital additions	2025 budget	Total cost estimate⁽¹⁾
Transmission projects		
• Bay connection and transmission line to Severance Substation - noncarbon resources	\$ 3,044,304	\$ 3,177,000
• Distribution battery storage interconnection - Town of Estes Park, City of Fort Collins, City of Longmont and City of Loveland ⁽²⁾	2,964,504	3,801,000
Circuit switcher (T1, T2) addition - Rogers Road Substation	914,007	3,914,000
Airflow spoilers	450,000	3,744,000
• Substation expansion and reliability upgrade - Rawhide Substation	406,838	17,439,000
Switch and capacitor coupled voltage transformer replacements - Harmony Substation	271,278	
Transformer T1 replacement - Longs Peak Substation	253,418	4,598,000

Transmission capital additions (continued)

	2025 budget	Total cost estimate ⁽¹⁾
• Transmission lines - noncarbon resources	\$ 208,559	\$ 50,268,000
Boundary metering replacements - substations	143,014	
Station service - Timberline Substation	102,928	
Substation - Loveland Southeast	100,604	10,701,000
HVAC unit replacements - substations	58,232	
• Substation and interconnections - noncarbon resources ⁽²⁾	53,353	16,123,000
Circuit breakers replacement 492, 1092, 3124, 3224 - Ault Substation WAPA ⁽²⁾	10,300	762,000
Total transmission capital additions	\$ 8,981,339	

General plant capital additions

	2025 budget	Total cost estimate ⁽¹⁾
General plant projects		
Fiber optic expansion - Long-Haul West (Loveland to Longmont)	\$ 1,882,370	\$ 4,882,000
Fiber optic cable replacement - Long-Haul East (Longs Peak Substation to Longmont Civic Center)	1,870,038	
• Regional transmission organization market software	1,697,865	2,948,000
Construction management building modifications - Rawhide	1,590,496	
• Distributed energy resources management system ⁽²⁾	1,380,248	9,222,000
Fiber optic expansion - Lyons to Longmont	1,112,332	
• Data management and analytics platform	750,000	
Storage addition - Energy Engagement Center	700,068	
Server and storage replacement	700,000	
Network replacement - Rawhide	600,000	
Audio-video equipment replacement	474,000	824,000
Access control - Owl Creek gas yard	53,764	
Gate access control - Horseshoe Substation	47,416	
Gate access control - LaPorte Substation	43,916	
Remote terminal unit replacements - substations	37,800	
Transmission digital fault information network - substations	28,901	
Key management system - Rawhide	15,436	
Total general plant projects	12,984,650	
General plant purchases		
Telehandler forklift replacement	250,000	260,000
Vehicle fleet replacements	246,842	
Laser engraver replacement - headquarters	30,000	
Copier replacements	7,000	
Total general plant purchases	533,842	
Total general plant capital additions	\$ 13,518,492	

Asset retirement obligations capital additions	2025 budget	Total cost estimate⁽¹⁾
Asset retirement obligations projects		
Fire training pond closure	\$ 3,510,574	
Trapper Mine post-mining reclamation	500,000	\$ 11,149,000
Total asset retirement obligations capital additions	4,010,574	
Total capital additions	<u>\$ 122,933,183</u>	

- Project supports strategic initiative.

(1) If no amount is shown, the 2025 budget amount represents the total project cost estimate.

(2) Projects with estimated unspent 2024 funds that will be requested to be carried over to the 2025 budget.

Production capital additions

Rawhide projects

- | | |
|---|----------------------|
| <ul style="list-style-type: none"> ● Aeroderivative combustion turbines - Rawhide | \$ 80,645,077 |
|---|----------------------|
- Project time frame: 2024-2028
 Total cost estimate: \$352,931,000
 Carryover estimate: \$3,500,000
- Construct flexible, high-efficiency, low-carbon aeroderivative combustion turbines at the Rawhide Energy Station to support the reliable transition to a noncarbon energy portfolio supporting the Resource Diversification Policy. Aeroderivative units will maintain reliability and financial sustainability as Platte River increases investment in renewable resources to offset retirement of its coal-fired generation by the end of 2029. These units start and ramp quickly to respond to the changing output of wind and solar resources, allowing Platte River to reliably invest in more noncarbon generation. They have lower maintenance and fuel costs compared to Platte River's existing frame units. Additionally, aeroderivative units can provide ancillary services to support overall grid stability by operating in synchronous condenser mode (that is, synchronized to the grid but not consuming fuel or producing energy). This resource will support system reliability as other firm, noncarbon technologies such as long-duration storage and green hydrogen develop and reach maturity. These machines will initially use natural gas fuel, but by 2035 may start using 50% green hydrogen blend and by 2040 may use 100% green hydrogen, if the technology matures. Funds budgeted in 2025 will be used for milestone payments on long lead time equipment, procurement and site preparation earthwork.
- | | |
|---|------------------|
| <ul style="list-style-type: none"> ● Combustion component upgrade - combustion turbine Unit C | 4,485,571 |
|---|------------------|
- Upgrade the combustion turbine Unit C combustion hardware comprised of, but not limited to, the combustion cans, transitions and fuel nozzles. The upgraded components will extend outage intervals from 600 starts to 1,300 starts, which will eliminate an entire series of inspections, reducing unit downtime and costs. The new combustion hardware reduces nitrogen oxide and carbon monoxide emissions when running at baseload. Combustion hardware will be modified to add sequential fuel injection that will allow the unit to operate at a lower load range while maintaining emissions. The autotune lite system will also be upgraded for continuous monitoring of combustion dynamics through the entire load range. In addition, the old combustion hardware will be used as a spare set on the non-upgraded 7EA units A-B which will reduce the combustion inspection timeline from four months to one week for those units.
- | | |
|---|------------------|
| <ul style="list-style-type: none"> ● Site preparation (fire training facility) - aeroderivative combustion turbines | 3,784,985 |
|---|------------------|
- Decommission the existing fire training facility at Rawhide in preparation for the aeroderivative units. Decommissioning includes removal of existing buildings, infrastructure and contaminated sediment. The closure processes are performed in coordination with CDPHE. The fire training pond decommissioning is included in a separate capital project and will be accounted for as an asset retirement obligation.

●

Wet compression - combustion turbine Unit C

\$1,633,699

Add wet compression on combustion turbine Unit C to increase energy output during summer months and replace existing fogging infrastructure for power augmentation. The project includes a high pressure pump skid, stainless steel high pressure feed lines, fog nozzle arrays and associated electrical and control instrumentation. The new fogging infrastructure will address a design flaw on the existing fogging arrays which caused cracked nozzle adapters. Fogging and wet compression have the potential to reduce heat rate, fuel costs and nitrogen oxide emissions due to the increased water vapor content of inlet air.

Gas control valve replacement - combustion turbine Unit A

667,021

Replace all existing electro-hydraulic stop-speed ratio valves and gas control valves with electric-actuated valves on combustion turbine Unit A. The project includes installing new digital valve positioners for each component, new wiring and conduit and integration into the Ovation distributed control system. The current electro-hydraulic valves require disassembly, cleaning and rebuild every other year to prevent clogged servos and filters. The current valves have also been problematic during cold weather operation. Removal of the hydraulic oil system minimizes safety and environmental hazards. The new electric-actuated valves will increase reliability and provide advanced diagnostic capabilities.

●

12.47 kV switchgear replacement - Rawhide

656,806

Project time frame:

2025-2026

Total cost estimate:

\$4,416,000

Replace the existing 12.47 kV switchgear located in the substation control building to utilize power feeds from the station service transformer and the generation availability transformer as main power sources into the switchgear. A tie breaker will be used as an auto-transfer of power source to the construction management building, the substation control house, frame unit backup auxiliary power and auxiliary boiler 101 and 102 breakers. Currently, an outage is required on the 12.47 kV system to operate the existing switchgear, causing generating units to be unavailable. This replacement configuration will allow auto-transfer and manual switching to occur under load and increases unit availability. After retirement of Rawhide Unit 1, this switchgear will serve as the secondary auxiliary power source for the aeroderivative units and secondary auxiliary power for the frame units. Funds budgeted in 2025 will be used for engineering, design, contracts and initial procurement.

Purge credit - combustion turbine Unit F	\$ 425,442
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Install new infrastructure to qualify for a zero purge credit on combustion turbine Unit F. Gas turbines are required by the National Fire Protection Association (NFPA) 85: Boiler and Combustion Systems Hazards Code to perform a fresh air purge upon startup of the unit, prior to ignition. The purge evacuates combustible fuels from the turbine to prevent fires or explosions during startup, but it also extends the time needed to synchronize to the grid. The zero purge credit package reduces the time to synchronize to the grid by eliminating the need to perform an air purge during turbine startup. The package installs a triple block and bleed system with one pressurized cavity in the gas fuel system. The system provides sufficient sealing capabilities of the gas fuel system and enables the operator to take credit for the air purge of the gas turbine during a prior unit shutdown. Maintaining this pressure differential from the previous shutdown will satisfy the fire code regulation. Additional benefits include an increase in system safety, reduced fatigue on gas path components and less electricity used during startup. Fast-start attributes have the potential to better serve load and energy markets due to the ability to come on line more quickly than units with longer start times.

Cathodic protection upgrade - Soldier Canyon pipeline	144,300
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Upgrade the cathodic protection system on the Soldier Canyon 10-inch pipeline to an impressed current system. The current sacrificial anode bed is failing and without sufficient levels of corrosion protection, the pipe's integrity could be compromised and leak. The upgraded system requires a constant power source to provide continued cathodic protection to the pipeline.

Total Rawhide projects	\$ 92,442,901
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Rawhide outage projects

Dust collection system replacement - crusher building	\$ 1,162,754
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Project time frame: 2024-2025

Total cost estimate: \$1,385,000

Carryover estimate: \$137,000

Replace the crusher building dust collector to be compliant with current regulations set by the NFPA and Occupational Safety and Health Administration (OSHA). The upgrades include new deflagration relief panels that vent to the outside, a new exhaust fan, new filter housing and bags, and cleaning blowers. Electrical work for the project includes upgrades to wiring, the motor control center buckets and controls updates to the Ovation distributed control system.

Evergreen controls hardware upgrade - Rawhide Unit 1	1,141,685
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Project time frame: 2024-2025

Total cost estimate: \$2,253,000

Upgrade the hardware for the evergreen controls to the latest Ovation revision and replace hardware and network switches with security enhancements. The hardware is at the end of its useful life and part failures may cause downtime for the operator console which can diminish monitoring capabilities.

Dust collection system replacement - coal transfer building	\$ 961,436
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Project time frame: 2024-2025

Total cost estimate: \$1,152,000

Carryover estimate: \$106,000

Replace the coal transfer building dust collector to be compliant with current regulations set by the NFPA and OSHA. The upgrades include new deflagration relief panels that vent to the outside, a new exhaust fan, new filter housing and bags, and cleaning blowers. Electrical work for the project includes upgrades to wiring, the motor control center buckets and controls updates to the Ovation distributed control system.

Generator step up transformer fire protection deluge upgrade - Rawhide Unit 1	570,198
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Upgrade the generator step up transformer fire protection and deluge systems by adding a linear fire detection system and aligning electrical relaying on Rawhide Unit 1. The generator step up deluge system releases a large volume of water to suppress a fire. When the generator step up is energized, mist from the deluge system can track electricity to the ground causing damage to the generator step up and tripping Rawhide Unit 1. In order to protect the generator step up, two different fire detection systems are needed: linear heat detection and a loss of air sensor. This upgrade will allow the Ovation controls network and the electrical relays to trip the unit offline or perform a controlled shut down to protect the generator step up from damage in the event of a deluge.

Boiler iron transport analyzer - Rawhide Unit 1	50,044
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Install a boiler sample conditioning and iron transport analyzer system to monitor corrosion products in the boiler. Due to fluctuations in load and operating at a lower capacity factor, the project will provide insight for maintenance needs, potential chemistry program changes and determine if a boiler chemical clean is needed.

● Air heater fire protection upgrade - Rawhide Unit 1	46,843
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Project time frame: 2021-2025

Total cost estimate: \$151,000

Replace the problematic infrared air heater fire detection system with a thermocouple array needed due to potential increase in Rawhide Unit 1 startups and shutdowns.

Total Rawhide outage projects	\$ 3,932,960
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Rawhide purchases

Portable motor analyzer - Rawhide	\$ 16,725
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Purchase a portable motor analyzer for testing, troubleshooting and diagnosing performance issues on motors and electrical devices throughout the Rawhide Energy Station. This will provide redundancy when the existing tool is sent annually for testing and calibration to ensure accuracy and functionality.

Trex communicator - Rawhide	\$ 12,000
Purchase a device used to communicate with other devices throughout the Rawhide Energy Station for calibration and troubleshooting. This device will provide redundancy when the existing tool is sent annually for testing and calibration to ensure accuracy and functionality.	
Total Rawhide purchases	\$ 28,725

Other production projects

Craig units 1 and 2 projects	\$ 18,192
The engineering and operating committee approved a capital project for plant improvements and additions at the Craig Generating Station. The budget includes expenses for a switchyard station service project. The amount shown represents Platte River’s ownership share responsibility.	
Total production capital additions	\$ 96,422,778

Transmission capital additions

Transmission projects

● Bay connection and transmission line to Severance Substation - noncarbon resources \$ 3,044,304

Project time frame: 2024-2026

Total cost estimate: \$3,177,000

Install two 230 kV breakers, conduit systems, disconnection switches, substation support structures, foundations, grounding systems, high voltage bus jumpers, control wiring and alternating current and direct current power circuits. This project is required to prepare a bay at the substation and build a one-mile transmission line to interconnect a new 230 kV solar generation resource under a PPA or battery storage resource under an energy storage agreement to the existing transmission network. Total cost estimate provided represents Platte River's portion of the project cost as the project is partially reimbursable by the interconnecting customer.

● Distribution battery storage interconnection

Town of Estes Park	\$ 741,126
City of Fort Collins	741,126
City of Longmont	741,126
City of Loveland	741,126
	<hr/>
	\$ 2,964,504

Project time frame: 2024-2026

Total cost estimate: \$3,801,000

Carryover estimate: \$36,000

Design, procure and construct the infrastructure to interconnect a distribution-level battery storage system in each of the owner communities. The goal is to have at least one 5 MW, four-hour battery in each owner community operational by the end of 2026, enhancing flexibility within the distribution systems' load and resulting in market benefits and improved local distribution reliability. The interconnection facilities include medium voltage cables, medium voltage relaying, medium voltage interrupters, conduit systems, control equipment, metering equipment and communication equipment.

Circuit switcher (T1, T2) addition - Rogers Road Substation 914,007

Project time frame: 2025-2027

Total cost estimate: \$3,914,000

Replace the existing T1 and T2 motor operated disconnect switches with circuit switchers and modify the existing control building to accommodate the added protection equipment and allow for site expansion in the future at the Rogers Road Substation. Replacing the motor operated disconnect switches with circuit switchers will provide a separation point between the City of Longmont and Platte River while also addressing NERC compliance standards for the City of Longmont and providing equipment maintenance benefits for Platte River. The control panels and control building are at capacity and need expansion for additional equipment for load growth in the area. Funds budgeted for 2025 will be used for engineering and material procurement.

Airflow spoilers	\$ 450,000
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Project time frame: 2017-2026

Total cost estimate: \$3,744,000

Install new airflow spoilers on sections of the Rawhide to LaPorte double circuit 230 kV transmission line and Del Camino Tap to Terry Tap 115 kV transmission line. The new airflow spoilers will minimize conductor icing thus reducing galloping. Installation of the airflow spoilers will increase transmission system reliability by preventing system faults and will reduce maintenance costs.

• Substation expansion and reliability upgrade - Rawhide Substation	406,838
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Project time frame: 2024-2027

Total cost estimate: \$17,439,000

Design and construct an expansion of the existing Rawhide Substation yard to provide additional interconnections for new generation resources. The scope of this project includes the redevelopment of an area of land on the Rawhide site to install new substation equipment; site grading to accommodate the new equipment and proper drainage; and installation of additional perimeter fencing, a ground grid, 230 kV bus, 230 kV breakers, 230 kV switches, capacitor coupled transformers, relaying and a control enclosure. Funds budgeted for 2025 will be used for site development and procurement of long lead time equipment.

Switch and capacitor coupled voltage transformer replacements - Harmony Substation	271,278
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Replace the existing transmission line switch on the Portner line terminal and replace the capacitor coupled voltage transformers on both the Portner and Timberline terminals at the Harmony Substation. The switch on the Portner transmission line terminal has been difficult to operate and requires additional maintenance to keep the switch operating reliably. The capacitor coupled voltage transformers are reaching the end of their useful lives.

Transformer T1 replacement - Longs Peak Substation	253,418
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Project time frame: 2022-2026

Total cost estimate: \$4,598,000

Replace the existing three single-phase 230-115 kV transformers with a single three-phase 230-115 kV autotransformer at Longs Peak Substation. The scope of the project includes completing a transformer specification and formal bid process; designing and installing a new foundation and oil containment system to accommodate new equipment; modifying the high voltage and low voltage connections; modifying the existing sensing and monitoring system; and modifying the ground grid system. The existing transformer is reaching the end of its design life and needs to be replaced in order to maintain reliable operation of the system.

● **Transmission lines - noncarbon resources** **\$ 208,559**

Project time frame: 2024-2028

Total cost estimate: \$50,268,000

Design and construct new transmission line facilities to connect new noncarbon resource sites to the transmission system. The additional transmission lines are needed to maintain reliable operation of the transmission system and relieve projected transmission congestion. Funds budgeted for 2025 will be used for project evaluation and development processes.

Boundary metering replacements - substations **143,014**

Replace 10 boundary meters which are at the end of their useful lives and are no longer supported by the manufacturer. Along with core metering functions, the modernized meters have the latest hardware, high processing power, large data storage, high speed communication and custom programming features.

Station service - Timberline Substation **102,928**

Install equipment to provide a new source of station service power that originates from the Platte River owned auto transformer located inside the substation. The project will include conduits systems, 15 kV cabling, 600 V cabling and a distribution transformer. The new station service power will be more reliable as it contains fewer electrical components.

Substation - Loveland Southeast **100,604**

Project time frame: 2025-2028

Total cost estimate: \$10,701,000

Construct a new substation in the southeast area of the service territory to serve new development in the area. The site is located adjacent to the transmission line along South County Road 11 and is south of East County Road 16E. The substation will be designed as a ring bus configuration that will accommodate two City of Loveland transformers. Transmission line structures will be added to appropriately route the transmission line to the new substation. Funds budgeted for 2025 will be used for preliminary design work and project evaluation.

HVAC unit replacements - substations **58,232**

Replace HVAC units at Fordham Substation and Northwest Substation. The units are at the end of their useful life, have been costly to maintain and are having difficulty keeping building temperature at required levels. These replacements are part of a multiyear initiative to replace all units at all substation and auxiliary buildings.

● Substation and interconnections - noncarbon resources		\$	53,353
Project time frame: 2024-2027			
Total cost estimate: \$16,123,000			
Carryover estimate: \$70,000			
Design and construct new substation facilities and modify existing substations to connect new noncarbon resource sites to the transmission system. The additional substation facilities and modifications are required to maintain reliable operation of the transmission system. Funds budgeted for 2025 will be used for project management and site development.			
Circuit breakers replacement 492, 1092, 3124, 3224 - Ault Substation WAPA			10,300
Project time frame: 2024-2025			
Total cost estimate: \$762,000			
Carryover estimate: \$752,000			
Replace four 345 kV power circuit breakers at the Ault Substation. The existing breakers have experienced sulfur hexafluoride gas leaks in recent years and are approaching the end of their useful life. Platte River is a party to contract 87-LAO-285 which states Platte River's ownership and financial obligation to the Ault facilities. Platte River is responsible for 28% of the total project cost.			
Total transmission capital additions		\$	8,981,339

General plant capital additions

General plant projects

Fiber optic expansion - Long-Haul West (Loveland to Longmont)	\$ 1,882,370
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Project time frame: 2025-2027

Total cost estimate: \$4,882,000

Install a 288 fiber strand count cable from Horseshoe Substation to the Longmont Civic Center. The existing Long-Haul West fiber cable is at capacity which can impact performance such as high attenuation and delays when requesting access, splicing or testing. Building and owning this complete span will create redundancy and reliability of the bulk electric system (BES) network, access for some owner communities and third party leases.

Fiber optic cable replacement - Long-Haul East (Longs Peak Substation to Longmont Civic Center)	1,870,038
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Replace the existing section of fiber cable from Longs Peak Substation to Longmont Civic Center with a 288 fiber strand count cable. The existing Long-Haul East fiber cable is over 20 years old and, during spot checking, shows signs of ultraviolet and wear damage. This project will proactively replace a portion of the aerial cable to avoid failure in addition to adding capacity between the Longmont and Longs Peak Substation.

• Regional transmission organization market software	1,697,865
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Project time frame: 2024-2026

Total cost estimate: \$2,948,000

Implement additional software modules needed to operate and perform activities in SPP RTO West market. Modules included in this project enable developing and submitting bids, generation dispatching, receiving and shadowing settlements, performing analysis on SPP RTO West market results and integrating results with financial and other reporting tools.

Construction management building modifications - Rawhide	1,590,496
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Design and construct modifications to the construction management building to be equipped with kitchens, restrooms, meeting rooms, offices and control rooms.

● Distributed energy resources management system	\$ 1,380,248
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Project time frame: 2025-2027

Total cost estimate: \$9,222,000

Carryover estimate: \$2,485,000

Develop a system to enable the management of flexible DER to provide customer and system benefits. The DERMS is being developed to enable DER visibility (through monitoring or modeling DER performance), predictability (through analytics, measurement and verification) and dispatchability (through direct control or price-responsive control by the customer) for DER brought into the system through programs or interconnection processes. The DERMS is intended to enable DER owners to enroll, interconnect and register their DER devices to provide services to the electric system in exchange for a share of system benefits they provide. The DERMS will provide Platte River the ability to operate DER to support integration of variable renewable energy by improving the accuracy of load forecasts and providing information on flexible DER performance. In addition, DERMS is expected to manage flexible DER as a hedge against cost risks of variable renewable energy oversupply or undersupply and will support system reliability.

Fiber optic expansion - Lyons to Longmont	1,112,332
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Install fiber cable from Lyons to Northwest Substation in Longmont. This project would extend fiber into Longmont, providing a redundant fiber path between Estes Park and Longmont which would allow alternate routes to Estes Park for the BES network, telecom transport network, and owner community and third party services such as emergency networks and broadband.

● Data management and analytics platform	750,000
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Develop a data management and analytics platform to load and share data from retiring legacy systems as part of the new Oracle system deployment, allowing access to historical information and legacy systems. The platform will provide the capability to extract, transform and load current and legacy data from numerous, unconnected systems for data analysis. In addition, efficiencies will be gained by having a standard method for interface development which will reduce training and support costs.

Storage addition - Energy Engagement Center	700,068
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Construct storage space on the northwest corner of the Energy Engagement Center to support events and meetings held in the space. The original storage area was converted to a mechanical room in 2024. This addition will provide storage for furnishings, catering and various materials.

Server and storage replacement	700,000
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Replace server and storage infrastructures at headquarters and Rawhide that have reached the end of their useful life. Server and storage infrastructure is replaced approximately every five years for compatibility, security, reliability and supportability reasons. Beyond five years, reliability of equipment decreases, annual maintenance costs from the vendor increase and availability of security patches becomes uncertain.

Network replacement - Rawhide **\$ 600,000**

Replace network equipment that has reached the end its useful life at Rawhide. Network equipment is replaced approximately every five years for compatibility, security, reliability and supportability reasons. Beyond five years, reliability of equipment decreases, annual maintenance costs from the vendor increase and availability of security patches becomes uncertain.

Audio-video equipment replacement **474,000**

Project time frame: 2025-2026

Total cost estimate: \$824,000

Replace audio-video equipment that has reached the end of its useful life at headquarters and Rawhide. The current equipment has intermittent technical issues and is difficult to troubleshoot and support. Install interactive digital displays in the strategy room at headquarters for increased collaboration during senior leadership team meetings. The displays will have upgraded touch and shared whiteboard capability to increase meeting productivity and feedback between users. The new equipment will increase reliability, have superior sound and video quality and improve functionality for end users.

Access control - Owl Creek gas yard **53,764**

Install physical access control devices and cameras at all entrances of the Owl Creek control building enhancing and supporting Platte River's NERC and critical infrastructure protection compliance, physical security protections and personnel safety. The security devices will be integrated into the existing physical security monitoring systems.

Gate access control - Horseshoe Substation **47,416**

Install physical access control devices on the north gate at Horseshoe Substation enhancing and supporting Platte River's NERC and critical infrastructure protection compliance, physical security protections and personnel safety. The project will also include installation of underground conduit, power, automatic controllers to the gate and integration into the existing physical security monitoring systems.

Gate access control - LaPorte Substation **43,916**

Install physical access control devices on the southwest gate at LaPorte Substation enhancing and supporting Platte River's NERC and critical infrastructure protection compliance, physical security protections and personnel safety. The project will also include installation of underground conduit, power, automatic controllers to the gate and integration into the existing physical security monitoring systems.

Remote terminal unit replacements - substations **37,800**

Replace the legacy remote terminal unit. The current unit is being phased out by the manufacturer and replacement parts will become difficult to find. In order to maintain reliable operation of the transmission system, this unit will be replaced with a modern unit. Replacement locations will be determined based on scheduled maintenance activities or outages and the units will be replaced over a multiyear period.

Transmission digital fault information network - substations	\$ 28,901
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Create a secured network leveraging the Platte River fiber optic system to automatically collect, analyze, and report system fault event information that is recorded by substation relaying and meters. Faults occur on the system during inclement weather conditions and the new system will eliminate the need to dispatch a substation technician to manually retrieve the data. Immediate collection of data will shorten restoration times.

Key management system - Rawhide	15,436
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Install a smart key cabinet system at Rawhide allowing the ability to control, track and log access of physical override keys to critical areas. The key cabinet will integrate into Platte River's current access control system, limiting access of keys to certain users and immediately deactivating users' access based on need. In addition, the project will enhance and support Platte River's NERC and critical infrastructure protection compliance, physical security protections and personnel safety.

Total general plant projects	\$ 12,984,650
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General plant purchases

Telehandler forklift replacement	\$ 250,000
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Project time frame: 2024-2025

Total cost estimate: \$260,000

Replace the telehandler forklift that has reached the end of its useful life. The current forklift can no longer operate as expected and several parts are becoming obsolete, making the equipment difficult to repair. The new forklift will have updated technology and safety features.

Vehicle fleet replacements	246,842
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Replace four vehicles which meet or exceed Platte River's vehicle replacement criteria of 12 years or 90,000 miles. Platte River's fleet team regularly reviews fleet replacement processes and criteria. Platte River's vehicles have been maintained through average to long replacement cycles compared to other utilities. Replacement of these vehicles will bring the fleet up to standards.

Laser engraver replacement - headquarters	30,000
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Replace the laser engraver that has reached the end of its useful life. The engraver is primarily used to create durable nameplates that are installed on operating equipment inside the substations and at the Rawhide Energy Station. The nameplates identify equipment including the high voltage breakers, control switches, relaying, metering equipment, and security and safety equipment.

Copier replacements	\$	7,000
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Replace a copier that is nearing the end of its useful life. To keep the copiers running reliably, Platte River has all copiers on a five-year replacement cycle which ensures software is secure and updated, toner and parts are available and repairs are minimized.

Total general plant purchases	\$	533,842
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Total general plant capital additions	\$	13,518,492
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Asset retirement obligations capital additions

Fire training pond closure	\$ 3,510,574
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Decommission the fire training pond, which is a waste impoundment that primarily holds liquid runoff from the fire training facility, in preparation for the aeroderivative units. The fire training pond will be decommissioned according to requirements of Section 9 of the Colorado Solid Waste Regulations and a Surface Impoundment Closure Plan, which was approved by CDPHE. The amount shown represents the total expected cash flow to implement the approved closure plan and is based on a detailed engineering calculation. The decommissioning will include clean closure, which involves removing the impoundment's liner, ancillary equipment and any contaminated earth.

Trapper Mine post-mining reclamation	500,000
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Project time frame: 2023-2041

Total cost estimate: \$11,149,000

Post-mining reclamation activity, which is an asset retirement obligation due to Platte River's membership in Trapper Mining, Inc. and the Final Reclamation Agreement with its members. The amounts shown represent Platte River's portion of the total expected cashflow for final reclamation and mine closure based on detailed engineering calculations for a third party to perform the required work. Reclamation and mine closure costs are reviewed annually, and the costs are allocated to the members of Trapper Mining, Inc. based on cumulative tons of coal delivered.

Total asset retirement obligations capital additions	\$ 4,010,574
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Total 2025 capital additions	\$ 122,933,183
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Debt service expenditures and debt-like obligations

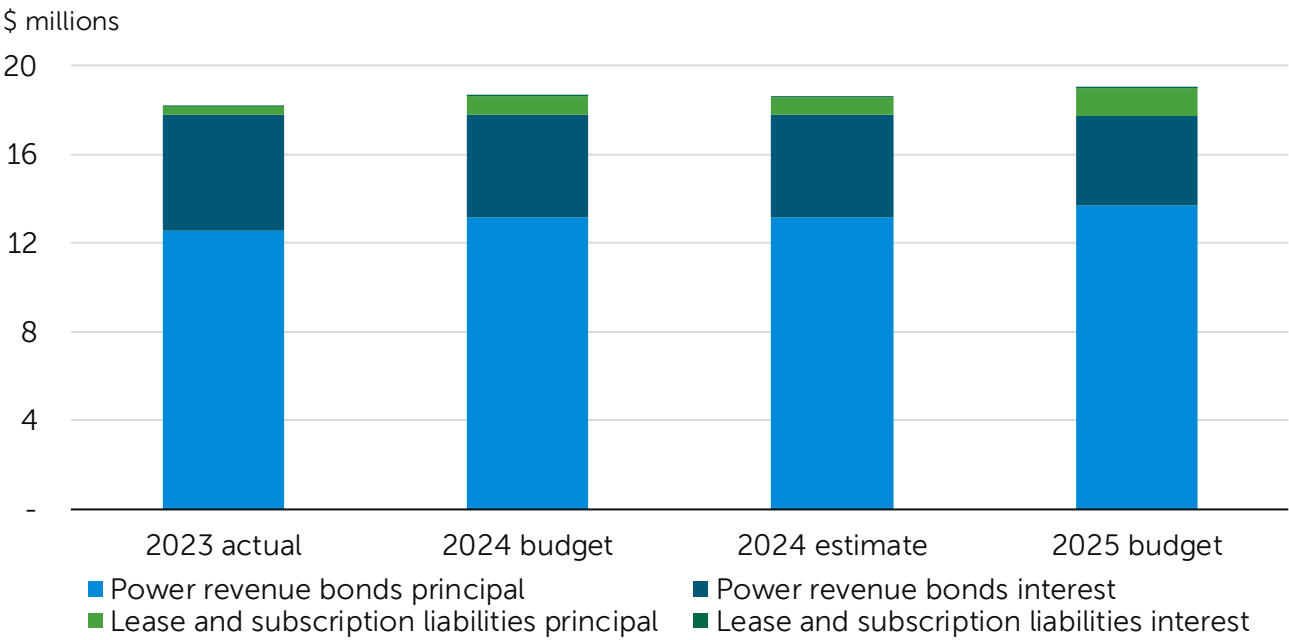
Long-term financial projections aligned with Strategic Financial Plan metrics determine the need for and timing of debt financings. Platte River's adjusted debt ratio in 2025 is expected to be 22%, meeting its Strategic Financial Plan adjusted debt ratio target of less than 50%. Debt proceeds historically have been used to finance production and transmission assets. The adjusted debt ratio includes debt and debt-like obligations from Platte River's statement of net position: outstanding long-term debt, net pension liability, other long-term obligations, and lease and subscription liabilities.

Outstanding long-term debt consists of fixed-rate debt issued under Platte River's General Power Bond Resolution. Net pension liability represents Platte River's net unfunded obligation towards its defined-benefit, single-employer pension plan. Other long-term obligations include amounts Platte River owes under a pooled financing arrangement. Lease and subscription liabilities result from accounting pronouncements requiring Platte River to treat certain contracts as financing arrangements. Debt service expenditures include principal repayments and interest expense for issued power revenue bonds and estimated principal payments and interest expense for lease and subscription liabilities. Payments for pension contributions and the pooled financing arrangement are appropriated as operating expenses.

Platte River's General Power Bond Resolution requires that rates be sufficient to maintain a power revenue bond service coverage ratio of 1.10 times. To support strong long-term financial sustainability, Platte River also maintains a 1.50 times fixed obligation charge coverage ratio as a Strategic Financial Plan metric and expects a 2025 fixed obligation charge coverage ratio of 2.00 times. This metric reclassifies debt-like obligations as fixed obligation charges. Debt-like obligations include demand or capacity payments on contracted assets and any debt service associated with off-balance sheet obligations. A minimum 1.50 times ratio provides sufficient annual cash flows to meet the minimum 1.10 times bond service coverage ratio and partially fund future capital additions. Platte River is not legally restricted on the amount of debt it can issue.

Debt service expenditures (\$000)	2023 actual	2024 budget	2024 estimate	2025 budget
Principal				
Power revenue bonds	\$ 12,550	\$ 13,146	\$ 13,146	\$ 13,730
Lease and subscription liabilities	338	869	801	1,224
Total principal	12,888	14,015	13,947	14,954
Interest expense				
Power revenue bonds	5,233	4,642	4,642	4,022
Lease and subscription liabilities	6	25	40	70
Total interest expense	5,239	4,667	4,682	4,092
Total debt service expenditures	\$ 18,127	\$ 18,682	\$ 18,629	\$ 19,046

Debt service expenditures



	2023 actual	2024 budget	2024 estimate	2025 budget
Bond service coverage				
Net revenues				
Operating revenues	\$ 257,248,771	\$ 287,088,199	\$ 272,587,726	\$ 301,165,114
Operating expenses, excluding depreciation, amortization and accretion	(227,770,581)	(242,915,075)	(232,785,756)	(250,261,984)
Net operating revenues	29,478,190	44,173,124	39,801,970	50,903,130
Plus interest and other income	8,107,420	11,851,141	13,971,690	11,396,886
Net revenues before rate stabilization	37,585,610	56,024,265	53,773,660	62,300,016
Rate stabilization				
Deposits	-	-	-	-
Withdrawals	-	-	-	-
Total net revenues	\$ 37,585,610	\$ 56,024,265	\$ 53,773,660	\$ 62,300,016
Bond service				
Power revenue bonds	\$ 17,783,354	\$ 17,788,130	\$ 17,788,130	\$ 17,752,098
Coverage				
Power revenue bond coverage ratio	2.11x	3.15x	3.02x	3.51x
Fixed obligation charge coverage ⁽¹⁾				
Total net revenues, above	\$ 37,585,610	\$ 56,024,265	\$ 53,773,660	\$ 62,300,016
Fixed obligation charges included in operating expenses	20,787,851	21,476,073	20,514,977	24,404,017
Adjusted net revenues before fixed obligation charges	\$ 58,373,461	\$ 77,500,338	\$ 74,288,637	\$ 86,704,033
Fixed obligation charges				
Power revenue bonds, above	\$ 17,783,354	\$ 17,788,130	\$ 17,788,130	\$ 17,752,098
Fixed obligation charges ⁽²⁾	21,132,286	22,370,322	21,356,045	25,698,181
Total fixed obligation charges	\$ 38,915,640	\$ 40,158,452	\$ 39,144,175	\$ 43,450,279
Coverage				
Fixed obligation charge coverage ratio	1.50x	1.93x	1.90x	2.00x

(1) Fixed obligation charges are debt-like obligation payments as defined in the Strategic Financial Plan. Certain items in the 2024 budget column reflect correction of an error in calculating this metric as defined in the Strategic Financial Plan approved by the board of directors in December 2023.

(2) This value includes lease and subscription debt service expenditures that are not included in operating expenses.

Power revenue bonds

Of the \$99.7 million power revenue bonds outstanding at the end of 2025, approximately 81% and 19% relate to transmission assets and the Rawhide Energy Station, respectively. The weighted average cost of this debt during 2025 is forecast to be approximately 2.7%.

Long-term debt outstanding	2023 actual	2024 budget	2024 estimate	2025 budget
Power revenue bonds				
Series JJ	\$ 102,320,000	\$ 90,590,000	\$ 90,590,000	\$ 78,270,000 ⁽¹⁾
Series KK - taxable	23,550,000	22,490,000	22,490,000	21,410,000 ⁽²⁾
Total power revenue bonds	125,870,000	113,080,000	113,080,000	99,680,000
Unamortized bond premium	9,600,959	7,526,504	7,526,504	5,728,173
Total long-term debt	\$ 135,470,959	\$ 120,606,504	\$ 120,606,504	\$ 105,408,173

(1) Series JJ remaining amount outstanding relates to transmission assets and Rawhide assets of \$59.5 million (76%) and \$18.8 million (24%), respectively, and matures each year through June 1, 2036.

(2) Series KK - taxable remaining amount outstanding relates to transmission assets and matures each year through June 1, 2037.

Bond service funding	Principal		Interest	Total
Deposits in 2024 for 2025 payment	\$	7,816,666	\$ 365,940	\$ 8,182,606
2025		13,729,581	4,022,517	17,752,098
2026		14,312,085	3,449,141	17,761,226
2027		14,898,334	2,825,745	17,724,079
2028		15,443,333	2,245,896	17,689,229
2029		8,858,334	1,690,455	10,548,789
2030-2034		25,970,417	5,003,129	30,973,546
2035-2037		12,051,250	565,441	12,616,691
Total bond service funding	\$	113,080,000	\$ 20,168,264	\$ 133,248,264

Platte River is committed to maintaining a strong credit rating, which is a significant factor in determining cost of debt. Platte River's senior lien debt credit is rated AA by all three credit rating agencies: Moody's Investor Service (Moody's), Fitch Ratings (Fitch) and S&P Global Ratings (S&P). The key factors in determining these ratings are the diversity and economic strengths of the owner communities, Platte River's financial position, the board's willingness to raise rates, management expertise and overall competitive position.

Bond issue	Moody's	Fitch	S&P
Series JJ	- ⁽¹⁾	AA	AA
Series KK - taxable	Aa2	AA	- ⁽¹⁾

(1) Credit rating not obtained.

Net pension liability

Platte River maintains a defined-benefit, single-employer plan covering all regular employees of Platte River hired before Sept. 1, 2010. The defined benefit pension plan is closed to employees hired on or after that date. The net pension liability is measured and determined annually by actuarial valuations as of each calendar year end. Additional information on the defined benefit pension plan, including actuarial assumptions and net pension liability, is available in the footnotes to Platte River's audited financials posted at prpa.org/financial-information. Future pension liability balances and contributions to the plan will vary based on changes to actuarial assumptions and investment returns.

	2023 actual	2024 budget	2024 estimate	2025 budget
Net pension liability				
Net pension liability	\$ 28,273,732	\$ 24,723,000	\$ 25,182,000	\$ 19,738,000

Other long-term obligations

Platte River is a participant in a pooled financing arrangement that closed in 2021 to fund the Windy Gap Firing Project, which includes construction of the Chimney Hollow Reservoir. Due to alternate accounting treatment, the debt service payments under the pooled financing will be included in operations and maintenance and not accounted for as debt service. Instead, the liabilities are considered other long-term obligations. Payments are considered fixed obligation charges and the related pooled financing liabilities are included in the adjusted debt ratio.

The original pooled financing arrangement is not sufficient to fully fund completion of the project after increases due to a federal permit delay, environmental mitigation and enhancement, construction cost increases and additional engineering and construction management. Platte River elected to increase the existing pooled financing by \$11.7 million before the end of 2024. Consistent with the alternative accounting treatment of the original balances, this increase to payments for the additional pooled financing funding will be included in operating expense and not accounted for as debt service. Until all elements of the pooled financing arrangement are drawn such that final borrowings are known and closed to fixed 30-year payment schedules, the repayment schedule below is not final and is therefore subject to change.

	2023 actual	2024 budget	2024 estimate	2025 budget
Other long-term obligations				
Windy Gap Firing Project obligations				
Pooled financing senior debt	\$ 61,046,133	\$ 61,046,133	\$ 61,046,133	\$ 61,046,133
Pooled financing subordinate debt	32,359,551	32,359,551	44,030,662	44,030,662
Settlement liability	1,777,778	888,889	888,889	-
Total other long-term obligations	\$ 95,183,462	\$ 94,294,573	\$ 105,965,684	\$ 105,076,795

Other obligations relating to the project include Platte River's portion of a settlement liability, due in three equal installments. The first and second installments were paid in 2022 and 2024, respectively, with the final amount expected in 2025.

Pooled financing estimated funding	Estimated net principal ⁽¹⁾	Estimated interest	Total
2025	\$ -	\$ 2,888,007	\$ 2,888,007
2026	2,147,773	4,428,992	6,576,765
2027	3,328,340	3,696,456	7,024,796
2028	3,461,648	3,561,336	7,022,984
2029	3,604,481	3,420,202	7,024,683
2030-2034	20,369,866	14,748,562	35,118,428
2035-2039	24,924,548	10,193,519	35,118,067
2040-2044	17,264,693	5,003,678	22,268,371
2045-2049	10,951,782	2,747,939	13,699,721
2050-2054	10,322,657	1,119,065	11,441,722
2055-2056	3,854,637	120,677	3,975,314
Total estimated funding	\$ 100,230,425	\$ 51,928,433	\$ 152,158,858

(1) Applied estimated unused bond service reserve funds in 2041 and 2051.

Lease and subscription liabilities

Platte River adopted the principles of GASB Statement No. 87, Leases, in 2022 and the principles of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, in 2023. These two accounting pronouncements require leases and subscription-based information technology arrangements to be recorded as financing arrangements and the expenditures, previously considered operating expenses, to be classified as capital additions or debt service, depending on the status of the underlying project at the time of the expenditure. Accordingly, following the pronouncements, Platte River budgets these types of payments as debt service, which are also considered fixed obligation charges, and the related liabilities are included in the adjusted debt ratio.

Lease and subscription liabilities outstanding	2023 actual	2024 budget	2024 estimate	2025 budget
Lease liabilities	\$ 111,102	\$ 101,684	\$ 101,684	\$ 91,925
Subscription liabilities	1,391,021	2,111,464	3,055,890	2,422,317
Total lease and subscription liabilities	\$ 1,502,123	\$ 2,213,148	\$ 3,157,574	\$ 2,514,242

Lease and subscription liabilities estimated funding	Estimated principal Estimated interest		Total
2025	\$ 1,224,252	\$ 69,912	\$ 1,294,164
2026	1,203,548	34,869	1,238,417
2027	960,227	13,259	973,486
2028	289,990	2,582	292,572
2029	11,251	2,189	13,440
2030-2033	49,226	4,534	53,760
Total lease and subscription liabilities estimated funding	\$ 3,738,494	\$ 127,345	\$ 3,865,839

Lease and subscription liabilities estimated funding above represents those contracts for which 2025 budget appropriations or expected year-end liabilities exist. Additional or changes to lease and subscription contracts or assumptions relating to those contracts, such as planned exercise of renewal options or renegotiation of contracts, may significantly impact future funding requirements.



Budget process

Platte River is a political subdivision of the state of Colorado and is subject to the Local Government Budget Law, C.R.S § 29-1-101, *et seq.* Platte River is not subject to Colorado's Taxpayer's Bill of Rights because it operates as an enterprise. Colorado law and Platte River financial policy require a balanced annual budget, meaning that projected revenues and available resources must equal anticipated expenditures. Platte River monitors anticipated revenues and expenditures to produce a balanced budget.

The statutory deadline for Platte River to submit its annual budget to its board of directors is Oct. 15. By that date, Platte River publishes a notice in newspapers of general circulation stating that the annual budget is available for public inspection and providing the date and time for a public hearing. The public can find the budget on Platte River's website at prpa.org/financial-information and at Platte River's headquarters at 2000 East Horsetooth Road, Fort Collins, Colorado.

Platte River developed this budget to align with its strategic initiatives and comply with the financial framework described in the financial governance section. Platte River follows an adaptive strategy to effectively maintain system reliability, demonstrate environmental responsibility and regulatory compliance, as well as manage risk. The summary below explains how Platte River develops, reviews and approves the budget.

Owner communities load forecast

Platte River develops a long-range load forecast using an econometric model that incorporates many independent variables, including population, economic activity, home air conditioning penetration, historical weather and DER adoption. While all DER are important, energy efficiency, distributed solar, EVs and beneficial electrification are the primary contributors to the future load forecast. The load forecast model relies on regression analysis of historical data to develop future forecasts. As most DER are in early stages of development and there is little historical data available, the load forecast model also contains projections of DER adoption rates. The load forecast is updated annually with the latest historical data and DER projections.

Production cost model

Platte River uses an hourly production cost simulation model to show the major revenue and expense categories (sales for resale, purchased power and fuel). Production estimates for each generation resource reflect assumptions for resource availability and performance; fuel and transportation contract costs; PPA terms; and market prices for sales for resale, supplemental purchased power, and natural gas.

Personnel budget

The personnel budget follows the board policy on employee total compensation. To establish the personnel budget, Platte River staff:

- reviews the current salary budget and includes a market adjustment based on data from a variety of published sources, both regional and from other utilities,
- adds any new approved positions, and
- adds other known increases or decreases, where applicable.

Department managers submit position descriptions and justifications for new positions. Directors and senior leaders review the requests and approve positions for the upcoming year based on greatest need and value to Platte River. The board approves headcount changes through the budget process.

Individual departments budget overtime and capital labor as a component of total salaries. The remaining salaries are allocated to the functional areas based on estimates of expected responsibilities. These estimates are informed by recent historical data and anticipated impacts of new or changing roles.

Medical and dental expenses are based on a mid-year projection provided by third-party consultants using historical claims and industry cost projections.

Department budgets

Each department submits its budget on an account-by-account basis, along with supporting justifications, explanations and statistical information. Department managers develop internal goals and work plans and align their activities with Platte River's strategic initiatives. Directors and senior leaders review and approve department budgets.

Craig units 1 and 2 budget

Under the Yampa project participation agreement, Platte River owns 18% of the output from Craig units 1 and 2. Tri-State, as the operating agent for the Craig Generating Station, is responsible for the daily management, administration, operation and maintenance of Craig units 1 and 2 and related transmission facilities. The participants share all operations and maintenance costs, other than fuel, on a pro rata ownership basis. Participants must advance funds to the operating agent to pay operations and maintenance costs when due.

The Yampa project engineering and operating committee works closely with Tri-State staff to develop capital and operations and maintenance budgets to support plant reliability through the units' remaining operating life. Because the parties do not yet have an enforceable decommissioning agreement and cost estimate, Platte River independently develops an accretion expense estimate, following the Craig units 1 and 2 decommissioning accrual accounting policy discussed in the financial governance section. Platte River does not budget this expense but includes it in change in net position for rate recovery purposes. Platte River will appropriate costs for decommissioning in future budgets based on cashflows, like an asset retirement obligation.

Joint transmission

Platte River's share of jointly owned transmission projects includes costs for the Ault-Fort St. Vrain, Craig-Bonanza, Hayden-Blue River and Craig-Ault transmission lines, as well as Craig units 1 and 2 transmission costs. Operating agents develop the joint ownership project budgets, which the participants' engineering and operating committees approve.

Billable projects

Platte River performs services on behalf of the owner communities under intergovernmental agreements and directly bills each owner community for resulting costs. These services can include customer information systems, distribution, SCADA, substation security, engineering and other technical support services and fiber management.

Capital budget

Platte River's capital projects are based on a five- to 10-year planning horizon. With each budget cycle, staff:

- submits capital projects with a description and justification,
- plans projects based on resource availability,
- identifies, categorizes, ranks, and prioritizes strategic projects, and
- prepares a long-term capital forecast to review and update three times each year.

The long-term capital forecast is a significant input into long-range financial planning. It helps Platte River determine rates, projected cash flows and the timing of planned debt financings.

Budget contingency

Platte River may use its budget contingency to meet unforeseen expenditures, such as:

- unplanned generation or transmission outages,
- significant increases in power market or natural gas prices,
- unplanned expenses to maintain power supply to the owner communities, or
- a new accounting policy that alters expenditures.

Platte River may also use contingency for existing capital projects that require above-budget expenditures due to scheduling changes, payment timing differences, changes in work scope, price fluctuations or new projects best started before the next budget year. A contingency transfer is not unusual for capital projects.

Platte River's general manager/CEO or treasurer must approve use of contingency funds for any purpose. Staff updates the board on estimated and actual contingency fund transfers.

The contingency appropriation amount is approximately 20% of operating expenses and capital additions. This level of contingency helps Platte River manage increased uncertainty related to the resource transition plan and organized energy market activities.

Year	Contingency appropriation budget (\$000) ⁽¹⁾	Appropriated amount (\$000)	%	Purpose of transfer
2015	\$20,000	\$6,640	33%	Additional expenditures for several capital projects including the Craig Unit 2 nitrogen oxide removal, the fiber route to Estes Park and the control room for the digital control system, as well as ancillary services related to additional wind generation.
2016	\$20,000	\$1,200	6%	Additional expenditures for the initial progress payments for the generator rotor replacement project and the generator stator rewind project completed during the 2018 scheduled maintenance outage.
2017	\$20,000	\$1,100	6%	Additional expenditures for the initial progress payments for the bottom ash and reclaim pond project completed during the 2018 scheduled maintenance outage.
2018	\$23,000	-	-	
2019	\$23,000	\$1,779	8%	Additional expenditures for several capital projects including the Energy Engagement Center, Rawhide variable frequency drive, circuit switcher addition and breaker replacements at Harmony Substation, air compliance database software and vehicle fleet replacements.
2020	\$26,000	\$1,282	5%	Additional expenditures for bottom ash transfer impoundments and reclaim pond closure project.
2021	\$28,000	\$1,566	6%	Additional natural gas expense for high natural gas prices and additional combustion turbine generation to make sales, serve load and replace generation during Rawhide Unit 1's scheduled maintenance outage.
2022	\$24,000	\$17,465 ⁽²⁾	73%	Additional natural gas expense for high natural gas prices and additional combustion turbine generation to make sales, serve load and replace generation during Rawhide Unit 1's scheduled screen outage. Additional expenditures for several capital projects including the SCADA and energy management system, the Rawhide pipeline reroute, combustion component upgrade on CT Unit D and Transformer T1 replacement at Longs Peak Substation. Additional debt service expenditures due to presentation of certain payments impacted by the implementation of GASB Statement No. 96.
2023	\$52,000	\$344	1%	Additional debt service expenditures due to presentation of certain payments impacted by the implementation of GASB Statement No. 96
2024	\$56,000 ⁽³⁾	-	-	

(1) Before 2018, the budgeted contingency appropriation was a fixed amount. From 2019 to 2022, the amount was approximately 10% of the operating expenses and capital additions to align with fluctuations in the budget. Beginning in 2023, the contingency appropriation amount increased to approximately 20% of operating expenses and capital additions to help Platte River manage increased uncertainty in future budgets related to the resource transition plan and organized energy market activities.

(2) Restated in 2023 for the implementation of GASB Statement No. 96.

(3) A contingency transfer is projected, pending final 2024 results.

Management review

Staff prepares and analyzes financial statements, a budget summary, budget details, and division and department budget reports for management review. Finance staff meet with managers and the general manager/CEO to discuss the budget and confirm that expenditures for the budget year are consistent with goals, objectives, strategic initiatives, rate projections and Strategic Financial Plan metrics. After these meetings, staff may revise budget items and distribute revised reports to management for further review.

Budget document

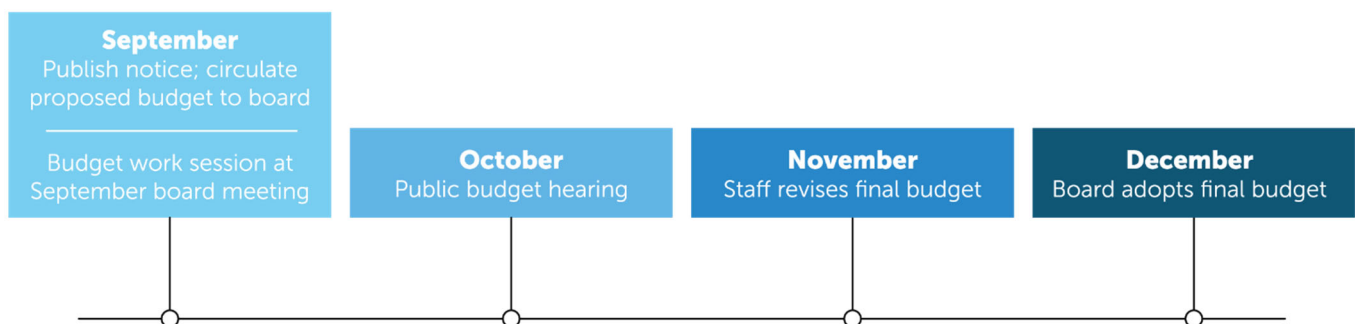
Platte River's management uses the strategic budget for planning and to communicate with the board of directors and the public. The budget document complies with the Local Government Budget Law of Colorado. Platte River submits its budget to the state no later than 30 days after the start of the budgeted fiscal year. The budget document must include:

- all proposed expenditures and all sources of anticipated income,
- estimated beginning and ending fund balances,
- corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year,
- a written budget message, and
- explanatory schedules or statements.

Staff may reclassify some budget amounts to remain consistent with the upcoming budget year presentation. These reclassifications do not change budgeted amounts and results.

Board review and adoption

The diagram below depicts the process for Platte River's board to review and adopt the budget.



Revisions between the proposed and adopted budget typically include a revised production cost model run and refinements to operations and maintenance expenses and capital additions. Revisions can include changes to resale market assumptions, fuel costs, ancillary service and wheeling rates, personnel costs, other various departmental expenses, timing or scope of capital projects and any other change needed for the board to adopt a more

accurate and complete budget. The following table summarizes the changes between the proposed budget and the adopted budget.

Summary of changes	2025 proposed budget	2025 adopted budget	Change from proposed budget
Revenues			
Sales to owner communities	\$ 248,446,056	\$ 248,437,053	\$ (9,003)
Sales for resale - long-term	17,755,191	17,641,416	(113,775)
Sales for resale - short-term	35,190,799	37,629,013	2,438,214
Wheeling	9,452,245	9,452,245	-
Interest income	11,023,712	10,545,796	(477,916)
Other income	850,689	851,090	401
Total revenues	\$ 322,718,692	\$ 324,556,613	\$ 1,837,921
Operating expenses			
Purchased power	\$ 67,235,295	\$ 69,788,991	\$ 2,553,696
Fuel	42,941,213	42,435,488	(505,725)
Production	53,919,404	55,511,915	1,592,511
Transmission	23,443,309	23,900,687	457,378
Administrative and general	41,819,165	43,185,930	1,366,765
Distributed energy resources	14,993,812	15,199,969	206,157
Total operating expenses	244,352,198	250,022,980	5,670,782
Capital additions			
Production	97,447,501	96,422,778	(1,024,723)
Transmission	10,196,894	8,981,339	(1,215,555)
General	13,284,136	13,518,492	234,356
Asset retirement obligations	4,380,294	4,010,574	(369,720)
Total capital additions	125,308,825	122,933,183	(2,375,642)
Total operating expenses and capital additions	369,661,023	372,956,163	3,295,140
Debt service expenditures			
Principal	14,802,167	14,953,833	151,666
Interest expense	4,080,913	4,092,429	11,516
Total debt service expenditures	18,883,080	19,046,262	163,182
Total expenditures	388,544,103	392,002,425	3,458,322
Contingency appropriation	74,000,000	75,000,000	1,000,000
Total expenditures and contingency	\$ 462,544,103	\$ 467,002,425	\$ 4,458,322

Budget amendments

Platte River may need to amend the budget if total expenditures, including contingency, are expected to exceed the adopted budget. Under Colorado law, the process for budget amendments is the same as the annual budget process: a board meeting notice, a public hearing, and board adoption. A budget amendment would also be timely filed with the state.

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Platte River Power Authority for its 2024 Strategic Budget for the fiscal year beginning Jan. 1, 2024. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. This is the fifth consecutive year Platte River has earned this award.

The award is valid for one year only. We believe our current budget continues to conform to program requirements, and will submit it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Platte River Power Authority
Colorado**

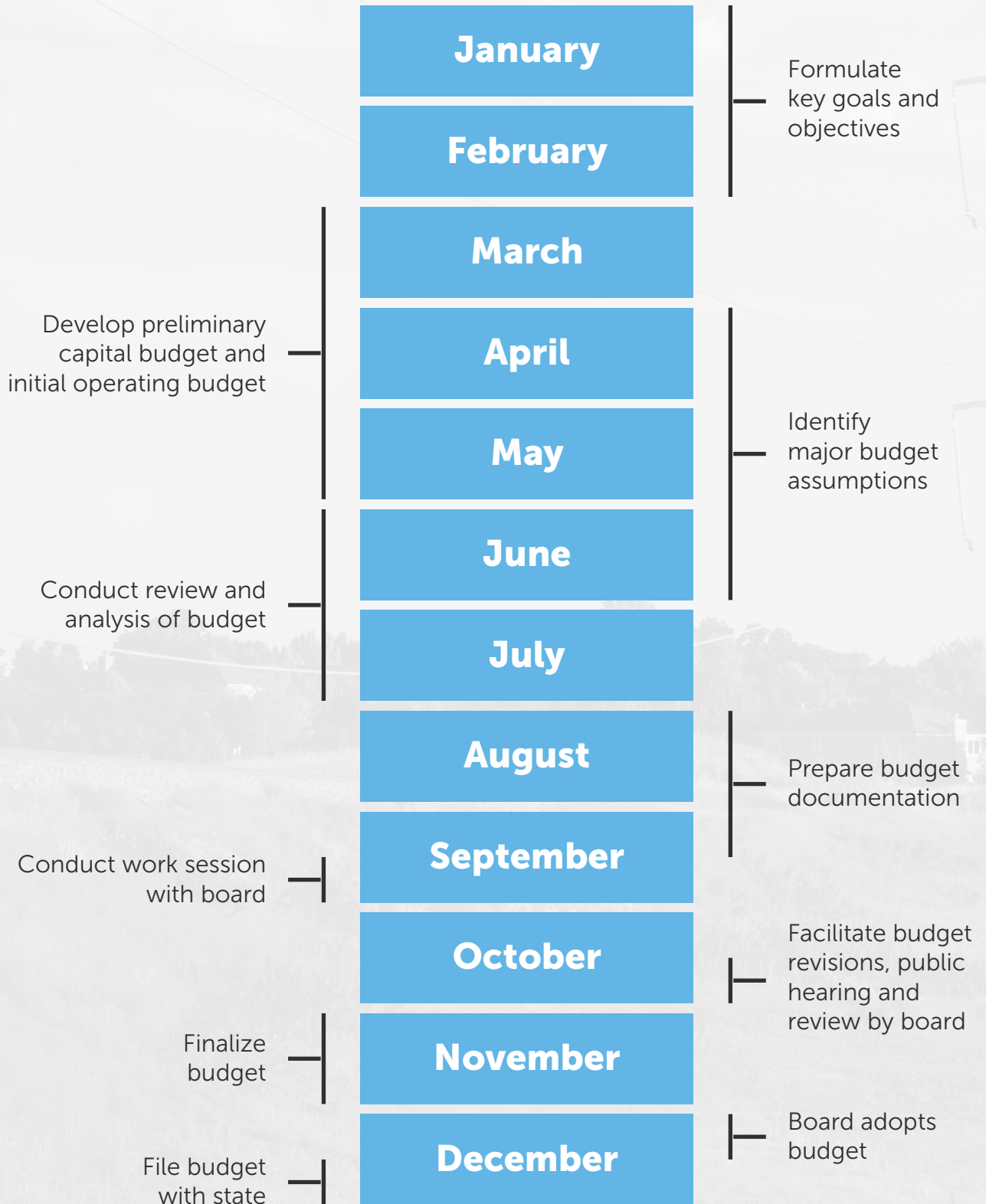
For the Fiscal Year Beginning

January 01, 2024

Christopher P. Morill

Executive Director

Budget schedule



Financial governance

The Local Government Budget Law of Colorado, in addition to the policies listed below, provides the framework for Platte River's financial activities and budget development.

Fiscal resolution

As required by the Organic Contract, the board adopted a fiscal resolution that governs Platte River's financial transactions.

Strategic Financial Plan

In support of Platte River's foundational pillars of providing reliable, environmentally responsible and financially sustainable energy and services, and Platte River's mission, vision, values and strategic initiatives, the Strategic Financial Plan provides direction to preserve long-term financial sustainability and manage financial risk. The objectives of the Strategic Financial Plan are as follows:

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

Platte River is also subject to the following financial and rate requirements:

- General powers of Platte River, as stated by Colorado Revised Statute 29-1-204(3)(j), include the right to fix, maintain, and revise fees, rates, and charges for functions, services, or facilities provided. Platte River's Board of Directors have the exclusive authority to establish electric rates.
- Power supply agreements with the owner communities require the board to review rates at least once each calendar year. The power supply agreements also require rates to be sufficient to cover all operating and maintenance expenses, purchased power costs, bond service expenses, and to provide reasonable reserves and adequate earnings margins so Platte River may obtain favorable debt financing.
- The General Power Bond Resolution requires that rates be sufficient to generate net revenues that cover bond service expense at a minimum 1.10 times. Platte River must review rates and charges as necessary, no less than once each calendar year.

To meet these objectives and requirements, staff established financial metrics and rate stability strategies. The financial metrics take into consideration rating agency guidelines, targeting an "AA" category credit rating. The rate stability strategies include fiscal responsibility and rate smoothing.

Additionally, to manage financial assets and risk, staff will continue to implement and maintain prudent business practices in managing reserves and budgeting, complying with financial policies and procedures and maintaining the enterprise risk management program.

Staff analyzes financial results and projections relative to the financial metrics throughout the year. Staff must formally review the Strategic Financial Plan with the board at least every five years.

Financial metrics

The Strategic Financial Plan metrics support Platte River's financial obligations, including those established by the Colorado Revised Statutes, power supply agreements, and General Power Bond Resolution and preserve long-term financial sustainability (cash flow, earnings, leverage, liquidity). The financial metrics maintain adequate reserves and provide balance between financing capital investments with cash and debt.

Strong financial metrics gives Platte River flexibility to implement necessary rate changes and to smooth rates over longer periods of time to minimize short-term rate impacts. Multi-year performance is considered during the evaluation of rate action and decision making. Platte River may not achieve financial metric projections in all years if staff considers the deficiency temporary.

The financial metrics described below were established based on guidelines provided for an "AA" category credit rating by Moody's, Fitch and Platte River's financial objectives. Platte River's financial advisor, PFM Financial Advisors LLC, also reviewed the Strategic Financial Plan.

- **Cash flow metric:** Generate minimum 1.50 times fixed obligation charge coverage ratio
- **Earnings metric:** Generate minimum change in net position equal to 3% of annual operating expenses
- **Leverage metric:** Target adjusted debt ratio less than 50%
- **Liquidity metric:** Target minimum 200 days adjusted liquidity on hand

Included within the liquidity metric is the rate stabilization fund, established and maintained as allowed by the General Power Bond Resolution. The purpose of the rate stabilization fund is to reduce or eliminate the rate impact from an unforeseen event that affects Platte River's ability to meet the minimum legal bond service coverage ratio requirement, but not to smooth the rate impacts of continued typical business operations. Platte River has never withdrawn funds from the account to meet bond service coverage. The current rate stabilization account is a statement of net position item of \$20 million. Staff uses risk analysis each year to determine the appropriate level to maintain in the account.

Rate stability strategies

Competitive wholesale rates give the owner communities an economic advantage for their residential, commercial and industrial customers. Platte River strives to maintain services and rates offered at competitive prices compared to similar services and products provided by other wholesale electric utilities in the region. Platte River has implemented the following rate strategies to help reduce long-term rate pressure and give the owner communities greater rate predictability.

Fiscal responsibility

Revenue generation

When financially advantageous, operationally feasible and reliable, Platte River sells generation surplus to owner community needs to other regional utilities on a short- or long-term basis. Margin from these sales reduce Platte River's revenue requirement and benefits the owner communities through lower rates. Staff proactively seeks sales opportunities.

Expense management

Platte River prioritizes preventive and predictive maintenance strategies and proactive capital investments to provide long-term system benefits and efficiencies. Platte River will continue to invest in its existing power generation and transmission assets to maintain operational efficiency and to proactively address federal and state regulatory requirements. Platte River plans to expand its investment in noncarbon resources, such as wind and solar, DER and other generating capacity as needed and retire coal-fired generation. Targeting an "AA" category credit rating through the financial metrics provides access to low-cost capital to support these investments. Platte River is committed to managing costs through its budget and long-term financial planning processes.

Rate smoothing

The board establishes tariffs and charges based on projected cost of service with adequate margin to achieve Strategic Financial Plan financial metrics. Rate smoothing is accomplished through accounting policies and multi-year analysis to develop a long-term rate path with greater predictability.

Accounting policies - revenue and expense smoothing

As a board-regulated entity, Platte River is subject to the provisions of *Governmental Accounting Standards Board 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, Regulated Operations, paragraphs 476–500*, which requires the effects of the rate making process to be recorded in the financial statements. Accordingly, certain revenues and expenses normally reflected in the statements of revenues, expenses and changes in net position as incurred are recognized when they are included in wholesale rates. Platte River adopts accounting policies that help stabilize rates.

Multi-year rate analysis

The board prefers to use a multi-year rate smoothing strategy, as deemed appropriate, to avoid greater single-year rate impacts or to accomplish specified objectives. Platte River will use this mechanism to stabilize rates and increase financial flexibility.

Integrated resource plan

Critical to the budgeting and rate projection process, an IRP establishes a short-term action plan and long-term resource acquisition trajectory for meeting forecasted electric load. Plans are modeled using a combination of supply-side generation resources and DER. Platte River's

IRP uses sophisticated modeling of Platte River's unique resources, available technologies and specific constraints, all studied by industry experts using best practices to develop supply portfolio options covering a 20-year planning period. The resource portfolio includes capital, operational, fuel and environmental costs. Community engagement is a significant part of the IRP development process, and Platte River engages with the owner communities on multiple levels to gain public input from as many retail customers as possible on the proposed long-term supply portfolios.

Decisions to invest in and maintain generating resources are significant and complex, with long-range financial and environmental implications that vary widely depending on the selected resource portfolio mix. The IRP results can significantly affect rate requirements as selected resources are factored into rate projections. Platte River updates the assumptions to achieve the selected path annually and incorporates them into financial and rate projections. Platte River must complete an IRP every five years, with the most recent being submitted in 2024, one year early, and covering the planning period from 2024 to 2043. Platte River plans to prepare its next IRP in 2028. Completing the 2024 and 2028 IRP ahead of the standard five-year schedule allows Platte River to reflect the most up-to-date assumptions and consider latest technologies, with three plans completed between the date the board adopted the Resource Diversification Policy and the date Rawhide Unit 1 retires. Additional information about the current IRP is available on Platte River's website at prpa.org/2024irp.

Financial projections and cost of service

Platte River's financial model is designed to coincide with resource planning models and the IRP. While the planning horizon typically extends 10 years, staff can evaluate scenarios out to 25 years. Key metrics typically identified and reported by the financial model include average wholesale rate projections (including annual rate increases) and the Strategic Financial Plan metrics. Platte River uses the financial model to obtain forward-looking insight into the impact of IRP portfolios and the possible need to adjust long-term financial plans, including debt financing and rate adjustments, to meet Strategic Financial Plan objectives.

The cost of service model determines specific charges outlined in the tariff schedules for the upcoming year's budget. It incorporates budgeted expenses using FERC functional areas and determines which specific charges should be used for cost recovery of each expense. The cost of service model supports system benefits by producing unbundled charges that are transparent and aligned with underlying cost structures.

Power supply agreements

The power supply agreements define the terms and conditions for Platte River's sale of wholesale electricity to the owner communities. Currently all four power supply agreements run through 2060.

General Power Bond Resolution

The General Power Bond Resolution allows Platte River to issue and sell bonds for a specific purpose and establishes the rights and responsibilities of each party (the issuer and the bondholder) in a bond contract. The bonds entitle the holder to interest payments and the return of principal.

Bond service coverage

Bond service coverage is a measure of Platte River's ability to generate cash to pay bondholders and is a key indicator of financial strength. Credit rating agencies review bond service coverage when assessing Platte River's credit quality. Under the General Power Bond Resolution, Platte River must charge wholesale electric energy rates to the owner communities that are reasonably expected to yield net revenues for the forthcoming 12-month period that are at least equal to 1.10 times total power bond service requirements.

Restricted, dedicated and unrestricted funds

Platte River has three categories of funds. Restricted funds are a requirement of the General Power Bond Resolution. Dedicated funds are Platte River defined obligations for a specific purpose. All remaining funds are unrestricted. Following governmental accounting pronouncements, net position is categorized for reporting purposes as net investment in capital assets, restricted and unrestricted.

Investments

Platte River's investment policy provides a framework for managing its investments. Platte River must invest and manage assets as a prudent investor would, by considering the purposes, cash requirements and terms of various funds. In satisfying this standard, the chief financial officer must exercise reasonable care, skill and caution. Investment and management decisions will be evaluated not in isolation but in the context of the portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to Platte River. The primary objectives of investment activities are safety, liquidity and yield. Platte River invests only in obligations of the United States government and its agencies and other investments permitted under Colorado law.

Enterprise risk management

Platte River is committed to enterprise risk management, the process to identify potential events that may affect its ability to meet strategic objectives and manage identified risks appropriately. The risk oversight committee, consisting of the general manager/CEO and the senior leadership team, monitors the risk environment and provides direction for the activities to eliminate, mitigate or transfer, to an acceptable level, the risks that may adversely affect Platte River's ability to achieve its goals. Additionally, the risk oversight committee supports organization-wide efforts to identify, monitor, evaluate and report risks and risk mitigation strategies. Platte River has also established an energy risk management framework, as a

subset of enterprise risk management, to identify, measure, monitor, report and mitigate energy-related risks. The enterprise risk management program is continually evolving to incorporate best industry practices.

Platte River maintains several different types of insurance, including auto liability, commercial crime, cyber liability, directors and officer's liability, fiduciary liability, excess liability, medical professional, property, employee health and workers' compensation. Insurance coverages and limits are commensurate with operating the electric system and Platte River's contractual requirements.

Basis of accounting

Platte River accounts for its financial operations as a proprietary fund and uses the modified accrual basis of accounting for budgetary reporting purposes. Under the modified accrual basis of accounting, certain non-cash items are excluded from budget appropriation, including but not limited to depreciation expense for fixed assets, amortization for asset retirement obligations and subscription assets, accretion expense for Craig units decommissioning costs, accrued compensated absences, amortization of bond financing costs and unrealized gains or losses. Debt principal is included in the budget under the modified accrual basis of accounting. For financial statement reporting purposes, Platte River uses the full accrual basis of accounting, conforming to accounting principles generally accepted in the United States of America. Platte River maintains its accounts according to FERC's Uniform System of Accounts.

As a board-regulated entity, Platte River is subject to GASB Statement No. 62, which requires the effects of the rate making process to be recorded in the financial statements. Accordingly, certain expenses and revenues normally reflected in the statements of revenues, expenses and changes in net position as incurred are recognized when they are included in Platte River's wholesale rates. These policies are used as rate-setting strategies. Below is a list of Platte River Board-approved accounting policies for specific activities following this standard:

- Additional pension funding expense recognition
- Pension contribution expense recognition
- Debt issuance expense recognition
- Maintenance outage expense accrual
- Change in depreciation method
- Windy Gap Firing Project
- Craig units 1 and 2 decommissioning accrual
- Deferred revenue and expense

Operating revenues and expenses

Operating revenues and expenses consist of those revenues and costs directly related to the generation, purchase and transmission of electricity. Operating revenues are billed and

recorded at the end of each month for all electricity delivered. Revenues and expenses related to financing, investing and other activities are considered to be nonoperating.

Capital

Capital additions include expenditures of \$5,000 or more for property, equipment or construction projects with an estimated useful life greater than two years. Expenditures less than \$5,000 are reflected in the operations and maintenance expense budget. Where applicable, expenditures also include payments to vendors made under GASB statements 87 and 96 before the underlying asset is placed in service. The Craig units 1 and 2 capital budget was prepared by the operating agent, Tri-State, and has been approved by the engineering and operating committee, of which Platte River is a member. Depreciation is recorded using the straight-line method over the estimated useful lives of the various assets of plant in service. For budgetary reporting, capital additions also include appropriations for asset retirement obligations, discussed further in this section.

Platte River management emphasizes project management, specifically reviewing resource availability, as well as improving project planning and execution. This process will continue to evolve, striving toward operational excellence.

Capital projects can be delayed for various reasons. Unexpended amounts may be due to construction delays, change in scope or payment timing differences and will be determined after the Dec. 31 year-end closing. Budget law allows Platte River to carry over into the next year any unexpended balance of funds appropriated for the previous year expenditures. The amounts required in the next year to complete the previous year's projects will then be transferred to the appropriate budget categories in the next year. This is termed the carryover process and is preferred versus re-budgeting the funds. The capital additions will be funded either from current operations or proceeds from debt financings.

As unplanned projects or additional fund requests for existing projects come up throughout the year, project managers follow the internal out-of-budget or over-budget request process to submit the request for consideration. Each request for a new project or additional funding for an existing project is described and justified and other impacts are evaluated. The general manager/CEO then reviews the requests on merit. If a request is approved, overall project schedules may change to accommodate the new or revised project. Given variability and uncertainty with projects, staff closely tracks funding and uses the carryover process if a project cannot be completed in the current year. If additional funds are required for all capital additions at the enterprise-wide level, staff will request a contingency transfer to move funds into the capital budget.

Asset retirement obligations

Asset retirement obligations originate when a legally enforceable liability associated with the retirement of a tangible capital asset exists and can be reasonably estimated. After Platte River adopted GASB Statement No. 83, Certain Asset Retirement Obligations, effective for the period ending Dec. 31, 2019, asset retirement obligations are appropriated for budgetary

purposes on a cash basis method aligned with when liabilities are anticipated to be settled as retirement activities occur. For financial reporting purposes, the expense of the liabilities is recognized in the period during which the underlying capital asset is used. This is achieved by recording a deferred outflow of resources equal to the liability, which is subsequently recognized as amortization expense during the pre-retirement period. The liability and associated deferred outflow of resources are evaluated annually for an inflationary adjustment and changes in estimated costs and adjusted when necessary. Before Platte River adopted this statement, identified asset retirement obligations were appropriated through operations and maintenance expense with no differences in budgetary and financial reporting.

The following table summarizes anticipated asset retirement obligations for financial reporting purposes at the end of 2024, including the periods in which amortization is expected to be recognized. Budget appropriation occurs as actual retirement activities begin and are reflected as capital additions.

	Estimated liability as of Dec. 31, 2024	Estimated unamortized deferred outflow of resources as of Dec. 31, 2024	2025 budget amortization	Amortization period end date
Asset retirement obligations				
Rawhide Unit 1 impoundment - phosphorous removal ponds	\$ 5,870,966	\$ 3,099,041	\$ 619,812	2029
Rawhide Unit 1 impoundment - fire training pond	2,935,855	1,787,485	1,787,485	2025
Rawhide Energy Station decommissioning	18,182,407	15,286,569	493,116	2055
Craig Generating Station impoundments	4,125,912	2,363,613	630,300	2028
Trapper Mine post-mining reclamation	9,331,820	3,582,270	4,836,239	2025
Total asset retirement obligations	<u>\$ 40,446,960</u>	<u>\$ 26,118,978</u>	<u>\$ 8,366,952</u>	

Acronyms and terms

2024 estimate	Current estimate of revenues and expenditures to reflect actual revenues and expenditures (January through October) and budget revenues and expenditures (November and December). Modifications were made to reflect more accurate projections.
Accretion	Gradual recognition of an expense related to a long-term liability.
Accrual	An expense is recognized when incurred, before cash is paid out.
Adjusted debt ratio	Adjusted debt ratio measures statement of net position leverage. An adjusted debt ratio less than 50% gives Platte River a strong statement of net position and reduces the risk of becoming over leveraged.
Aeroderivative units	A combustion turbine which was originally designed for aviation use to create thrust but has been adapted to generate electricity.
Amortization	Gradual reduction of book value for a non-depreciable asset.
Balanced budget	A budget that has sufficient projected revenues and available resources to equal anticipated expenditures.
Bond service	Power revenue bond interest and principal.
Bond service coverage	Net revenues divided by power revenue bond service.
Capacity factor	The ratio of the average load on a generator for a given period of time to the capacity rating of the generator.
Capital and debt management fund	A dedicated fund authorized by Platte River's Strategic Financial Plan to be used in managing debt and to provide reserves for future capital additions.
Capital expenditure	Expenditures of \$5,000 or more for property, equipment or construction projects with an estimated useful life greater than two years.

CDPHE	Colorado Department of Public Health and Environment.
Change in net position	Revenues less operating costs, depreciation, amortization, accretion and interest expense.
Contingency	An appropriation of funds to cover unforeseen expenditures which may occur during the budget year.
CRSP	Colorado River Storage Project – division of WAPA.
Days adjusted liquidity on hand	Days adjusted liquidity on hand measures Platte River's ability to meet daily operating cash flow requirements. It also serves as a hedge against unforeseen financial obligations resulting from significant events and provides flexibility to take advantage of opportunities. Achieving this metric generates and maintains adequate cash. Cash that is liquid or unrestricted refers to total funds excluding legally required reserves under the General Power Bond Resolution.
Debt service	Interest and principal, including those for bonds and lease and subscription liabilities.
Depreciation	The portion of the cost of a fixed asset expensed to operations to allow for consumed usefulness.
DER	Distributed energy resource(s)
Distributed energy resources management system	Distributed energy resources management system (DERMS) is a platform that integrates DER into electric systems with a goal of making them more visible, manageable and responsive to electric system needs.
ELCC	Effective load carrying capability is an estimation of a resource's ability to produce energy at the time of peak demand. In general, ELCC of an intermittent resource is the equivalent MW contribution of a firm resource in meeting peak demand. As an additional intermittent resource is added to a resource portfolio, ELCC of that incremental resource is less than resources already available. The IRP contains additional information about Platte River's system ELCC.

Enterprise resource planning	Enterprise resource planning is the integrated management of main business processes, often in real time and mediated by software and technology. Many enterprise resource planning software applications exist to help organizations implement resource planning by integrating all of the processes needed to run an organization with a single system.
EV	Electric vehicle.
FERC	Federal Energy Regulatory Commission.
Fiscal resolution	A resolution that governs the financial transactions of Platte River.
Fixed asset	See capital expenditure.
Fixed obligation charge coverage ratio	The fixed obligation charge coverage ratio is a measurement of Platte River's annual cash flows and their ability to repay annual power revenue bond service expense and debt-like obligations. Debt-like obligations include demand or capacity payments on contracted assets and any debt service associated with off-balance sheet obligations. A minimum 1.50 times fixed obligation charge coverage ratio provides sufficient annual cash flows to meet the legal minimum 1.10 times bond service coverage ratio requirement and partially fund future capital additions.
Frame units	A combustion turbine which was designed originally and specifically to generate electricity.
GASB	Governmental Accounting Standards Board, the source of generally accepted accounting principles used by state and local governments in the United States.
General power bond resolution	A resolution for providing the issuance of power revenue bonds.
GFOA	Government Finance Officers Association of the United States and Canada.
GW	Gigawatt, one thousand megawatts; one million kilowatts.

GWh	One gigawatt of power delivered steadily for one hour.
HVAC	Heating, ventilation and air conditioning.
IRP	Integrated resource plan.
kW	Kilowatt; one thousand watts.
kW-Mo	The maximum kW reached or made available during a calendar month used for billing demand or capacity.
kWh	One kilowatt of power delivered steadily for one hour.
kV	Kilovolt; one thousand volts.
LAP	Loveland Area Projects – division of WAPA.
MBtu	One million Btu. A Btu is a British thermal unit and is the standard unit for measuring quantity of heat energy and represents the amount of heat energy necessary to raise the temperature of one pound of water one degree Fahrenheit.
MW	Megawatt; one thousand kilowatts.
MWh	One megawatt of power delivered steadily for one hour.
MW-Mo	The maximum MW reached or made available during a calendar month used for billing demand or capacity.
NERC	North American Electric Reliability Corporation.
Net position	Difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources.
Net revenue	Total revenues less operation and maintenance expenses during a period.
O&M	Operations and maintenance.

Organized energy market	A system in which participants submit offers to buy or sell wholesale energy as a commodity. Utilizing pricing signals to leverage the lowest-cost resources to serve load, market operators efficiently dispatch resources across participating utilities, reducing fuel and maintenance costs while increasing reliability and integration of renewable resources.
OSHA	Occupational Safety and Health Administration.
Owner communities	Town of Estes Park, City of Fort Collins, City of Longmont and City of Loveland are the owner communities of Platte River.
pH	Potential hydrogen, a scale used to specify the acidity or basicity of a solution.
PPA	Power purchase agreement.
Projected	Estimate of revenues and expenditures based on past trends, current economic conditions and future financial forecasts.
PSCo	Public Service Company of Colorado.
Rate stabilization fund	An account established by Platte River's General Power Bond Resolution used to achieve net revenues to ensure the minimum bond service coverage ratio of 1.10x.
REC	Renewable energy certificate.
Restricted assets	Cash and investment accounts restricted to use by bond covenants or laws and regulations.
RFP	Request for proposals.
Sales for resale – long-term	Sales of energy set forth by a contract with duration greater than one year.
Sales for resale – short-term	Sales of electric energy for a period of one year or less.
SCADA	Supervisory control and data acquisition.

SPP	Southwest Power Pool.
SPP RTO West market	Regional Transmission Organization West, an expansion of SPP's existing RTO structure in the Western Interconnection. The SPP RTO West market is a centralized, financially binding day ahead market as well as regional transmission planning mechanism. Participation in the SPP RTO West market would yield additional benefits beyond those of the SPP WEIS market in that reliability is further improved and regional transmission planning reduces congestion which benefits the overall footprint.
SPP WEIS market	Western Energy Imbalance Service, which is a real-time, five-minute organized energy market operated by SPP.
Tri-State	Tri-State Generation and Transmission Association, Inc.
VPP	Virtual power plant, which is a portfolio of flexible DER capable of being operated, on a schedule basis or in near-real-time, to manage the electric supply-demand balance.
WAPA	Western Area Power Administration.
WECC	Western Electricity Coordinating Council.
Wheeling	Use of transmission facilities by other utilities.



Platte River

Power Authority

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RESOLUTION NO. 15-24Background

A. Platte River Power Authority (Platte River) is a municipally owned utility and political subdivision of the state of Colorado, subject to the Local Government Budget Law of Colorado, Colorado Revised Statutes (C.R.S.) § 29-1-101, *et seq.*

B. Platte River's staff has prepared and submitted to the board of directors (board) a proposed Strategic Budget for Platte River for the fiscal year that begins on Jan. 1, 2025, and ends on Dec. 31, 2025 (2025 Strategic Budget) and issued public notices (on Sept. 25, 2024) that the 2025 Strategic Budget was available for public inspection as required by C.R.S. § 29-1-106.

C. The board received the proposed 2025 Strategic Budget and held a public hearing on Oct. 31, 2024, to consider any public comments on or objections to the budget as required by C.R.S. § 29-1-108.

D. The board has reviewed the proposed 2025 Strategic Budget and determined that the anticipated revenues, prior period reserves and financing are sufficient to meet Platte River's costs of operation and maintenance, debt expense, capital additions, and contingencies and will provide an adequate earnings margin, all in accordance with the power supply agreements with the owner communities, Platte River's General Power Bond Resolution (Resolution No. 05-87) and the Strategic Financial Plan (Resolution No. 13-23).

Resolution

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

1. The 2025 Strategic Budget, in the form submitted, is hereby approved and adopted.
2. This resolution constitutes the "Platte River Power Authority 2025 Strategic Budget and Appropriation Resolution." This resolution, together with the 2025 Strategic Budget, represents a complete financial plan and makes total expenditure appropriations for the fiscal year 2025 of \$467,002,425.

RESOLUTION NO. 15-24

3. The board hereby budgets and appropriates, from funds available to Platte River and not otherwise subject to restricted purposes under the General Power Bond Resolution, the unexpended balance of funds authorized for expenditure by the Platte River Power Authority 2024 Strategic Budget and Appropriation Resolution for the purposes specified in that resolution or in this resolution.

AS WITNESS, I have executed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this 12th day of December, 2024.

Secretary

Adopted:

Vote:



Platte River
Power Authority

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Memorandum

Date: 12/4/2024

To: Board of directors

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

Subject: **Extending the Organic Contract and Power Supply Agreement revisions**

With the board's approval of the Resource Diversification Policy and the rapidly evolving state of energy policy and technology, now is a good time for all signatories to explore how the Organic Contract among the owner communities and the Power Supply Agreements between Platte River and each owner community might better support our changing needs and priorities.

As Platte River continues its transition to noncarbon resources, the finance team plans to issue new power revenue bonds, beginning in 2026, to fund necessary infrastructure investments. This is among Platte River's fundamental purposes—to serve as a finance vehicle for the owner communities. Staff also believes that extending the terms of our core documents would be a positive signal to potential bondholders ahead of upcoming bond issuances.

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



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Memorandum

Date: 12/4/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Travis Hunter, chief generation and transmission officer
Darren Buck, director, power delivery

Subject: Transmission planning strategy in an RTO

Over the past 50 years, Platte River has built a robust transmission system to supply energy to the owner communities. As Platte River prepares to enter the regional transmission organization (RTO) in 2026, we will need to approach transmission planning differently. The objective is to educate the board on future transmission project strategy.

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



Platte River
Power Authority

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Memorandum

Date: 12/4/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Melie Vincent, chief power supply officer

Subject: **Transmission operations and costs in an RTO**

Platte River staff will provide a high-level review of transmission operations and transmission cost allocation in a regional transmission organization (RTO). The objective is to educate the board on the benefits and challenges of participating in an RTO as a transmission owner and user.

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



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Memorandum

Date: 12/4/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Eddie Gutiérrez, chief strategy officer
Libby Clark, director of human resources and safety

Subject: **Benefits update**

Each year, Platte River human resources evaluates the organization's insurance plans (medical, dental, vision, life and accidental death and disability, long-term disability, etc.) and identifies protections to cap Platte River's liability as well as ensures our plans remain competitive and sustainable for the future.

As part of our multi-year approach to modernize and enhance our total rewards program, 2024 included additional offerings to our employees and their families. The transition to a new third-party administrator brought a better customer service and a larger service network for our plan participants' care. We also added new voluntary medical benefit offerings with accident and critical illness coverage. These additions are at no cost to the organization but provide options for employees' benefits packages. These enhancements made our total rewards program highly competitive in the market and support our strategic initiatives to retain and attract top talent at Platte River.

The flexibility of our self-funded plans gives Platte River the advantage of evaluating our benefit offerings independently. This allows us to offer high-quality benefits at the most reasonable prices. Our partnership with our benefits consultant, Alliant Insurance Services, enabled us to market our plans and receive competitive bids from other providers, with continued coverage at competitive rates. Our 2025 medical and dental budget will increase by approximately 10%, due primarily to increases in cost of care and employee growth.

We are committed to continuously evaluating our plans and services to align our actions with our strategic roadmap and ensure we provide competitive benefits for our employees while maintaining financial sustainability for the organization. In 2025, we plan to update our cost sharing philosophy, evaluate our current cost-sharing structure and create a roadmap to align our employee-employer cost sharing with our updated philosophy.



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Memorandum

Date: 12/4/2024

To: Board of directors

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

Subject: **Economic development policy – direct community support**

Since 1982, Platte River has budgeted and funded payments to the owner communities for economic development. The allocation formula divides one half of the budgeted amount equally among the owner communities, with the remainder divided pro-rata based on energy sales from the prior year. Each year, the owner community mayors provide written instructions for designating the funds.

In September, staff provided an overview of the community support and involvement policy, detailing the current approach for processing donation requests from nonprofit organizations in the owner communities, along with proposed revisions to the policy. During that discussion, the board requested changes to the economic development payment policy to offer more flexibility in directing funds to direct community support.

The attached documents include proposed changes to the economic development policy, changing the title and associated references to direct community support. The budgeting, designation and payment processes remain unchanged. If the board has no further changes, staff will add the revised policy to the February consent agenda for approval, to be effective for the 2025 direct community support payments.

Attachments

- Redline – direct community support payment policy
- Clean – direct community support payment policy

 Platte River Power Authority	<h1 style="text-align: center;">Policy</h1>	Version #: 1.2
		Original effective date: 12/13/2012 Next review date: 12/01/2027 ⁴
	TITLE: Economic Development Payments <u>Direct Community Support</u> Policy	Page 1 of 2

Purpose:

Since 1982, Platte River included within its proposed budget an expense item to fund payments made to the owner communities for purposes of economic development or community support.

This policy formalizes and documents the designation of recipients by requiring that a letter be sent from the mayor of each owner community to the General Manager identifying the recipient entity.

Policy:

Platte River shall continue to include a budget expense item for ~~economic development~~direct community support payments for the benefit of the owner communities. The amount budgeted may be adjusted from year to year subject to approval by the Board of Directors through the budget approval and appropriations process.

Future ~~economic development~~direct community support payments approved by the budget process will be payable by Platte River to the designated recipients based upon written instructions received from the mayor of each owner community.

The budgeted expense amount will be distributed among the owner communities based upon a formula that divides one half of the amount appropriated equally among the owner communities with the remainder divided pro-rata among the owner communities based upon energy sales for the prior year.

Implementing Parties and Assigned Responsibilities:

Mayors of the owner communities shall send the General Manager written instructions designating ~~economic development~~direct community support recipients.

General Manager shall continue to budget for ~~economic development~~direct community support payments.

Associated Items (if applicable):

Definitions (if applicable):

 Platte River Power Authority	Policy	Version #: 1.2 Original effective date: 12/13/2012 Next review date: 12/01/2027 ⁴
	TITLE: Economic Development Payments <u>Direct Community Support</u> Policy	Page 2 of 2

Document owner: Board secretary	Original effective date: 12/13/2012
Authority: Board of directors	Review frequency: Every 3 years
Counsel review: General counsel	Current effective date: 12/ 1201 /2024 ⁴

Version	Date	Action	Author	Change Tracking (new, review, revision)
1.0	01/01/2013	Original Policy by Board Resolution No. 32-12	General Counsel	New
1.1	05/10/2018	Reviewed, no changes	Angela Walsh	Reviewed
1.2	11/04/2021	Reviewed; minor editing	Angela Walsh	Reviewed
<u>1.3</u>	<u>11/26/2024</u>	<u>Revision; changed from economic development to direct community support based on board direction</u>	<u>Angela Walsh</u>	<u>Revision</u>

 Platte River Power Authority	<h1>Policy</h1>	Version #: 1.2 Original effective date: 12/13/2012 Next review date: 12/01/2027
	TITLE: Direct Community Support Policy	Page 1 of 2

Purpose:

Since 1982, Platte River included within its proposed budget an expense item to fund payments made to the owner communities for purposes of economic development or community support.

This policy formalizes and documents the designation of recipients by requiring that a letter be sent from the mayor of each owner community to the General Manager identifying the recipient entity.

Policy:

Platte River shall continue to include a budget expense item for direct community support payments for the benefit of the owner communities. The amount budgeted may be adjusted from year to year subject to approval by the Board of Directors through the budget approval and appropriations process.

Future direct community support payments approved by the budget process will be payable by Platte River to the designated recipients based upon written instructions received from the mayor of each owner community.

The budgeted expense amount will be distributed among the owner communities based upon a formula that divides one half of the amount appropriated equally among the owner communities with the remainder divided pro-rata among the owner communities based upon energy sales for the prior year.

Implementing Parties and Assigned Responsibilities:

Mayors of the owner communities shall send the General Manager written instructions designating direct community support recipients.

General Manager shall continue to budget for direct community support payments.

Associated Items (if applicable):
Definitions (if applicable):

 Platte River Power Authority	Policy		Version #: 1.2 Original effective date: 12/13/2012 Next review date: 12/01/2027
	TITLE: Direct Community Support Policy		Page 2 of 2

Document owner: Board secretary		Original effective date: 12/13/2012
Authority: Board of directors		Review frequency: Every 3 years
Counsel review: General counsel		Current effective date: 12/12/2024

Version	Date	Action	Author	Change Tracking (new, review, revision)
1.0	01/01/2013	Original Policy by Board Resolution No. 32-12	General Counsel	New
1.1	05/10/2018	Reviewed, no changes	Angela Walsh	Reviewed
1.2	11/04/2021	Reviewed; minor editing	Angela Walsh	Reviewed
1.3	11/26/2024	Revision; changed from economic development to direct community support based on board direction	Angela Walsh	Revision



Platte River
Power Authority

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Legal, environmental and compliance report

October and November 2024





Overview of recent developments

Legal matters

Progress on the Southwest Power Pool's western regional transmission organization

Platte River entered the Southwest Power Pool (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 (RTO) into the west (RTO West). On June 4, 2024, SPP filed proposed tariff revisions with the Federal Energy Regulatory Commission (FERC), reflecting revisions to expand the current RTO into RTO West. On Oct. 3, 2024, FERC issued a letter identifying several deficiencies with SPP's RTO West filing (Deficiency Letter) and required SPP to respond to FERC's questions in the Deficiency Letter within 30 days. SPP filed its response to the Deficiency Letter on Nov. 10, 2024. The full report is on page [3](#) of this document.

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

On Feb. 16, 2024, the Municipal Energy Agency of Nebraska (MEAN) and several Colorado cities to which it supplies power filed a complaint with FERC against Public Service Company of Colorado (PSCo). PSCo plans to build a new transmission project (called Colorado's Power Pathway, or simply Power Pathway) at a cost of over \$2 billion. In their complaint, MEAN and the Colorado cities alleged that the Power Pathway costs would more than double their transmission rates (because PSCo will recover these costs from all PSCo transmission customers), while they receive no benefits. On Nov. 7, 2024, FERC issued an order denying MEAN and the Colorado cities' complaint. The full report is on page [4](#) of this document.

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

On May 23, 2024, SPP filed a petition with 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. OPPD and the prospective interconnection customer, Eolian, L.P., settled their dispute in August. SPP filed executed generator interconnection agreements with FERC on Aug. 27, which FERC accepted on Oct. 10, 2024. On Nov. 8, 2024, SPP filed with FERC to withdraw its petition. These actions should end the matter at FERC. The full report is on page [5](#) 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 lists matters previously reported but unchanged since our last report.

Recently concluded matters

Page 7 of this document lists matters that have concluded within the last three months.



Active matters

Legal matters

Progress on the Southwest Power Pool's western regional transmission organization

Background:

Platte River entered the Southwest Power Pool (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 (RTO) into the west (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.

On June 4, 2024, SPP filed proposed tariff revisions with the Federal Energy Regulatory Commission (FERC), reflecting revisions to expand the current RTO into RTO West. Platte River, with Springs Utilities and MEAN, filed supportive comments on July 3. The Colorado Utility Consumer Advocate, the Colorado Public Utilities Commission (Colorado PUC), 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 the generator interconnection queue, market “seams” (where one market meets another), and greenhouse gas tracking.

Current Status:

On Oct. 3, 2024, FERC issued a letter identifying several deficiencies with SPP's RTO West filing (Deficiency Letter) and required SPP to respond to FERC's questions in the Deficiency Letter within 30 days. SPP filed its response to the Deficiency Letter (Deficiency Response) on Nov. 10, 2024. Among FERC's major concerns were SPP's process to migrate participants' existing transmission queues (requests for transmission service from a transmission provider) and generation interconnection queues (where generators, like wind and solar developers, ask to interconnect to a utility's system) to SPP, which historically had a long backlog for generator interconnection requests.

SPP's Deficiency Response explains that for transmission service, those whose requests have been “processed” in a transmission provider's current queue before April 1, 2026 will receive SPP transmission service (although it is not completely clear what “processed” means). But, if a request is not yet processed, the proposed transmission customer will need to restart with SPP's study process.



For generation interconnection customers, those with a signed interconnection study agreement before April 1, 2026 can continue with their requests; anyone without a signed study agreement will need to start from the beginning in SPP's queue. SPP also says that if it has not cleared its current queue backlog before April 1, 2026, it may ask FERC to consider allowing a new, separate queue for RTO West.

This response may address concerns from the Colorado PUC and others that SPP's generator interconnection queue is too long and will impede Colorado's clean energy goals (by making renewable developers wait longer to interconnect). SPP also responded to FERC's more technical concerns about WAPA energy, transmission revenue, price calculations between two balancing authorities, and maintaining the direct current transmission tie lines that link SPP's western and eastern footprints.

Parties had until Nov. 25 to comment on SPP's Deficiency Response. Now that the comment period is complete, Platte River and others will await FERC's next decision on SPP's proposed tariff changes for RTO West.

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

Background:

On Feb. 16, 2024, MEAN and several Colorado cities to which it supplies power filed a complaint with FERC against PSCo. PSCo plans to build a new transmission project (called Colorado's Power Pathway, or simply Power Pathway) at a cost of over \$2 billion. The Colorado PUC granted PSCo a "certificate of public necessity and convenience" in 2022, authorizing PSCo to build the Power Pathway. Platte River joined PSCo and several other clean power providers, utilities, and environmental organizations to support the Power Pathway, a proposed transmission "highway" from prime renewable generation locations in southern and eastern Colorado to cities on the Front Range.

In their complaint, MEAN and the Colorado cities alleged that the Power Pathway costs would more than double their transmission rates (because PSCo will recover these costs from all PSCo transmission customers), while they receive no benefits. MEAN and the Colorado cities claimed that they are geographically distant from the Power Pathway (have no direct connections to it) and have already secured the resources they need to meet their non-carbon energy goals. They asked FERC to determine that: (1) PSCo's proposed transmission service agreement is unjust and unreasonable, (2) PSCo must create a separate transmission pricing zone for MEAN and the Colorado cities and (3) PSCo violated FERC rules about open transmission access, regional transmission planning, and cost allocation when it submitted the Power Pathway to the Colorado PUC for approval.

Comments on MEAN's complaint were due March 21, 2024. Various parties, including the Colorado PUC and 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.



Current Status:

On Nov. 7, 2024, FERC issued an order denying MEAN and the Colorado cities' complaint. FERC determined that because Power Pathway will be part of PSCo's transmission network, Power Pathway costs are appropriately recovered through the rates paid by transmission service customers. This is, according to FERC, consistent with its longstanding policy of rolling the costs of network transmission facilities into rates for network transmission service. In FERC's view, network transmission facilities benefit all network transmission customers; therefore, it is appropriate to recover their costs through network transmission rates without a customer-by-customer evaluation. FERC also determined that MEAN and the Colorado cities did not demonstrate that PSCo violated the local transmission planning or regional transmission planning requirements in its tariff or Order Nos. 890 and 1000.

MEAN now has 30 days to request rehearing at FERC. Should FERC deny the request for rehearing, MEAN and the Colorado cities could then petition for judicial review of FERC's order, either in the Circuit Court for the District of Columbia Circuit or another appropriate Circuit Court. If MEAN chooses not to request rehearing and start the appeal process, then FERC's decision stands.

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

Background:

On May 23, 2024, SPP filed a petition with 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.

There was a dispute between OPPD and a battery project developer (Eolian, L.P.) 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. So, OPPD refused to sign generator interconnection agreements with Eolian. Both section 39.1 of SPP's tariff and section 3.12 of SPP's membership agreement state that, if (for a public power utility) there is a conflict between the tariff and a state law, regulation, or rate schedule, the public power utility does not have to comply 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 generator interconnection customer cannot agree on terms and the interconnection customer requests filing. So SPP petitioned FERC to determine SPP's obligations.

This dispute had 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 SPP tariff and section 3.12 of the SPP membership agreement assure public power utilities they will not be required to violate state laws because they participate in the SPP RTO. 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:***

OPPD and Eolian settled their dispute in August. SPP filed executed generator interconnection agreements with FERC on Aug. 27, which FERC accepted on Oct. 10, 2024. On Nov. 8, 2024, SPP filed with FERC to withdraw its petition. These actions should end the proceeding because without an active dispute there is no need for FERC to interpret the relevant tariff and membership agreement provisions.

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

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

Current Status:

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 Air Commission rules do not comply with Colorado's Environmental Justice Act and are otherwise arbitrary and capricious. The court granted the parties' request for oral argument on August 27. 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

There are no recently concluded legal matters.

Environmental matters

There are no recently concluded environmental matters.

Compliance matters

There are no recently concluded compliance matters.



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Resource diversification report

October and November 2024



Distributed Energy Resource system integration

Negotiations continue between Platte River and the developer on terms for a master services agreement for four 5-MW distribution-scale storage projects. In addition, discussions are ongoing with the owner communities and the Northern Colorado Regional Airport's legal staff on key terms for land leases that can support the project. If progress on these agreements continues as planned, the projects could begin providing storage capacity by early 2027.

Platte River and owner community staff continued their due diligence on proposals received under the request for proposals for a distributed energy resource management system and virtual power plant (VPP) programs. Contract awards are anticipated by the end of 2024.

Distributed Energy Resource (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

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

October 2024



Executive Summary

The region experienced mild temperatures, during the month of October, which resulted in owner community demand being near budget, while owner community energy was 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 and pricing, offset by higher coal generation volume and pricing on the Craig units. Year to date, the net variable cost to serve owner community load is below budget.

Thermal resources

Rawhide Unit 1 experienced a planned outage and a forced outage, in October. Rawhide equivalent availability factor was below budget and net capacity factor was significantly 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 below budget and net capacity factor is significantly below budget.

Craig units 1 and 2 experienced generation limitations and a forced outage. Craig equivalent availability factor was above budget and net capacity factor was below budget for the month. Year to date, Craig equivalent availability factor is above budget and net capacity factor is slightly above budget.

The combustion turbines (CTs) were committed to serve contracts, facilitate sales, perform scheduled testing, serve owner community load, and to replace baseload generation during unit outages. CT equivalent availability factor and net capacity factor were above budget. Net capacity factor was above budget for the month. Year to date, CT equivalent availability factor and net capacity factor are slightly below budget.

Renewable resources

Wind generation was below budget for the month, as the Roundhouse Wind project produced below budget generation and experienced WEIS market curtailments. Solar generation was also below budget, and the Rawhide Prairie Solar project experienced WEIS market curtailments. Net capacity factors for both wind and solar were below budget for the month. The battery associated with the Rawhide Prairie Solar project was charged and discharged 19 times throughout the month, as it returned to service on Oct. 11. Year to date, net capacity factor for wind is below budget and solar is slightly below budget.

Surplus sales

Surplus sales volume was below budget, due to significantly below budget market sales. Average surplus sales pricing was significantly 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 significantly above budget, as a result of a high volume of economic market purchases. The SPP WEIS average purchased power price was slightly below budget for the month. Bilateral purchased power volume was significantly above budget and pricing was below budget. Year to date, purchased power volume and pricing are above budget.

Total resources

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

Variances

October operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	455 MW	464 MW	9 MW	2.0%	◆
Owner community energy	254 GWh	241 GWh	(13 GWh)	(4.9%)	■
Net variable cost* to serve owner community energy	\$5.9M	\$4.6M	(\$1.3M)	(17.7%)	●
	\$23.32/MWh	\$19.20/MWh	(\$4.12/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	
Higher bilateral sales price and volume	\$1.25M
Coal generation fuel savings – Rawhide	\$0.88M
Lower wind generation volume and pricing	\$0.62M

Upward pressure	
Generation and market variances pushing costs higher	
Higher coal generation pricing - Craig	\$0.61M
Higher market purchase volume	\$0.50M
Higher gas generation volume	\$0.35M

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

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	5,426 MW	5,248 MW	(178 MW)	(3.3%)	■
Owner community energy	2,761 GWh	2,662 GWh	(99 GWh)	(3.6%)	■
Net variable cost* to serve owner community energy	\$47.7M	\$39.2M	(\$8.5M)	(14.8%)	●
	\$17.27/MWh	\$14.72/MWh	(\$2.55/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	\$8.01M
Lower wind generation volume and pricing	\$3.93M
Higher bilateral sales pricing	\$3.41M

Upward pressure	
Generation and market variances pushing costs higher	
Lower market sales volume and pricing	\$3.60M
Higher market purchase volume and pricing	\$2.75M
Higher coal generation fuel volume and pricing - Craig	\$2.58M

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

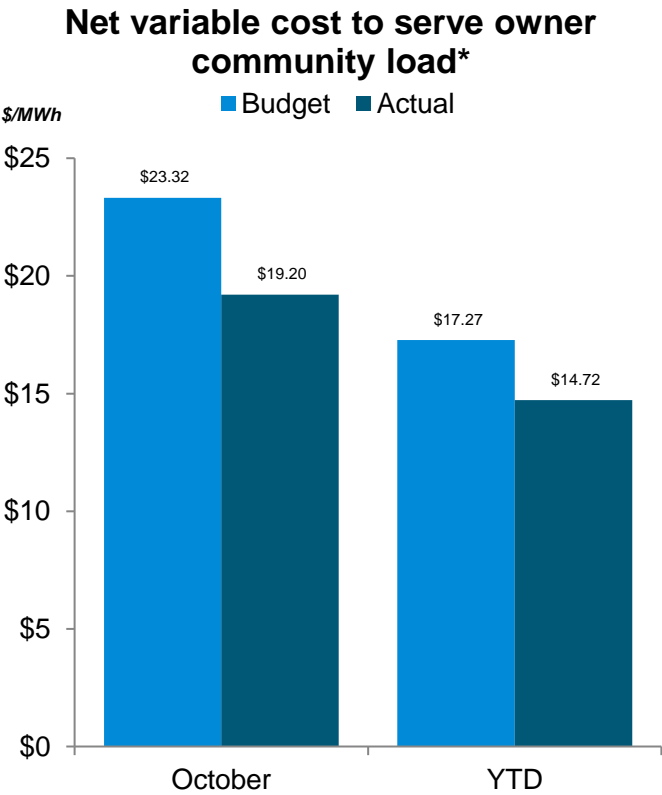
Loss of load

System disturbances

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

October goal		October 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

- Roundhouse had varying curtailments, for approximately two weeks during the month, due to turbine availability.
- Platte River's transmission system resiliency was demonstrated by having 16 planned outages and 9 system-adjacent outages on neighboring transmission systems without impacting owner community loads.
- Power system operations began point-to-point testing on its new energy management system. This is done to ensure that control points in the field are correctly mapped and are functioning so that data from the field is correct.
- An operational flow order for over and under-delivery on the natural gas transportation system was in place, for nearly the entire month of October, due to operational supply constraints and pipeline maintenance. The operational flow order was managed successfully, with sufficient resources to meet owner community loads.
- Power system operations completed its annual fall training cycle. 16 North American Reliability Corporation (NERC) certified Platte River personnel were each awarded 13 continuing education hours (CEH). NERC reliability standards require certified operating personnel to earn CEHs to maintain their certifications. The operating personnel were from power system operations and power markets. System engineering supported the training by teaching two of the classes.
- On Oct. 4, a change order to the Power Costs Inc. contract was executed to include workflows and software modules for the Southwest Power Pool Regional Transmission Organization West implementation.
- On Oct. 9, the Rawhide Prairie Solar project had a maintenance outage, for approximately eight hours, to install a new potential transformer and to adjust breaker settings to allow the battery to function again. On Oct. 10, Depcom confirmed that work was completed on breaker 52-2 allowing the battery to operate. On Oct. 11, the battery discharged for the first time since Dec. 29, 2023.
- On Oct. 11, Roundhouse wind was curtailed for approximately 30 hours to replace the tower 18 pad mount.
- On Oct. 13, Rawhide Unit 1 had a planned outage, for approximately just under one week, to repair one of two redundant uninterruptible power supplies (UPS) because one of the UPSs had failed.
- On Oct. 15, the Medicine Bow Wind project ceased energy production, due to the termination of the power purchase agreement by Skyline Energy. Decommissioning of the Medicine Bow Wind project is expected to begin on or around Nov. 6, 2024, and end on or around Dec. 6, 2024, subject to weather and regulatory delays.
- On Oct. 21, the Rawhide Flats Solar project and the Rawhide Prairie Solar project were underproducing. Depcom and Novasource confirmed that the solar panels for both solar sites were in stow mode which is an automatic mode the panels transition to when winds are high to protect the panels. When the winds calmed down, the panels automatically returned to normal.

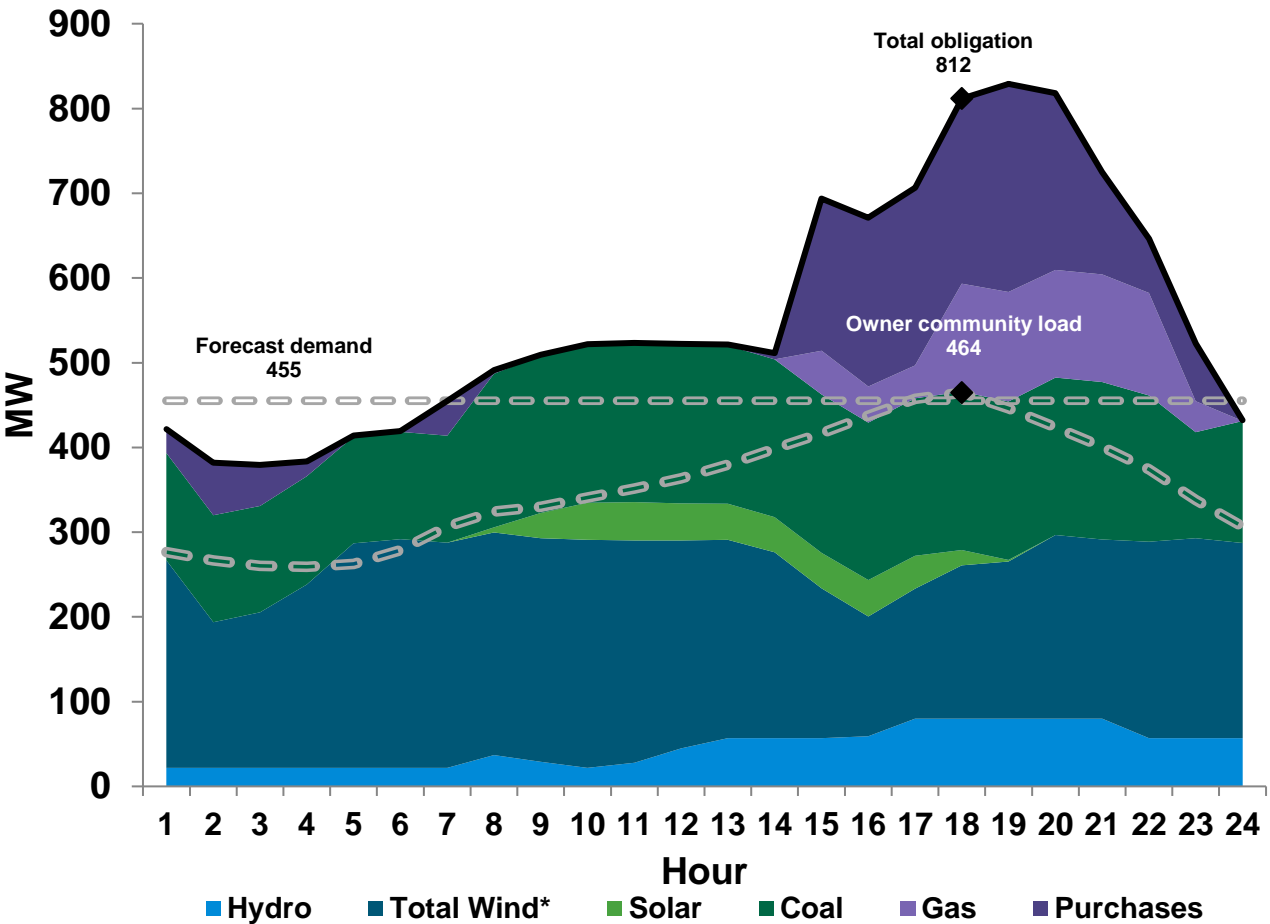
- Beginning on Oct. 28, Craig units 1 and 2 had generation limitations due to the Craig – Meeker 345-kV line outage. Platte River's share of Craig Unit 1 was limited to 68 MW and Craig Unit 2 was limited to 67 MW. The line outage is expected to last until Nov. 8, 2024.
- On Oct. 30, Craig Unit 2 experienced a forced outage for approximately 12 hours, due to the MCC feeder breaker tripping.
- On Oct. 30, Rawhide Unit 1 experienced a forced outage, due to a governor valve leak which caught fire. The fire was promptly mitigated, and the unit was back online approximately 13 hours later.
- On Oct. 31, multiple frequency and voltages alarms were seen across Platte River's transmission system. This was the result of a fault on Public Service Company of Colorado's Fort Lupton – St. Vrain 230-kV line which caused tripping.
- The combustion turbines (CTs) experienced scheduled testing and maintenance outages throughout the month of October:
 - On Oct. 15 – Oct. 16, all five CTs had scheduled MOD testing, at varying times for three to four hours.
 - On Oct. 21, CT Unit F had a maintenance outage for load commutated inverter maintenance.
 - On Oct. 22, all five CTs had a maintenance outage, for less than one hour, to replace core switches.

Peak day

Peak day obligation

Peak demand for the month was 464 megawatts which occurred on Oct. 2, 2024, at hour ending 18:00 and was 9 megawatts above budget. Platte River’s obligation at the time of the peak totaled 812 megawatts. Demand response was called upon at the time of peak.

Peak day obligation: Oct. 2, 2024



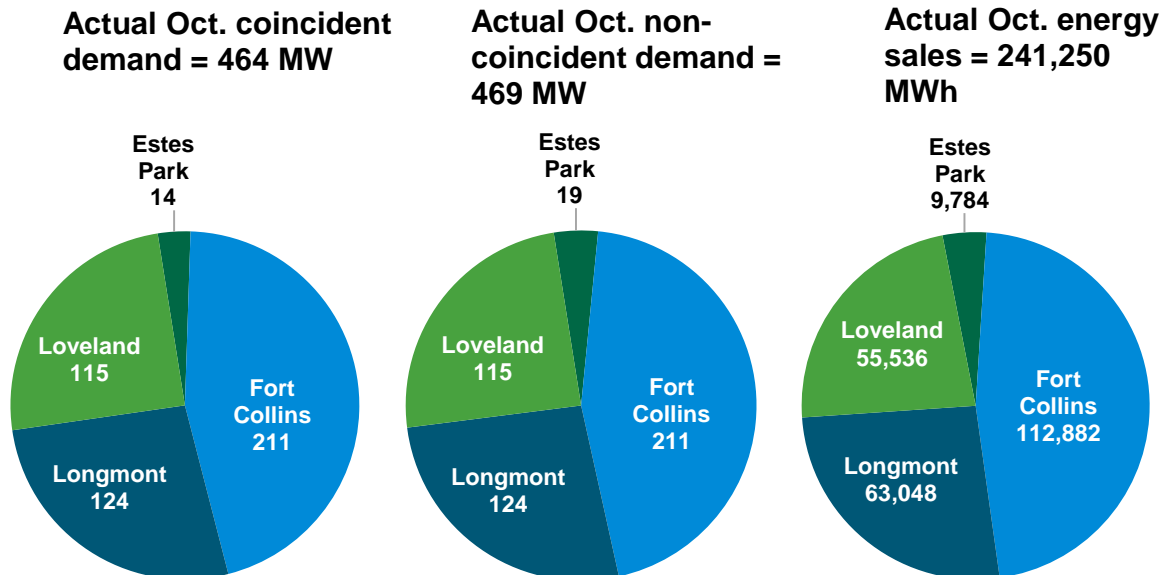
* Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

Owner community loads

	Oct. budget	Oct. actual	Minimum	Actual variance	
Coincident demand (MW)	455	464	507	2.0%	◆
Estes Park	18	14	13	(22.2%)	■
Fort Collins	213	211	231	(0.9%)	◆
Longmont	119	124	144	4.2%	●
Loveland	105	115	119	9.5%	●
Non-coincident demand (MW)	462	469	516	1.5%	◆
Estes Park	23	19	21	(17.4%)	■
Fort Collins	214	211	231	(1.4%)	◆
Longmont	119	124	144	4.2%	●
Loveland	106	115	120	8.5%	●
Energy sales (MWh)	253,564	241,250		(4.9%)	■
Estes Park	11,280	9,784		(13.3%)	■
Fort Collins	118,511	112,882		(4.7%)	■
Longmont	65,486	63,048		(3.7%)	■
Loveland	58,287	55,536		(4.7%)	■

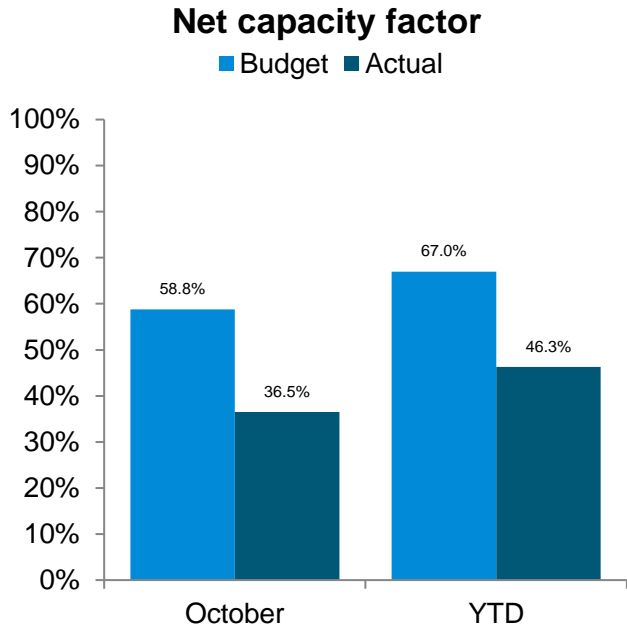
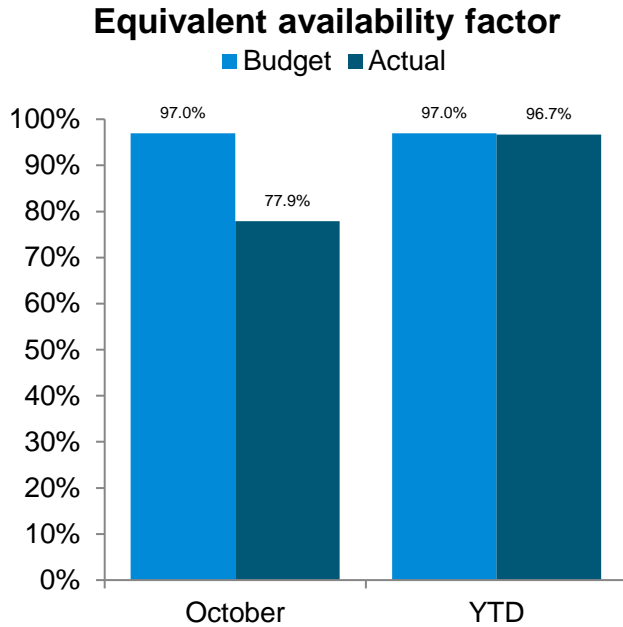
Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

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.

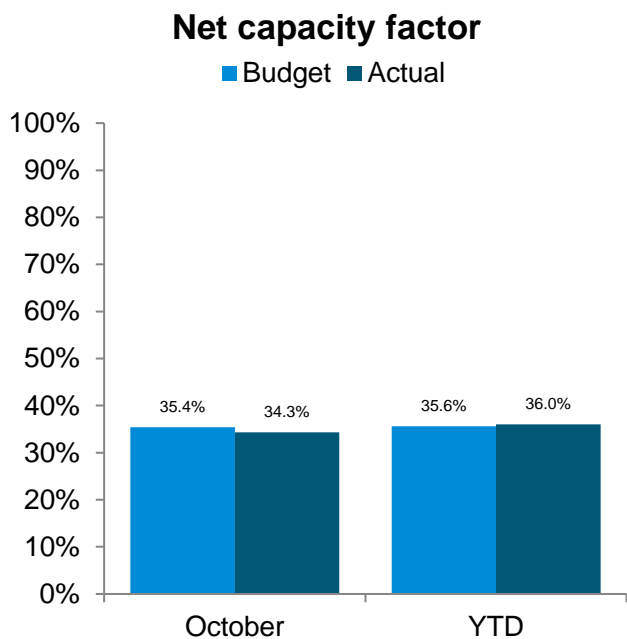
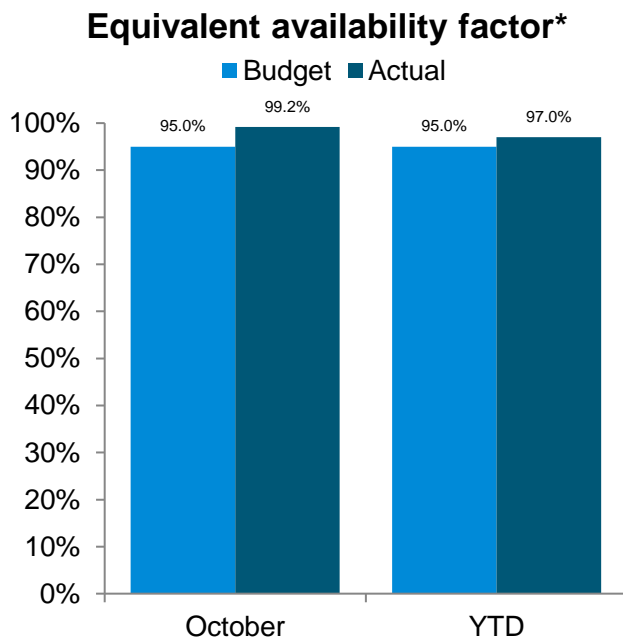


Thermal resources

Power generation - Rawhide

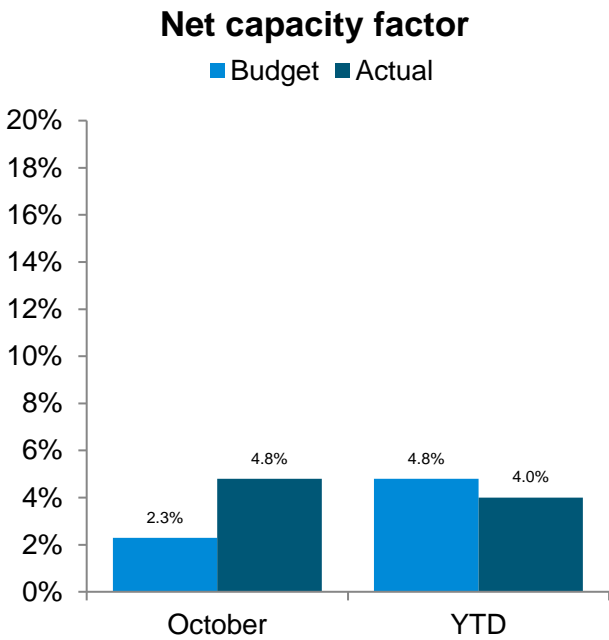
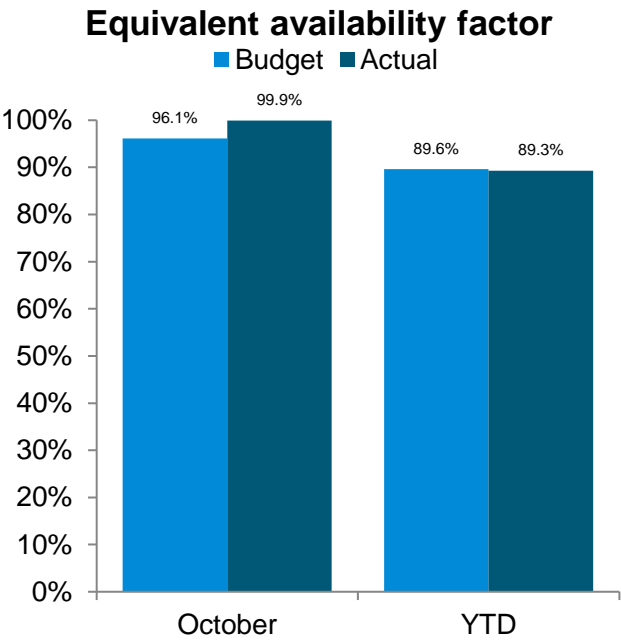


Power generation - Craig



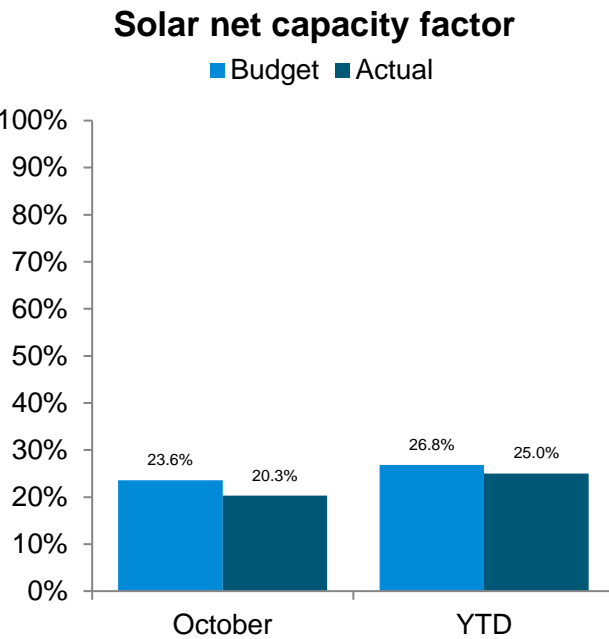
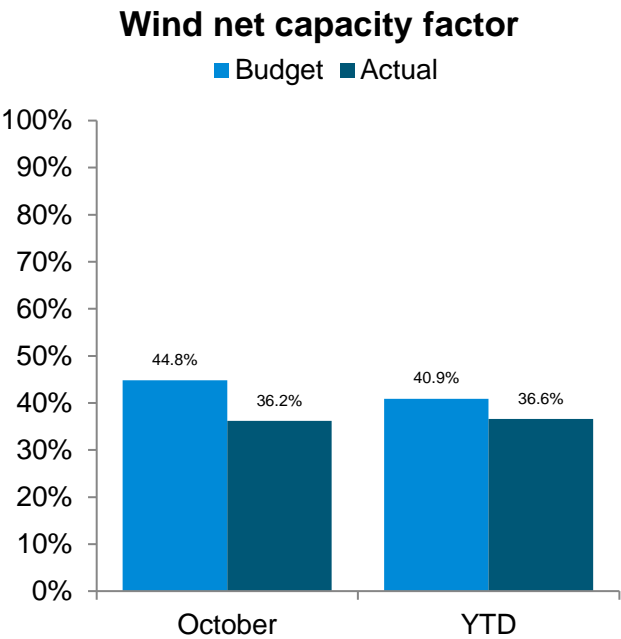
* Estimated due to a delay of the actual results

Power generation – combustion turbines

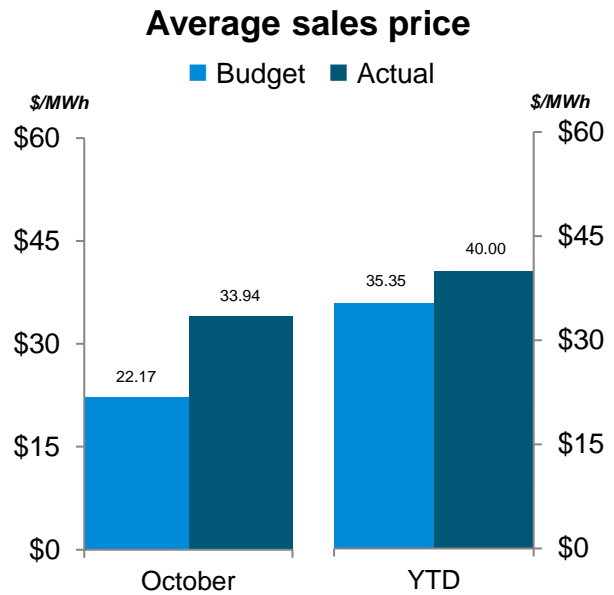
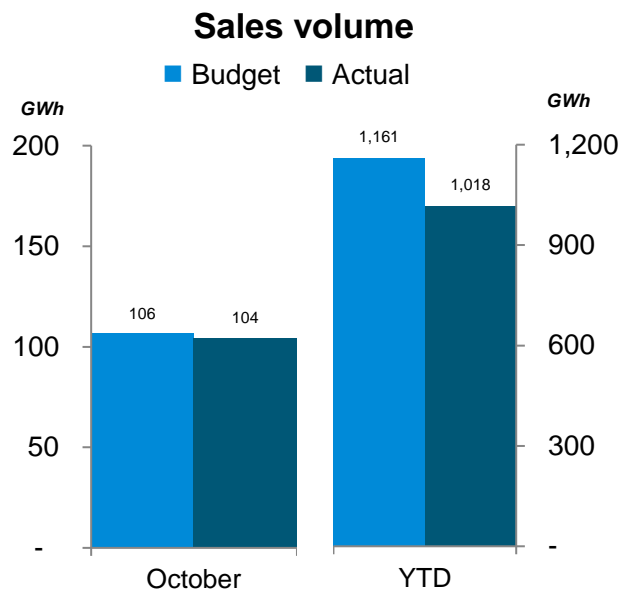


Renewable resources

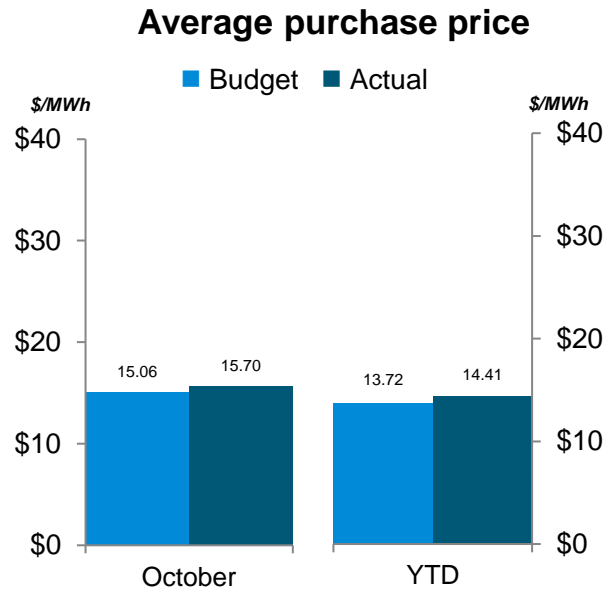
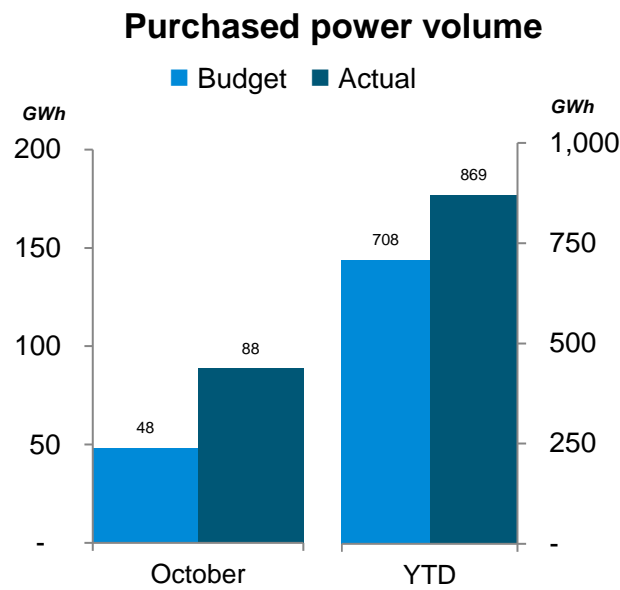
Power generation – wind and solar production



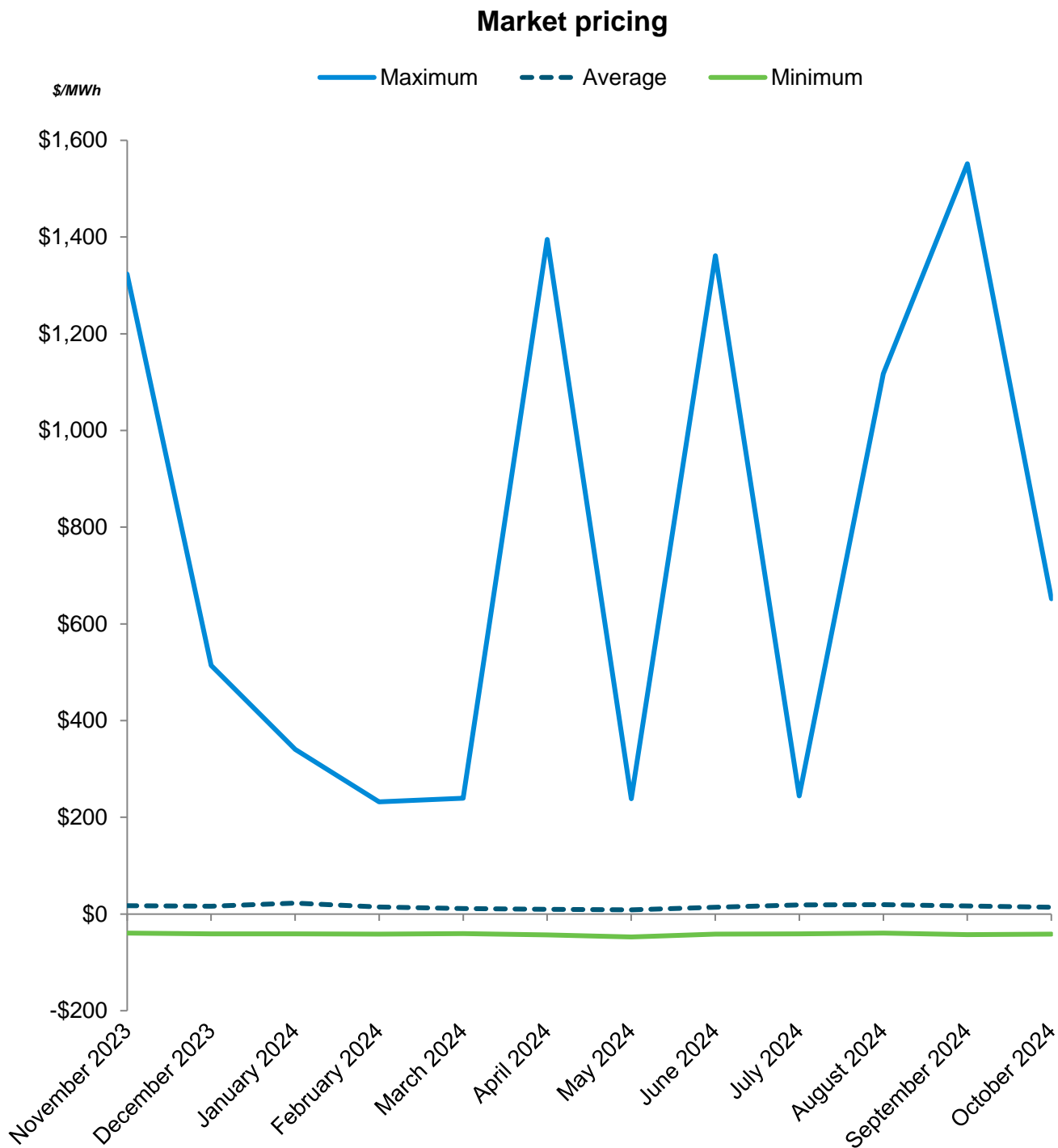
Surplus sales



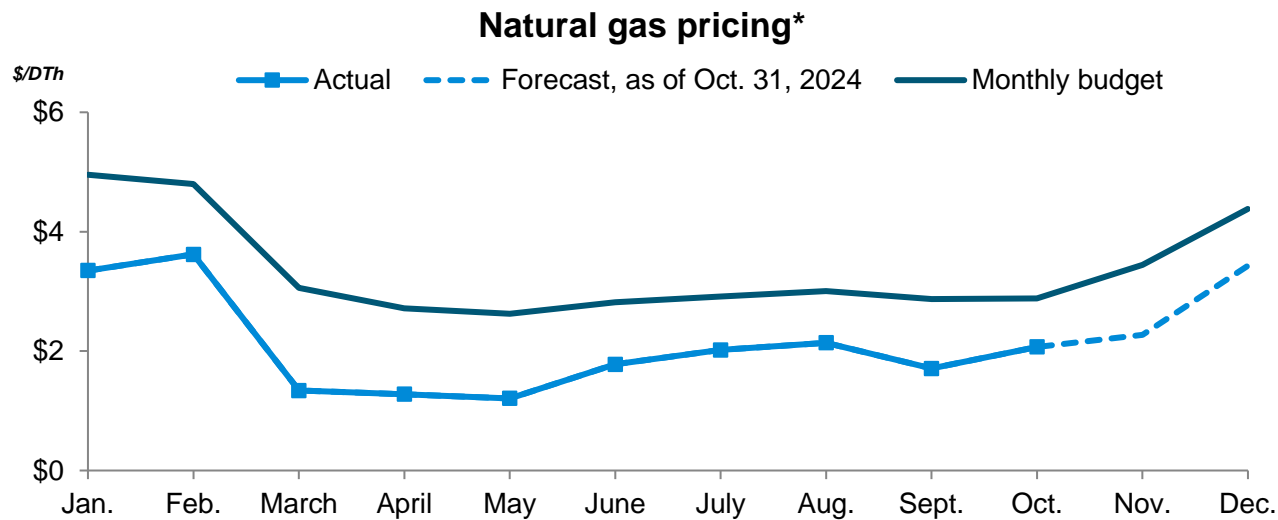
Purchased power



Market pricing



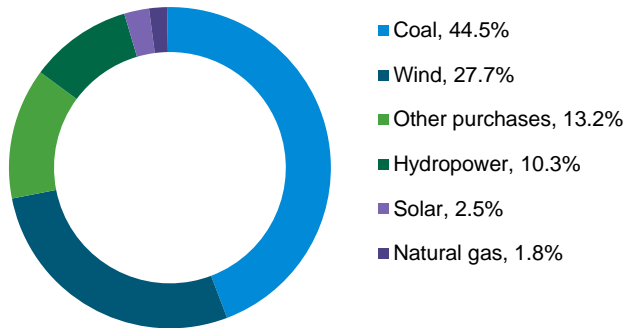
Natural gas pricing



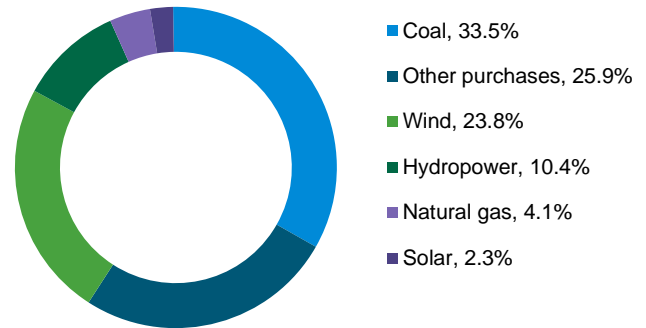
*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

Total resources

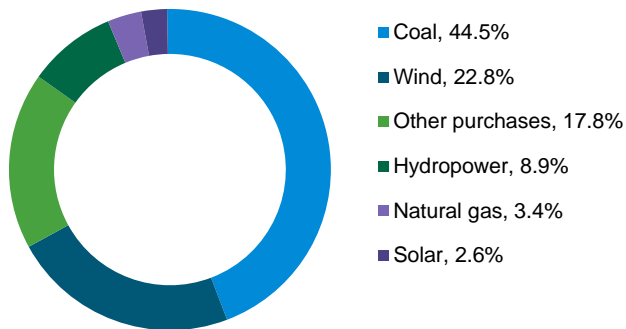
October generation budget



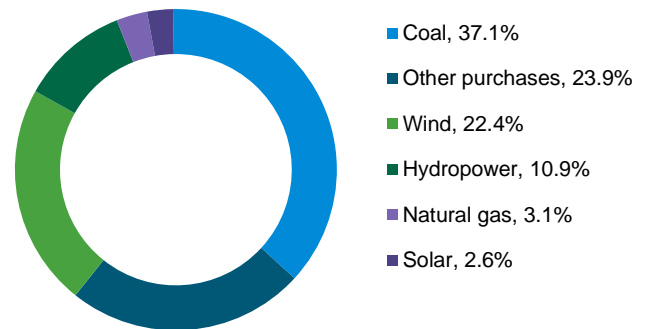
October generation actual

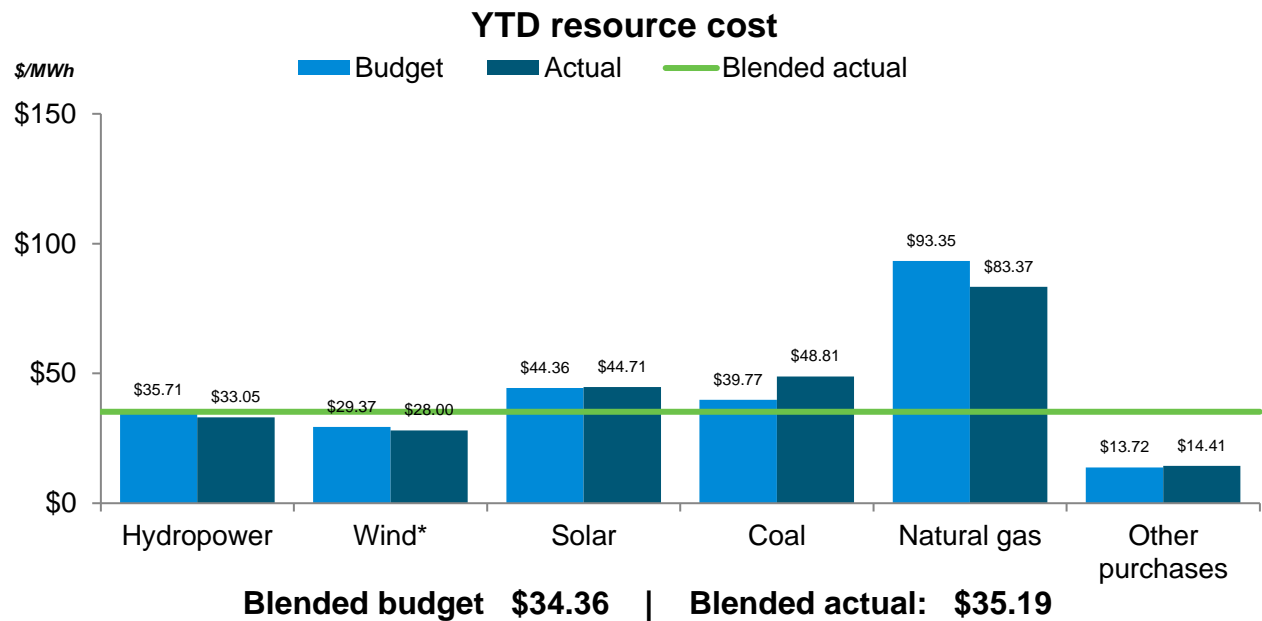
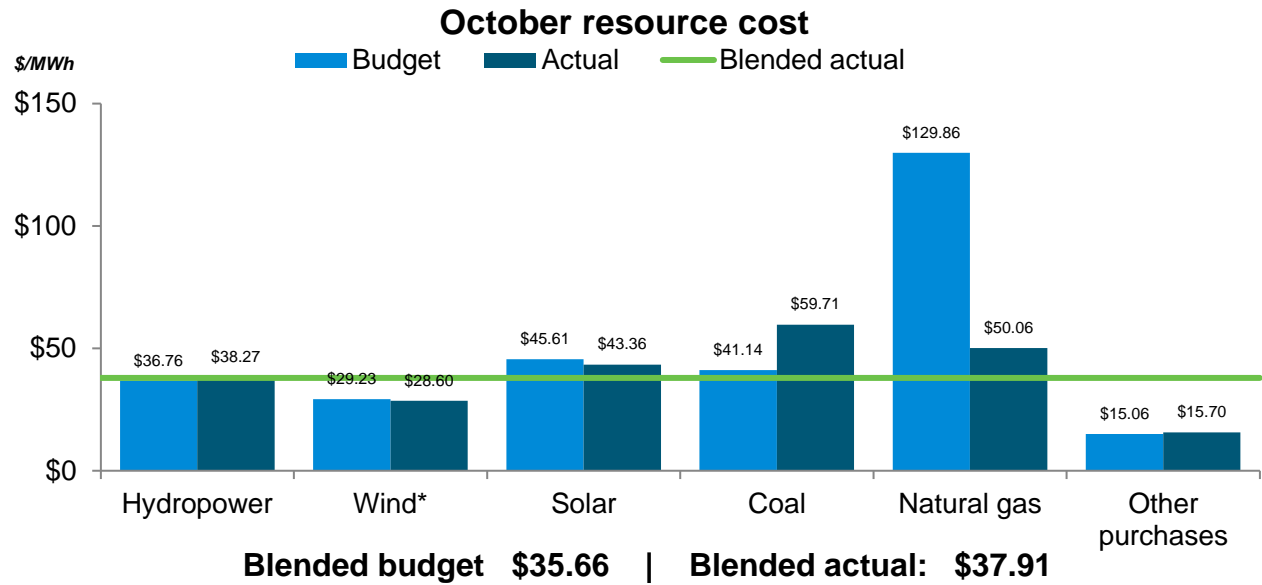


YTD budget



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.



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Financial report

October 2024



Financial highlights year to date

Platte River reported favorable results year to date. Change in net position of \$31.7 million was favorable by \$11.1 million compared to budget primarily due to below-budget operating expenses and above-budget other income and unrealized gains on investments, partially offset by below-budget revenues.

Key financial results ⁽¹⁾ (\$ millions)	October		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
Change in net position	\$ (1.3)	\$ 0.7	●	\$ 2.0	153.8%	\$ 20.6	\$ 31.7	●	\$ 11.1	53.9%	\$ 7.3
Fixed obligation charge coverage	1.40x	2.35x	●	0.95x	67.9%	2.36x	2.65x	●	0.29x	12.3%	1.93x ⁽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)	October		Favorable			Year to date		Favorable			Annual budget
	Budget	Actual		(unfavorable)		Budget	Actual		(unfavorable)		
Total revenues	\$ 22.5	\$ 25.3	●	\$ 2.8	12.4%	\$ 263.0	\$ 261.4	◆	\$ (1.6)	(0.6%)	\$ 313.0
Sales to owner communities	17.7	17.2	■	(0.5)	(2.8%)	198.2	193.2	■	(5.0)	(2.5%)	235.7
Sales for resale - long-term	1.3	1.3	◆	-	0.0%	17.1	14.2	■	(2.9)	(17.0%)	20.1
Sales for resale - short-term	1.8	3.0	●	1.2	66.7%	30.5	33.1	●	2.6	8.5%	36.4
Wheeling	0.7	0.7	◆	-	0.0%	7.5	8.7	●	1.2	16.0%	8.9
Interest and other income	1.0	3.1	●	2.1	210.0%	9.7	12.2	●	2.5	25.8%	11.9
Total operating expenses	\$ 19.6	\$ 19.2	◆	\$ 0.4	2.0%	\$ 202.0	\$ 191.9	●	\$ 10.1	5.0%	\$ 242.7
Purchased power	5.3	5.8	■	(0.5)	(9.4%)	52.3	51.8	◆	0.5	1.0%	63.8
Fuel	3.6	3.6	◆	-	0.0%	43.0	35.2	●	7.8	18.1%	51.1
Production	4.6	4.6	◆	-	0.0%	47.2	47.5	◆	(0.3)	(0.6%)	55.8
Transmission	1.8	1.4	●	0.4	22.2%	18.1	16.9	●	1.2	6.6%	21.4
Administrative and general	3.1	2.8	●	0.3	9.7%	30.7	31.1	◆	(0.4)	(1.3%)	36.9
Distributed energy resources	1.2	1.0	●	0.2	16.7%	10.7	9.4	●	1.3	12.1%	13.7
Capital additions	\$ 2.3	\$ 4.1	■	\$ (1.8)	(78.3%)	\$ 48.1	\$ 73.2	■	\$(25.1)	(52.2%)	\$ 53.2
Debt service expenditures	\$ 1.6	\$ 1.5	●	\$ 0.1	6.3%	\$ 15.6	\$ 15.5	◆	\$ 0.1	0.6%	\$ 18.7

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

Total revenues, \$1.6 million below budget

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

- **Sales to owner communities** were below budget \$5 million. Energy revenues were \$4.1 million or 3.6% below budget. Demand revenues were \$0.9 million or 1.3% below budget as coincident and non-coincident billing demand were below budget 1.3% and 1%, respectively.
- **Sales for resale - long-term** were below budget \$2.9 million due to below-budget calls on capacity contracts and below-budget wind generation resold to third parties.

- **Sales for resale - short-term** were above budget \$2.6 million as average prices were 16.7% above budget, partially offset by 7.1% below-budget energy volume.
- **Wheeling** was above budget \$1.2 million primarily due to above-budget point-to-point transmission sales and a rate increase.
- **Interest and other income** was above budget \$2.5 million primarily due to reclassified fiber management income, a dividend from Trapper Mine and higher interest income earned on investments.

Total operating expenses, \$10.1 million below budget

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

- **Fuel** was \$7.8 million below budget.
 - Coal - Rawhide Unit 1** 101% of the overall variance, \$7.9 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, unplanned outages 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** 32% of the overall variance, \$2.5 million below budget. Generation was below budget primarily due to below-budget calls on capacity contracts and lower-cost energy available in the SPP WEIS market. Price was below budget due to lower market prices.
 - Coal - Craig units** (33%) of the overall variance, \$2.6 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 and a net loss on the sales of coal to another utility. Total projected production from the mine decreased, increasing cost per ton delivered.
- **Distributed energy resources** were \$1.3 million below budget due to program consulting services, personnel expenses and slower participation in the commercial and industrial segment, partially offset by increased participation in the residential segment.
- **Production, transmission, and administrative and general** were \$0.5 million below budget. The below-budget expenses include: 1) Rawhide non-routine projects, 2) wheeling, 3) resource planning initiatives, 4) critical infrastructure protection compliance, 5) chemicals and 6) travel and training. The above-budget expenses include: 1) Craig operating expenses, 2) personnel expenses, 3) technology consulting services, 4) Rawhide Unit 1 unplanned outage maintenance, 5) environmental services and 6) software and hardware. The net below-budget variance is expected to be spent by the end of the year.

- **Purchased power** was \$0.5 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 prior to the agreement termination in March. 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, 2) hydropower purchases due to favorable water conditions and 3) renewable energy credits were earlier than anticipated.

Capital additions, \$25.1 million above budget

Year-end estimates as of October 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				
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 and 2026. Also, procurement of materials will not occur in 2024 as originally anticipated. <i>A portion of the below-budget funds will be requested to be carried over into 2025.</i>	\$ 1,827	\$ -	\$ 1,827	\$ 400
Fiber optic cable replacement - Long-Haul East (Loveland to Longmont) - This project will be below budget due to a delay to evaluate final project scope and construction will not begin until 2025. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 1,826	\$ 326	\$ 1,500	\$ 1,500
* Enterprise resource planning software - This project will be below budget as all contingency funds are not needed.	\$ 6,719	\$ 5,381	\$ 1,338	\$ -
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	\$ 2,232	\$ 1,289	\$ 1,289
** Fiber optic optical ground wire installation - Long Haul East (Timberline to Harmony) - This project will be below budget due to a construction delay to evaluate a railroad crossing agreement and hardware issues with the contractor. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 786	\$ 9	\$ 777	\$ 777
* 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	\$ 997	\$ 550	\$ 550

Project (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
Compressor blade upgrade - combustion turbine Unit F - This project will be below budget as a different vendor was selected with favorable pricing.	\$ 1,861	\$ 1,356	\$ 505	\$ -
* 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. Additional assessments are needed and planned for 2026.	\$ 364	\$ 1	\$ 363	\$ -
* 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	\$ 880	\$ 245	\$ 245
* Trapper Mine post-mining reclamation - This asset retirement obligation will be below budget due to a shift in timing of reclamation efforts.	\$ 933	\$ 720	\$ 213	\$ -
Operations analytics software - This project will be below budget due to final contract costs being less than anticipated.	\$ 480	\$ 300	\$ 180	\$ -
Dust collection system replacement - crusher building - This project will be below budget in 2024 due to the project schedule shifting to later in 2025 to align with the major outage timeline. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 222	\$ 85	\$ 137	\$ 137
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	\$ 102	\$ 109	\$ 109
Dust collection system replacement - coal transfer building - This project will be below budget in 2024 due to the project schedule shifting to later in 2025 to align with the major outage timeline. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 191	\$ 85	\$ 106	\$ 106
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. Timing of the generator step-up transformer down payment shifted to 2025. <i>Additional funds were requested in 2024, of which a portion will be requested to be carried over into 2025.</i>	\$ 4,606	\$ 35,880	\$ (31,274)	\$ 3,500

Project (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
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)	\$ -
* Fiber optic cable replacement - Long Haul East (Fort Collins to Loveland) - This project will be above budget due to additional construction to utilize an existing ditch crossing, increased costs for subsurface engineering requirements, crossing fees and additional cable distance required.	\$ 404	\$ 1,089	\$ (685)	\$ -
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 expected to decrease slightly.	\$ 1,529	\$ 2,004	\$ (475)	\$ -
** Substation expansion and reliability upgrade - Rawhide Substation - This project will be above budget due to a required down payment for breakers ordered in 2024 to meet project timelines for the new aeroderivative combustion turbines.	\$ 32	\$ 352	\$ (320)	\$ -
Network replacement headquarters - This project will be above budget due to increases in equipment costs.	\$ 345	\$ 449	\$ (104)	\$ -
* 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. Procurement of electrical components will not occur in 2024 as planned. <i>Additional funds were requested in 2024, of which all will be requested to be carried over into 2025.</i>	\$ 452	\$ 442	\$ 10	\$ 150
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

Project (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
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
** Compliance management software - This project will be delayed due to lack of vendor availability. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 348	\$ -	\$ 348	\$ 348
Infrastructure automation - 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>	\$ 130	\$ -	\$ 130	\$ 130
Switch 2089 replacement - Boyd Substation - 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>	\$ 108	\$ -	\$ 108	\$ 108
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, \$0.1 million below budget

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

Debt service expenditures (\$ thousands)	October		Favorable			Year to date		Favorable			Annual
	Budget	Actual		(unfavorable)		Budget	Actual		(unfavorable)		budget
Total principal	\$ 1,183	\$ 1,138	●	\$ 45	3.8%	\$11,670	\$11,576	◆	\$ 94	0.8%	\$14,015
Power revenue bonds	1,117	1,117	◆	-	0.0%	10,913	10,913	◆	-	0.0%	13,146
Lease and subscription liabilities	66	21	●	45	68.2%	757	663	●	94	12.4%	869
Total interest expense	\$ 369	\$ 370	◆	\$ (1)	(0.3%)	\$ 3,934	\$ 3,951	◆	\$ (17)	(0.4%)	\$ 4,667
Power revenue bonds	366	366	◆	-	0.0%	3,910	3,910	◆	-	0.0%	4,642
Lease and subscription liabilities	3	4	■	(1)	(33.3%)	24	41	■	(17)	(70.8%)	25
Total debt service expenditures	\$ 1,552	\$ 1,508	●	\$ 44	2.8%	\$15,604	\$15,527	◆	\$ 77	0.5%	\$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 power revenue bond 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	7,872					
Total revenue bonds outstanding	120,952					
Less: due within one year	(13,400)					
Total long-term debt, net	\$ 107,552					

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

As reported in the 2025 Strategic Budget, The expected year-end change in net position prior to deferring revenues is \$31.5 million. The table below compares this amount to the annual budget and calculates the amount of deferred revenues under this scenario. This amount will vary as actual outcomes will differ from assumptions.

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
\$ 21.3	\$ 31.5	\$ 10.2	48%	\$ 24.5	\$ 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.

Operating revenues

- **Sales to the owner communities** are anticipated to end the year below budget as load and peak demand are expected to be below budget.
- **Sales for resale - long-term** are anticipated to end the year below budget due to as resource availability and market conditions contributing to lower anticipated calls on capacity contracts and less wind generation resold to third parties.
- **Sales for resale - short-term** are anticipated to end the year above budget due to stronger pricing expected in the bilateral market.
- **Wheeling** is anticipated to end the year above budget primarily due to above-budget point-to-point transmission sales and a rate increase.
- **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 below budget at the end of the year as below-budget wind generation and reserves are partially offset by above-budget hydropower and market purchases which replace baseload generation.
- **Fuel** is anticipated to be below budget at the end of the year as baseload generation is replaced with purchases due to lower-cost energy available in the SPP WEIS market and unplanned outages and curtailments. Further, less generation is required to serve load and sales for resale.
- **Other operating expenses** are anticipated to end the year near budget.
- **Depreciation, amortization and accretion** are anticipated to end the year below budget primarily due to 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 the change in accounting for long-haul fiber (discussed in the other financial information section) 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 above budget as discussed in the contingency appropriation section.

Contingency appropriation

\$56 million reserved to board

Capital additions are above the annual budget. A budget contingency appropriation, currently estimated of \$43.2 million as shown below, will 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 estimated capital expenses	\$ 82.5
2024 capital budget	53.2
Above budget variance	\$ 29.3
Estimated capital carryovers from 2024 to 2025	13.9
Estimated contingency transfer required	\$ 43.2

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.
- **Change in depreciation method accounting policy** - This policy allows for recognition of gains and losses on retirement of capital assets under the specific identification method to achieve rate smoothing and recovery. Under this method, gains and losses on retirement of capital assets will accumulate for a year and the net gain or loss will either be recognized in a single year or amortized over a specified period not to exceed 10 years. 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 by the end of 2024.
- **Excess coal sale** - Platte River sold \$2.4 million and \$2.6 million of excess coal from the stockpile at the Craig Station in April and October, respectively. The sales resulted in a net loss of \$0.2 million.
- **Fiber management** - Platte River and the owner communities are parties to the Fiber Management Intergovernmental Agreement (Fiber IGA). The Fiber IGA defines terms and conditions for Platte River to provide fiber optic network management and related services to the owner communities. The Fiber IGA was amended to remove all provisions concerning the Long-Haul Fiber Account, which accumulated lease revenues from the long-haul fiber asset over the past few years. Platte River retains ownership of the long-haul fiber assets and all associated fibers and therefore, should retain the lease revenues. The funds accumulated in the Long-Haul Fiber Account of \$2 million were recorded as Platte River revenue in October.

Budget schedules

Schedule of revenues and expenditures, budget to actual

October 2024

Non-GAAP budgetary basis (in thousands)

	Month of October		Favorable
	Budget	Actual	(unfavorable)
Revenues			
<i>Operating revenues</i>			
Sales to owner communities	\$ 17,736	\$ 17,238	\$ (498)
Sales for resale - long-term	1,309	1,299	(10)
Sales for resale - short-term	1,801	2,990	1,189
Wheeling	657	657	-
Total operating revenues	21,503	22,184	681
<i>Other revenues</i>			
Interest income ⁽¹⁾	1,047	1,058	11
Other (loss)/income	(3)	2,063	2,066
Total other revenues	1,044	3,121	2,077
Total revenues	\$ 22,547	\$ 25,305	\$ 2,758
Expenditures			
<i>Operating expenses</i>			
Purchased power	\$ 5,331	\$ 5,823	\$ (492)
Fuel	3,659	3,613	46
Production	4,536	4,586	(50)
Transmission	1,822	1,400	422
Administrative and general	3,020	2,764	256
Distributed energy resources	1,202	1,050	152
Total operating expenses	19,570	19,236	334
<i>Capital additions</i>			
Production	335	460	(125)
Transmission	720	2,388	(1,668)
General	1,214	1,088	126
Asset retirement obligations	78	179	(101)
Total capital additions	2,347	4,115	(1,768)
<i>Debt service expenditures</i>			
Principal	1,183	1,138	45
Interest expense	369	370	(1)
Total debt service expenditures	1,552	1,508	44
Total expenditures	\$ 23,469	\$ 24,859	\$ (1,390)
Revenues less expenditures	\$ (922)	\$ 446	\$ 1,368

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

Schedule of revenues and expenditures, budget to actual

October 2024 year-to-date

Non-GAAP budgetary basis (in thousands)

	October year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
Revenues				
<i>Operating revenues</i>				
Sales to owner communities	\$ 198,193	\$ 193,220	\$ (4,973)	\$ 235,737
Sales for resale - long-term	17,124	14,242	(2,882)	20,086
Sales for resale - short-term	30,552	33,112	2,560	36,356
Wheeling	7,466	8,707	1,241	8,942
Total operating revenues	253,335	249,281	(4,054)	301,121
<i>Other revenues</i>				
Interest income ⁽¹⁾	9,423	9,579	156	11,569
Other income	274	2,589	2,315	282
Total other revenues	9,697	12,168	2,471	11,851
Total revenues	\$ 263,032	\$ 261,449	\$ (1,583)	\$ 312,972
Expenditures				
<i>Operating expenses</i>				
Purchased power	\$ 52,336	\$ 51,860	\$ 476	\$ 63,776
Fuel	42,998	35,232	7,766	51,119
Production	47,144	47,486	(342)	55,842
Transmission	18,088	16,886	1,202	21,412
Administrative and general	30,737	31,111	(374)	36,863
Distributed energy resources	10,694	9,363	1,331	13,664
Total operating expenses	201,997	191,938	10,059	242,676
<i>Capital additions</i>				
Production	10,379	40,142	(29,763)	12,363
Transmission	20,316	22,773	(2,457)	21,957
General	16,617	9,788	6,829	17,979
Asset retirement obligations	778	543	235	933
Total capital additions	48,090	73,246	(25,156)	53,232
<i>Debt service expenditures</i>				
Principal	11,670	11,576	94	14,015
Interest expense	3,934	3,951	(17)	4,667
Total debt service expenditures	15,604	15,527	77	18,682
Total expenditures	\$ 265,691	\$ 280,711	\$ (15,020)	\$ 314,590
Contingency reserved to board	-	-	-	56,000
Total expenditures and contingency	\$ 265,691	\$ 280,711	\$ (15,020)	\$ 370,590
Revenues less expenditures and contingency				
	\$ (2,659)	\$ (19,262)	\$ (16,603)	\$ (57,618)

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

Financial statements

Statements of net position

Unaudited (in thousands)

	October 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	1,504,457	1,473,013
Less: accumulated depreciation and amortization	(1,009,058)	(968,789)
Plant in service, net	514,845	523,670
Construction work in progress	81,226	32,877
Total electric utility plant	596,071	556,547
<i>Special funds and investments</i>		
Restricted funds and investments	19,919	19,192
Dedicated funds and investments	159,380	165,941
Total special funds and investments	179,299	185,133
<i>Current assets</i>		
Cash and cash equivalents	57,057	63,967
Other temporary investments	51,956	47,764
Accounts receivable - owner communities	17,205	16,587
Accounts receivable - other	7,480	7,810
Fuel inventory, at last-in, first-out cost	19,489	16,289
Materials and supplies inventory, at average cost	18,379	17,384
Prepayments and other assets	6,698	7,301
Total current assets	178,264	177,102
<i>Noncurrent assets</i>		
Regulatory assets	129,975	128,868
Other long-term assets	8,614	7,122
Total noncurrent assets	138,589	135,990
Total assets	1,092,223	1,054,772
Deferred outflows of resources		
Deferred loss on debt refundings	1,710	2,413
Pension deferrals	9,787	14,849
Asset retirement obligations	24,595	25,221
Total deferred outflows of resources	36,092	42,483
Liabilities		
<i>Noncurrent liabilities</i>		
Long-term debt, net	107,552	123,071
Net pension liability	28,274	30,520
Other long-term obligations	93,406	94,295
Lease and subscription liabilities	2,579	916
Asset retirement obligations	36,785	32,748
Other liabilities and credits	12,969	8,048
Total noncurrent liabilities	281,565	289,598
<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	1,064	338
Current portion of asset retirement obligations	933	1,547
Accounts payable	17,432	17,668
Accrued interest	1,830	2,081
Accrued liabilities and other	8,959	6,083
Total current liabilities	44,507	41,396
Total liabilities	326,072	330,994
Deferred inflows of resources		
Deferred gain on debt refundings	102	115
Regulatory credits	102,564	72,479
Pension deferrals	-	287
Lease deferrals	704	852
Total deferred inflows of resources	103,370	73,733
Net position		
Net investment in capital assets	464,962	407,439
Restricted	18,089	17,111
Unrestricted	215,822	267,978
Total net position	\$ 698,873	\$ 692,528

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 October	October year to date	
		2024	2023
Operating revenues			
Sales to owner communities	\$ 17,238	\$ 193,220	\$ 183,331
Sales for resale	4,289	47,354	54,145
Wheeling	657	8,707	7,783
Total operating revenues	<u>22,184</u>	<u>249,281</u>	<u>245,259</u>
Operating expenses			
Purchased power	5,823	51,860	49,889
Fuel	3,613	35,232	38,272
Operations and maintenance	6,090	64,790	62,342
Administrative and general	2,786	31,490	26,046
Distributed energy resources	1,043	9,401	6,852
Depreciation, amortization and accretion	3,919	36,197	33,040
Total operating expenses	<u>23,274</u>	<u>228,970</u>	<u>216,441</u>
Operating income	<u>(1,090)</u>	<u>20,311</u>	<u>28,818</u>
Nonoperating revenues (expenses)			
Interest income	1,044	9,390	6,019
Other income	2,063	2,589	315
Interest expense	(370)	(3,951)	(4,400)
Amortization of bond financing costs	111	1,108	1,230
Net (decrease)/increase in fair value of investments	<u>(1,061)</u>	<u>2,241</u>	<u>2,623</u>
Total nonoperating revenues (expenses)	<u>1,787</u>	<u>11,377</u>	<u>5,787</u>
Change in net position	<u>697</u>	<u>31,688</u>	<u>34,605</u>
Net position at beginning of period, as previously reported	<u>698,176</u>	<u>667,185</u>	<u>657,923</u>
Net position at end of period	<u>\$ 698,873</u>	<u>\$ 698,873</u>	<u>\$ 692,528</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 October	October year to date	
		2024	2023
Cash flows from operating activities			
Receipts from customers	\$ 24,569	\$ 248,189	\$ 249,640
Payments for operating goods and services	(13,366)	(139,985)	(142,775)
Payments for employee services	(3,786)	(50,846)	(45,381)
Net cash provided by operating activities	7,417	57,358	61,484
Cash flows from capital and related financing activities			
Additions to electric utility plant	(821)	(69,635)	(17,473)
Payments from accounts payable incurred for electric utility plant additions	(1,747)	(2,136)	(3,493)
Proceeds from disposal of electric utility plant	23	70	118
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	(25)	(704)	-
Net cash used in capital and related financing activities	(2,570)	(93,082)	(39,992)
Cash flows from investing activities			
Purchases and sales of temporary and restricted investments, net	(1,940)	9,720	(11,883)
Interest and other income, including realized gains and losses	3,117	12,341	6,341
Net cash provided by/(used in) investing activities	1,177	22,061	(5,542)
Increase/(decrease) in cash and cash equivalents	6,024	(13,663)	15,950
Balance at beginning of period in cash and cash equivalents	51,033	70,720	48,017
Balance at end of period in cash and cash equivalents	\$ 57,057	\$ 57,057	\$ 63,967
Reconciliation of net operating income to net cash provided by operating activities			
Operating income	\$ (1,090)	\$ 20,311	\$ 28,818
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	3,484	34,338	33,770
Amortization	(166)	(3,518)	(4,710)
Operating expenses relating to other long-term obligations	260	2,426	2,407
Changes in assets and liabilities that provided/(used) cash			
Accounts receivable	2,385	(297)	6,430
Fuel and materials and supplies inventories	2,179	(238)	(7,740)
Prepayments and other assets	(1,000)	(744)	(1,162)
Regulatory assets	96	964	(557)
Deferred outflows of resources	475	1,776	95
Accounts payable	(1,562)	(8,115)	(3,660)
Asset retirement obligations	(179)	1,802	1,009
Other liabilities	2,152	4,739	3,170
Deferred inflows of resources	383	3,914	3,614
Net cash provided by operating activities	\$ 7,417	\$ 57,358	\$ 61,484
Noncash capital and related financing activities			
Additions of electric utility plant through incurrence of accounts payable	3,138	3,138	463
Additions of electric utility plant through leasing and subscription	2,673	2,805	-
Amortization of regulatory asset (debt issuance costs)	6	61	67
Amortization of bond premiums, deferred loss and deferred gain on refundings	(117)	(1,169)	(1,297)

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 October	October year to date	
		2024	2023
Bond service coverage			
Net revenues			
Operating revenues	\$ 22,184	\$ 249,281	\$ 245,259
Operations and maintenance expenses, excluding depreciation, amortization and accretion	19,355	192,773	183,401
Net operating revenues	2,829	56,508	61,858
Plus interest income on bond accounts and other income ⁽¹⁾	3,121	12,168	6,380
Net revenues before rate stabilization	5,950	68,676	68,238
Rate stabilization			
Deposits	-	-	-
Withdrawals	-	-	-
Total net revenues	\$ 5,950	\$ 68,676	\$ 68,238
Bond service			
Power revenue bonds	\$ 1,483	\$ 14,823	\$ 14,819
Coverage			
Bond service coverage ratio	4.01	4.63	4.60

	Month of October	October year to date	
		2024	2023
Fixed obligation charge coverage			
Total net revenues, above	\$ 5,950	\$ 68,676	\$ 68,238
Fixed obligation charges included in operating expenses ⁽²⁾	1,771	16,627	16,888
Adjusted net revenues before fixed obligation charges	\$ 7,721	\$ 85,303	\$ 85,126
Fixed obligation charges			
Power revenue bonds, above	\$ 1,483	\$ 14,823	\$ 14,819
Fixed obligation charges ⁽²⁾⁽³⁾	1,797	17,330	16,888
Total fixed obligation charges	\$ 3,280	\$ 32,153	\$ 31,707
Coverage			
Fixed obligation charge coverage ratio	2.35	2.65	2.68

⁽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

October and November 2024



Business Strategies

Communications, marketing, and external affairs

During October and November, communications, marketing, and external affairs staff completed the projects and activities listed below.

Communications

- News releases
 - Oct. 31 – Platte River welcomes new board member ([link](#))
 - Nov. 1 – Platte River hosts South African delegation at Rawhide Energy Station ([link](#))
 - Nov. 13 – Platte River and owner communities take charge with battery storage projects ([link](#))
 - Nov. 20 – Platte River names new chief generation and transmission officer ([link](#))
- Social media highlights:
 - National Cybersecurity Awareness Month ([link](#))
 - Fire Prevention Week ([link](#))
 - Virtual power plant education feature (shared from LPC) ([link](#))
 - Public Power Week series (link: [example](#))
 - Energy market education feature ([link](#))
 - United Way fundraising campaign post ([link](#))
 - Grid Deployment Office video share ([link](#))
 - Halloween safety tips ([link](#))
 - Board member appointment ([link](#))
 - Various group tours of Rawhide Energy Station (example: [link](#))
 - Veterans Day ([link](#))
 - Community storage news release ([link](#))
 - Chief generation and transmission officer announcement ([link](#))

Community relations

- Sponsored and participated in Sustainable Resilient Longmont's Electrify Longmont event.
- Hosted a winter clothing drive for Homeward Alliance. Employees donated new or gently used coats, boots, hats, gloves and warm clothing for community members in need.

- The community support and involvement committee approved a \$2,500 donation to Wish for Wheels. Through our donation, 25 deserving students at Beattie Elementary received bicycles and helmets. Employees volunteered and helped to build the bikes and fit the bikes and helmets for students.
- Sponsored the Loveland Chamber of Commerce Annual Dinner.
- Participated in Colorado State University's Festival on the Oval alongside community partners from the Energy Institute.
- Served as the guest/featured presenter for the Loveland-Berthoud Realtors Association, Sertoma Club and Loveland Key Accounts meeting.
- Hosted Four Cities Safety Meeting in the Energy Engagement Center.
- Concluded the annual United Way fundraising campaign, raising over \$100,000 from employee donations and Platte River's cornerstone partnership contribution.

Marketing

- Continued the Giving You the Power campaign to all four owner communities via digital and traditional tactics including broadcast radio and television, print ads in local newspapers, digital and vinyl billboards, digital advertising, YouTube videos, streaming video, Facebook and Instagram.
- The Giving You the Power campaign recorded more than four million impressions during the reporting period, and outperformed industry standards for display advertising, paid search, YouTube streaming and digital video streaming through News9. This data is used to inform tactics for future campaigns to ensure maximum impact in Platte River's owner communities.
- Planned and conducted focus groups, including internal Platte River staff and owner community staff, that will help to shape the primary public education messages for 2025. The focus groups will continue through early December.
- Four Efficiency Works marketing campaigns that launched in September continued through the months of October and November.
- Continued an overall brand awareness marketing campaign, encompassing radio and streaming ads, print media, digital platforms and social media. The campaign will run through the end of the year.
- Conducted a marketing campaign for the Efficiency Works Business program, highlighting a limited-time 25% bonus on eligible rebates. The campaign targets commercial customers and spans radio and TV ads, print media, digital platforms and social media.
- Kicked off a marketing campaign for the Efficiency Works Homes program, highlighting the \$500 bundling bonus rebate. The campaign targets eligible residential customers and spans print media, digital platforms and social media.
- Completed a digital marketing campaign for National Drive Electric Week promoting the Efficiency Works EV Shopping tool and Fleet Planner tool.

External affairs

- Concluded the 2024 Integrated Resource Plan engagement with a final presentation to the American Society of Civil Engineers.
- Continued legislative stakeholder meetings ahead of the 2025 legislative session with:
 - Colorado state Representatives Ron Weinberg, Judy Amabile and Andrew Boesenecker.
 - Congressional staff from U.S. Senator Michael Bennet's office and U.S. Representative Joe Neguse's office.
 - Government affairs staff from the Colorado Energy Office, Tri-State Generation and Transmission Association and the State Chamber of Commerce.
- Attended:
 - Colorado Association for Municipal Utilities' fall meeting in Colorado Springs, CO.
 - Large Public Power Council State Issues Working Group in-person meeting in Charleston, SC.
 - Conducted a headquarters tour for Estes Park Town Board Trustee Cindy Youngland and Fort Collins Councilmember Susan Gutowsky.
- Conducted Rawhide tours for:
 - Town Trustees and Councilmembers: Estes Park Town Trustees Bill Brown and Cindy Youngland; Fort Collins Councilmembers Susan Gutowsky and Melanie Potyondy; Longmont Mayor Pro Tem Susie Hidalgo-Farhing; and Loveland Councilmember Steve Olson.
 - State legislators, legislative staff and other legislative stakeholders: Colorado state Representatives Cathy Kipp, Karen McCormick, Junie Joseph and Ryan Armagost; Colorado state Representative candidate Lori Garcia Sander; Colorado state Senators Rachel Zenzinger, Chris Hansen and Janice Marchman; Congressional staff from U.S. Senator John Hickenlooper's office and U.S. Representative Joe Neguse's office; and staff from the Colorado Energy Office and Colorado Municipal League.
 - Twenty-two neighbors living within a three-mile radius of the Energy Station as part of ongoing community engagement efforts for our 1041 permit.
 - Thirteen delegates from the South African Municipal Energy Reverse Trade Mission.

Grants

- Received notification from the Department of Energy that Platte River's GRIP grant application was not selected for award.
- Supported the Grid Deployment Office to complete and release a promotional video about Platte River's \$350,000 microgrid grant for our battery energy storage system in Estes Park.

Human resources

Human resources conducted multiple interactive training sessions on the new merit allocation process. These sessions were specifically designed to walk people leaders through the nuances of assigning merit pay using performance as an input. Additional sessions were provided for all employees and were designed to facilitate understanding and transparency into the merit allocation process.

The director of human resources and safety led the annual human resources and safety team meeting that included a review of 2024 objectives and accomplishments and set expectations for 2025.

Safety

- All safety staff assisted with the forced outage at Rawhide to provide safety procedure oversight and a successful outcome.
- The safety manager and emergency services specialist participated in the annual site and asset insurance assessment at Rawhide. There were no significant findings and results showed another year of exceptional rating for safety and fire protection.
- Annual fire extinguisher inspections and recharges were completed for Rawhide, substations, and fleet vehicles.
- The safety manager and headquarters safety specialist collaborated with the communications, marketing, and external affairs team to complete and implement the Energy Engagement Center (EEC) emergency evacuation video. The video will be used to provide the evacuation procedure to external parties who are attending a Platte River meeting or using the EEC to host their meeting.
- The emergency services specialist attended a Hamilton Reservoir dam risk assessment planning session with other Platte River staff and representatives from the Colorado Department of Public Health and Environment.

• Injury statistics	2022 year end	2023 year end	YTD through October 2023	YTD through October 2024
Recordable injury rate	1.25	1.98	2.41	1.77
DART	0.00	0.39	0.74	0.00
Lost time rate	0.00	0.39	0.00	0.00

Platte River had zero recordable or lost time injuries in October.

Injury statistics	2022 year end	2023 year end	YTD through November 2023	YTD through November 2024
Recordable injury rate	1.25	1.98	2.15	1.62
DART	0.00	0.39	0.43	0.00

Injury statistics	2022 year end	2023 year end	YTD through November 2023	YTD through November 2024
Lost time rate	0.00	0.39	0.00	0.00

Platte River had zero recordable or lost time injuries in November.

Emergency response team (ERT)

- Two licensed emergency medical technicians attended a multi-day emergency medical services conference to further develop their skills as required to renew their licenses.
- ERT trainings were conducted in October and November for both crews at Rawhide.

Financial

2025 budget update

Included in this month's board materials is a memorandum accompanying the final budget document, as well as a proposed resolution to adopt the 2025 Strategic Budget and appropriate funds for 2025 expenditures. At the board meeting, staff will present a review of the budget changes since the public hearing and a brief recap of the budget results, and then ask the board to adopt the 2025 Strategic Budget.

Below is a condensed schedule of the overall budget process.

March to May	Kickoff presentations and preparation of budget details by departments
May-June	Data compilation, reporting and meetings with division managers
July	Senior leadership and general manager/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

Preliminary financial audit work

During the week beginning November 18, Forvis Mazars, Platte River's external auditors, reviewed documentation on financial processes, met with staff to review internal controls and discuss fraud risk, and reviewed documentation related to the Sept. 30, 2024 financial results.

Credit rating update

Fitch Ratings conducted its annual surveillance of Platte River. After completing its review, Fitch Ratings concluded that there is no change to the existing rating or rating outlook. Platte River’s bonds are rated AA with a stable outlook.

Clean energy transition and integration

Distributed energy solutions

In October and continuing into early November, the Distributed Energy Solutions team focused on three areas: regional partnerships and collaboration with other utilities across the country, supporting the owner communities accounts teams, and conducting contractor trainings and outreach. This focus on regional partnerships was combined with preparing customer energy programs for 2025 program updates. Existing customer energy programs are offered under the Efficiency Works™ brand. Key program achievements year to date (YTD) include the following:

\$7.3 M	4,524	234	4,218
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 additional customer energy programming impacts year to date within our owner communities. Additional detailed department achievements in October and early November include the following:

- Efficiency Works Homes hosted an all-day heat pump training for regional HVAC technicians and installers in the EEC, with nearly 50 attendees. The training included a guest lecturer from Minnesota's Center for Energy and Environment.
- The Efficiency Works Business team presented at the Longmont Key Accounts meeting and had informational tables at the Fort Collins and Loveland fall key account meetings.
- Staff attended the fall in-person Large Public Power Council E-Mobility Task Force meeting in Orlando. Discussions revolved around electric

9,066 MWh saved 7,844 MWh savings in progress
1,032 KW peak demand reduced 323 KW peak reduction in progress
1,187 MWh electrified
120,318 natural gas therms saved
5,766,996 water gallons saved
57 events and trainings
3,289 local students engaged
Program metrics (YTD)

vehicle adoption within the United States, with specific topics relating to customer programs, rates, policy, and interconnection standards.

Through October 2024, Efficiency Works programs have provided services for energy efficiency, building electrification, water savings and electric vehicles and have invested \$7.3 million to provide 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.

Power supply

Fuels and water

Chimney Hollow Reservoir

The main dam at Chimney Hollow reservoir is now over 80% complete. At this height, the work area at the dam crest has become so constricted that the contractor has shifted to a split work schedule, placing the asphalt core and crushed aggregates during the day and placing rockfill at night. This change in operations is part of the overall construction plan and indicates the project is nearing completion. Main dam progress remains ahead of schedule, with just under 70 feet to go and overall project completion expected in summer 2025.



Chimney Hollow Reservoir main dam (looking southwest)

Windy Gap Firing project

A key piece of the Windy Gap Firing project environmental mitigation plan is the Colorado River Connectivity Channel (CRCC) project. When the original Windy Gap project was built on the Colorado River, it created a disconnect in the river at the Windy Gap reservoir, impacting aquatic habitat and species in the region. The CRCC project seeks to mitigate the impacts of Windy Gap reservoir by reducing the footprint of the dam and constructing a channel around the reservoir (see image) to reconnect the upstream and downstream portions of the river. This will allow for the natural passage of fish, sediment and invertebrates. On Oct. 15, federal, state and local officials joined project partners to celebrate the CRCC project completion with a ribbon-cutting event. According to state fisheries biologists, native fish species have already started using the completed channel. For additional information on this important project, please visit the project website at: <https://www.northernwater.org/crcc>.



Colorado River Connectivity Channel project (looking east)

Coal supply

Since late 2022, Powder River Basin coal prices have steadily declined as market influences have normalized (mine production capacity, railroad performance, etc.). On Oct. 10, Platte River executed a price lock option for the commodity costs on all 2026 Rawhide coal supplies. Market conditions were favorable and locking the coal price removes a significant power supply cost variable and enhances budget certainty for Rawhide Unit 1 fuel expense through the end of 2026.

Portfolio strategy and integration

Resource integration

Platte River estimates that the amount of surplus capacity it has available for sale in 2025 is approximately 40 MW. Platte River solicited interest from several potential counterparties and seeks to finalize agreements with two counterparties in December 2024.

Platte River staff continues to progress in negotiating and finalizing a 75-100 MW four-hour utility-scale energy storage services agreement. The negotiation of this agreement remains on target and is estimated to be completed by the year's end.

Resource planning

The resource planning team wrapped up public engagements to share the results of the 2024 Integrated Resource Plan, completed the intra-year 2024 Power Supply Plan update, provided analytical support and a risk analysis related to the new wind generation procurement, and worked with a consultant to develop an internal Platte River load forecasting model. Key activities included:

- Ran a risk analysis of future wind procurement between 0-250 MW versus purchases of market energy.
- Tested the impacts that future Southwest Power Pool transmission tariffs could have on export volumes and revenue.
- Calculated liquidated damages related to the early retirement of the Medicine Bow Wind project to recover costs, per the contract.
- Reviewed the economic impact of failing to meet minimum coal burns at Rawhide and supported the development of bidding strategies to optimize the tradeoff between fuel savings versus coal minimum delivery fees.
- Completed contracting to procure future power, gas and coal forecasts from two additional vendors.