Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

May 29, 2025

Average wholesale rate 2026 rate increase and tariff schedule charges

Shelley Nywall, director of finance

Wade Hancock, senior manager, financial planning and rates

Discussion

- Platte River financial governance framework
- Historical average wholesale rates
- What is driving rate increases?
- What actions are being taken to stabilize rates?
- Why do rate projections change?
- What are the 2026 rate tariff schedules?
- What's next?

Platte River financial governance framework

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

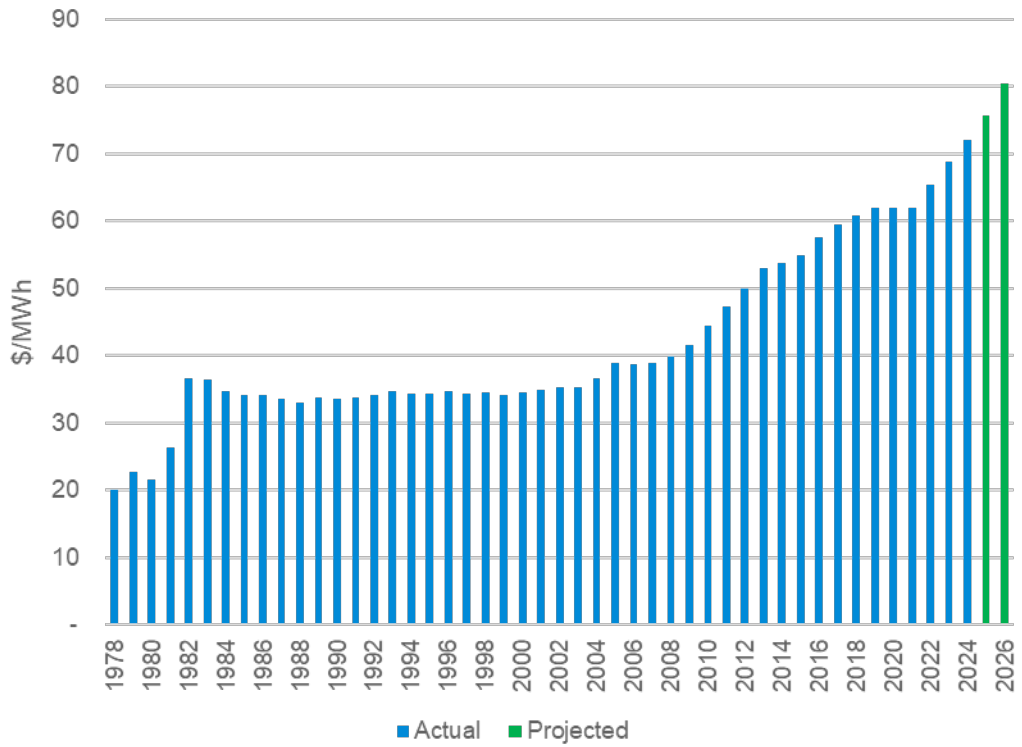
Financial sustainability: Rate setting

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

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

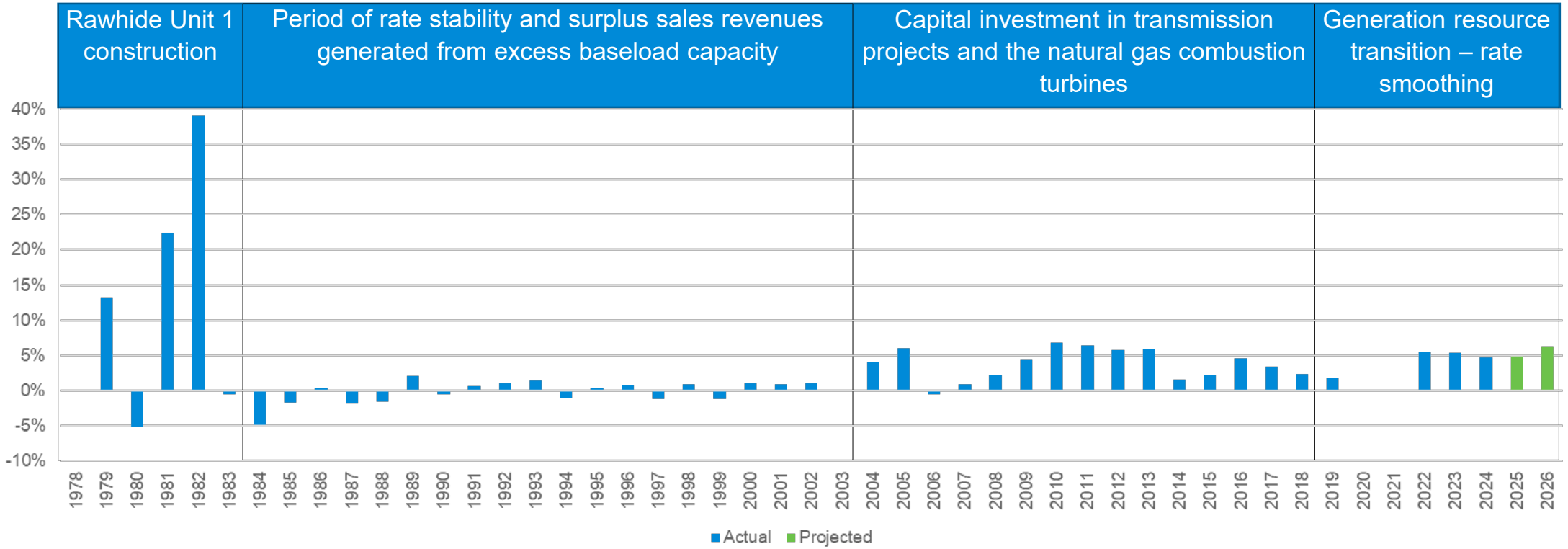
Historical average wholesale rates

Average wholesale $/MWh



- 1978 – 1984
  - 9.6% average annual increase
  - Significant rate increases (73%) with Rawhide Unit 1 construction
- 1984 – 2003
  - 0.1% average annual increase
  - Period of rate stability and surplus sales revenues generated from excess capacity
- 2003 – 2021
  - 3.2% average annual increase
  - Natural gas capacity expansion
  - Transmission capital investment
- 2021 - 2026
  - 5.3% average annual increase
  - Generation resource transition

Average wholesale $/MWh percent changes

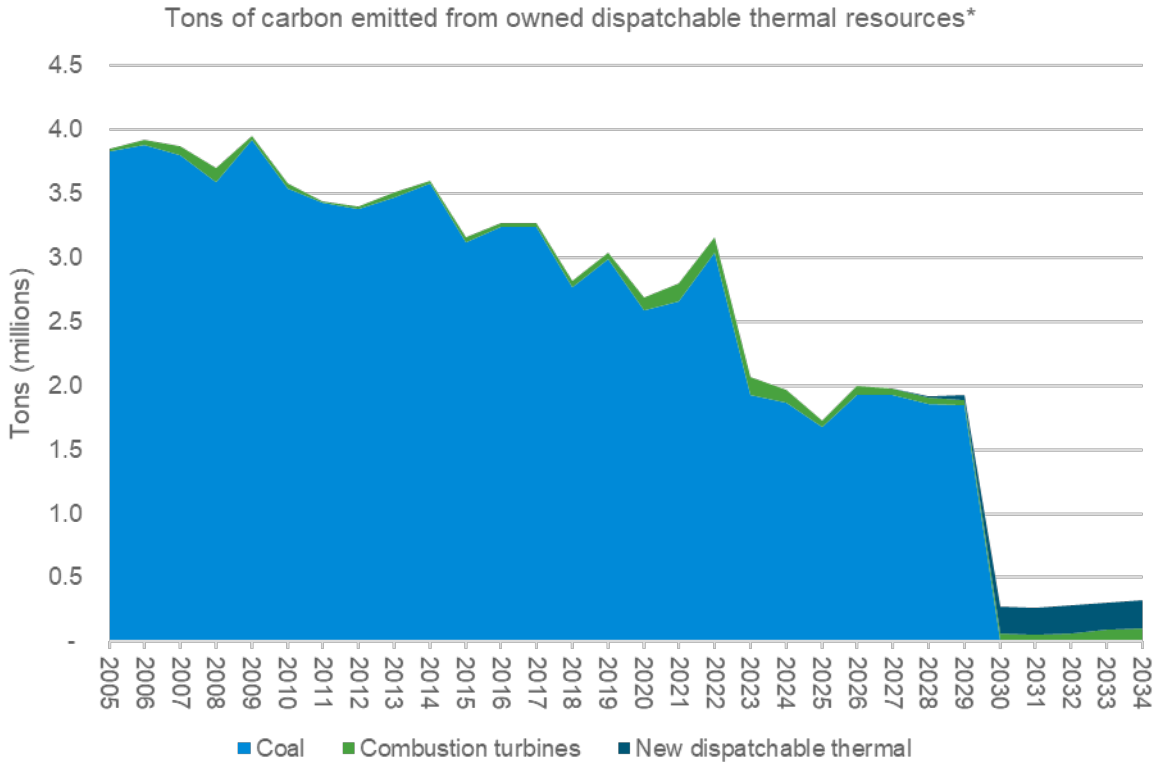


What is driving rate increases?

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

Our energy future

- Commitment to providing reliable, environmentally responsible and financially sustainable energy and services to its owner communities
- Committed to helping its owner communities pursue carbon emissions reduction by integrating noncarbon and lower carbon emitting assets



Projections are subject to change

*Excludes carbon emissions from market purchases

The short story

Resource transition	• Resource Diversification Policy (RDP) - Board-adopted 2018 - Important advancements must occur - Maintain 3 foundational pillars • Replacing existing low-cost coal resources with - More expensive noncarbon energy - New dispatchable technologies to maintain reliability • Completed in less than 11 years
Expenses	• Costs increasing due to supply chain issues, economic externalities and labor • Increase in costs = increase in wholesale rates • Rate stability strategies implemented and maximized while meeting Strategic Financial Plan metrics • Projected rate increases will fluctuate - Cost changes - Uncertainty always exists but substantial during the transition period
2026 average wholesale rate recommendation	• 6.3% increase; consistent with last year's projection • Will vary to each owner community based on energy usage and load profiles

Long-term rate projections

Refining assumptions across several critical factors to improve the accuracy of revenues and expenses; will be provided when available

- Revenue generation
- Economic externalities
- Organized energy markets
- Operations and maintenance expense forecast
- Capital forecast
- Load forecast

What actions are being taken to stabilize rates?

Applying Strategic Financial Plan rate stability strategies

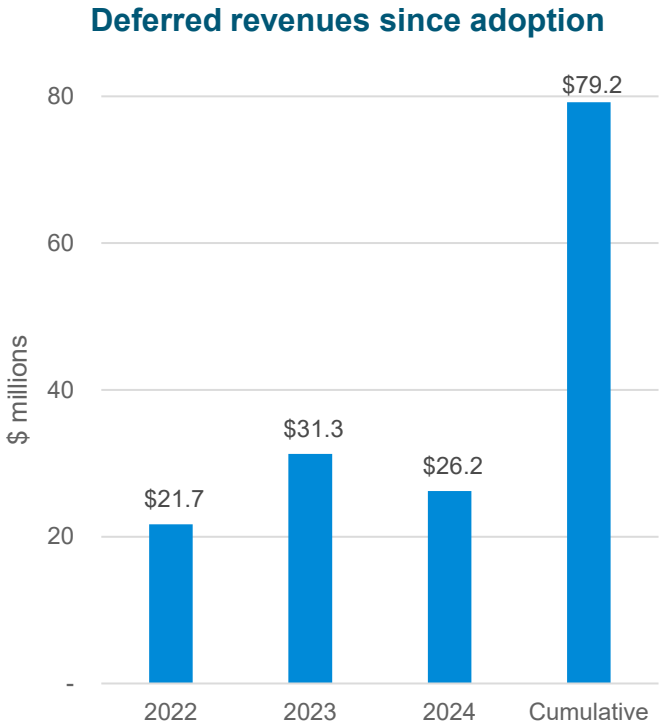
Rate stability strategies

Accomplish specified financial objectives and avoid rate spikes

- Fiscal responsibility
  - Revenue and expense management
- Rate smoothing
  - Multi-year rate analysis
  - Accounting policies under GASB 62

Deferred revenue and expense accounting policy

- Board adopted in 2022
- Help reduce rate pressure and achieve rate smoothing
  - Defer revenues earned and expenses incurred in one period
  - Recognize in one or more future periods



Why do rate projections change?

Changing assumptions due to uncertainty and the condensed time frame to achieve the RDP goal

Modeling uncertainties

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

- Asset integration schedule
- Asset sales
- Capital investment forecast
- Commodity prices
- Debt issuance costs
- Decommissioning and plant closure
- Deferred revenues and expenses
- Distributed energy resources and strategy
- Economic externalities
- Federal hydropower allocations
- Integrated resource plan
- Load forecast
- Noncarbon energy curtailments
- Operations and maintenance forecasts
- Organized energy markets
- Regulations
- Resource Diversification Policy
- Staffing
- Surplus sales

What are the 2026 rate tariff schedules?

Firm Power Service Tariff (Tariff FP-26)

Standard Offer Energy Purchase Tariff (Tariff SO-26)

Wholesale Transmission Service Tariff (Tariff WT-26)

Large Customer Service Tariff (Tariff LC-26)

Firm Power Service Tariff (Tariff FP-26)

Average wholesale rate recommendation

6.3% average wholesale rate increase (2025 Strategic Budget to 2026 budget)

	2025 budget	2026 estimate	% change
Revenues (millions)	$248.4	$260.9	5.0%
Energy sales (GWh)	3,287.2	3,247.7	-1.2%
Average rate ($/MWh) *	$75.58	$80.34	6.3%

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

Owner community charges and revenue

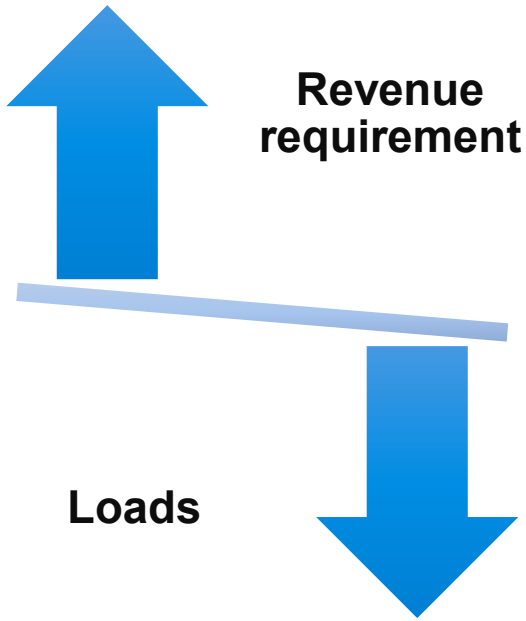
		2025 budget		2026 estimate		Change	
		Charge	Revenue	Charge	Revenue	Charge	Revenue
Owner community charge	$/month per owner community allocation	$15,351	$17.9	$16,841	$19.6	9.7%	9.5%
Demand charges							
Transmission	$/kW-mo of noncoincident billing demand	$6.70	$45.9	$7.04	$47.3	5.1%	3.1%
Generation: summer	$/kW-mo of coincident billing demand	$7.42	$19.5	$8.12	$20.5	9.4%	5.1%
Generation: nonsummer	$/kW-mo of coincident billing demand	$5.94	$24.7	$6.60	$27.3	11.1%	10.6%
Energy charges							
Fixed	$/kWh for all energy supplied	$0.01770	$56.6	$0.01871	$59.1	5.7%	4.4%
Variable [1]	$/kWh for all energy supplied	$0.02458	$83.8	$0.02583	$87.1	5.1%	3.9%
Revenues (millions)			$248.4		$260.9		5.0%
Energy sales (GWh)			3,287.2		3,247.7		-1.2%
Average rate ($/MWh)			$75.58		$80.34		6.3%

[1] Revenue includes large customer service

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

Firm Power Service changes

Average rate



Revenue requirement

- Black Hollow Sun full year
- Financing for Chimney Hollow Reservoir and new dispatchable generation
- Technology expenses
- Operations and maintenance expenses
- Personnel
- Lower interest income

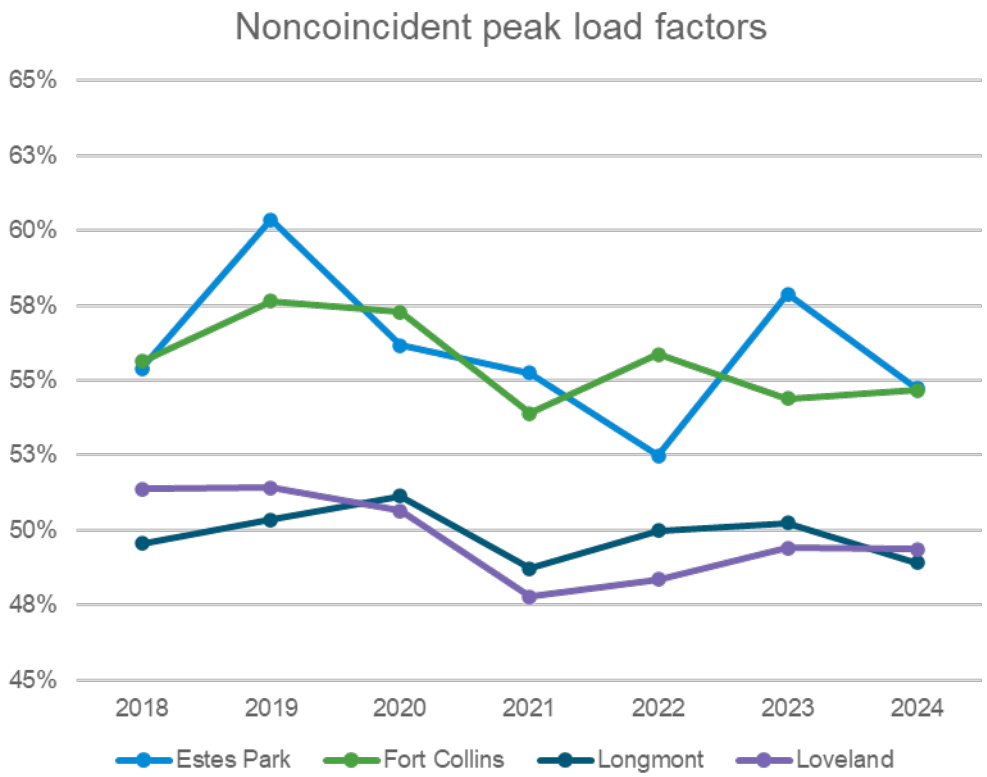
Loads

- Updated annually
- Lower total energy growth than previous forecasts
- Forecast projects growth attributed to projected building electrification, electric vehicles and distributed energy resources

Owner community impacts

		Estes Park	Fort Collins	Longmont	Loveland*	Platte River
2025	Average rate ($/MWh)	$71.17	$74.52	$76.90	$77.03	$75.58
	Energy sales (GWh)	142.9	1,527.9	865.0	751.4	3,287.2
	Revenues (millions)	$10.2	$113.8	$66.5	$57.9	$248.4
2026	Average rate ($/MWh)	$76.49	$79.14	$82.09	$81.48	$80.34
	Energy sales (GWh)	140.1	1,507.7	852.7	747.2	3,247.7
	Revenues (millions)	$10.7	$119.3	$70.0	$60.9	$260.9
	Average $/MWh change	7.5%	6.2%	6.7%	5.8%	6.3%

*Includes large customer service



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Firm Power Service charge changes

2024 actual loads

Load year Tariff charges	2024 actual FP-25	2024 actual FP-26
Revenues (millions)	$244.2	$258.2
GWh	3,181.1	3,181.1
$/MWh	$76.78	$81.18
Change due to load		-
Change due to charges		5.7%
$/MWh change		5.7%

Budgeted loads

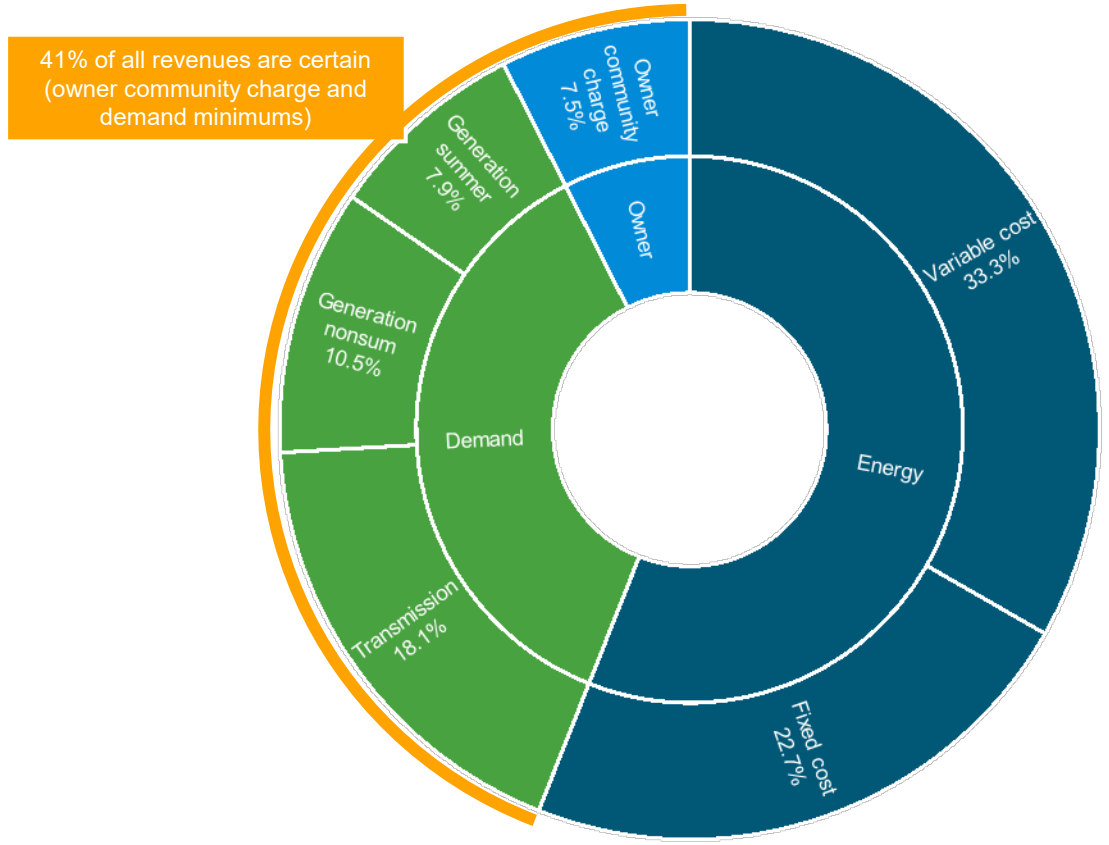
Load year Tariff charges	2025 budget Tariff FP-25	2026 estimate Tariff FP-25	2026 estimate Tariff FP-26
Revenues (millions)	$248.4	$246.8	$260.9
Energy sale (GWh)	3,287.2	3,247.7	3,247.7
Average rate ($/MWh)	$75.58	$75.99	$80.34
Change due to load		0.6%	
Change due to charges			5.7%
$/MWh change			6.3%

Monthly 2026 budget estimate detail is provided to the owner community rate staff

Owner community revenues

	2026 revenue $ millions	% of revenues
Charges		
Owner community charge	$19.6	7.5%
Demand charges		
Transmission	$47.3	18.1%
Generation: summer	$20.5	7.9%
Generation: nonsummer	$27.3	10.5%
Energy charges		
Fixed	$59.1	22.7%
Variable*	$87.1	33.3%
Revenue allocation	$260.9	100.0%

*Includes large customer service



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2026 other rate tariff schedules

Standard Offer Energy Purchase Tariff (Tariff SO-26)

Wholesale Transmission Service Tariff (Tariff WT-26)

Large Customer Service Tariff (Tariff LC-26)

Standard Offer Energy Purchase Tariff (Tariff SO-26)

Applicability	• Power production facilities registered with the Federal Energy Regulatory Commission as Qualifying Facilities under the Public Utility Regulatory Policies Act and are electrically connected to Platte River's transmission system or the distribution system of one of Platte River's owner communities • Evaluating the impact of Southwest Power Pool Regional Transmission Organization West (SPP RTO West) participation • Any changes included in September board materials
Calculation	• Hourly resource model marginal cost analysis • Balance of owner community load after 'must-take' energy projections • Remaining hourly load served by lowest marginal cost resource: coal-fired generation, natural gas-fired generation and market purchases • Hourly average determines the avoided energy rate

Avoided energy rate	• 8.7% decrease to $0.02126 from $0.02328 per kilowatt hour
	  • Increased availability of 'must-take' energy with the full year of Black Hollow Sun
	  • Fewer hours requiring higher-cost natural gas generation as the marginal resource, and a reduction in market purchases

Other tariff schedules

Wholesale Transmission Service Tariff (Tariff WT-26)

- Consent agenda; effective June 1
  - Process may change in future years as an SPP RTO West participant
- Transmission service charged to third parties
- Charges based on prior year actuals

Large Customer Service Tariff (Tariff LC-26)

- Charges established through separate board approved contract
- Charges based on load characteristics, service requirements, and related costs to serve
- Provides ability to recover new infrastructure costs

What’s next?

Summary and next steps

- Financial sustainability: Rate setting
  - Strategic Financial Plan
  - Rate setting policy
- Rates
  - 6.3% in 2026
  - 2026 Firm Power Service charges provided
    - Pending board direction and barring any unanticipated significant events, the recommended charges will remain unchanged
- Next steps
  - June: Joint rates staff meeting and information will be provided
  - September: Draft tariff schedules
  - October: Board approval of the 2026 Rate Tariff Schedules
  - Continue preparing for and assessing SPP RTO West participation impacts
  - Long-term rate projections will be provided when available

Questions

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Board of directors

May 29, 2025

Public education update

Kathleen West, supervisor, communications, community relations and public education

Shift from marketing to public education

- Platte River's "marketing" program is shifting to public education as it better reflects our goals for the program:
  - Introduce Platte River to the owner communities as a community-owned public power utility
  - Proactively share progress on the Resource Diversification Policy (RDP)
  - Continue to collaborate with owner community staff on aligned messaging
- Key strategic shifts:
  - Tone shift from persuasive to educational
  - Targeted message placement for strategic impact
  - Multiple voices featured as part of campaign narration – speaking in a regional voice on the energy transition

Upcoming summer/fall education campaign

Three primary focus areas:

1. How Platte River and the owner communities are collaborating to reach our shared goals
2. Progress on the RDP
3. The value of the energy transition

1. Platte River and community collaboration

Key messages:

- A legacy of collaboration – since forming Platte River in 1973, the four owner communities and Platte River have worked closely together on many initiatives, including compliance, fiber, engineering, energy efficiency and DER programs and more
- Our regional energy transition is a continuation of our collaborative legacy

This part of the campaign will be narrated primarily by Platte River's board members.

2. Progress on the Resource Diversification Policy

Key messages:

- Since the RDP was passed in 2018, we have installed more than 1.3 million megawatt hours of noncarbon energy with another 250,000 megawatt-hours of additional solar energy coming online in 2026
- These renewables will be firmed by a utility-scale energy storage project, distributed energy storage projects in your communities, a virtual power plant and aeroderivative turbines

This part of the campaign will be narrated primarily by Platte River team members who are working on key areas of the transition.

3. Value of the energy transition

Key messages:

- The value of the energy transition through the voices of the four communities – how does the energy transition help each community achieve their future goals?

This part of the campaign will be narrated primarily by the four distribution utilities' team members.

How, where and when will the message be shared?

- How: videos for each of the three primary focus areas, with accompanying graphics
- Where:
  - YouTube, streaming, traditional broadcast television
  - Social media, digital ads
  - Local radio and digital/print newspapers
- When:
  - Will launch in a phased approach starting in late-June, continuing through mid-November

Questions?

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Board of directors

May 29, 2025

2025 Colorado legislative session recap

Javier C. Camacho, senior manager, external affairs

Leigh Gibson, senior external affairs specialist

Session context

- Legislators had to fill a $1B deficit in general funds, driven largely by rising costs in Medicaid, with cuts to many departments, programs and projects. Bills with large fiscal notes faced an uphill battle.
- Democratic legislators geared up to push back against President Donald Trump. Democratic legislators hoped to "build a blue wall" or shore up protections against the new administration in immigration, abortion, gun control, labor, transgender rights and more.
- State Democrats lost their supermajority in the House but retained majorities in both chambers. The 2025 General Assembly skewed more moderate than the 2024 General Assembly.
- A State Chamber-commissioned study found that with nearly 200,000 unique regulations, Colorado is the sixth most regulated state in the nation, posing barriers to businesses' growth in the state. Bills resulting in additional regulations for industry faced some scrutiny.

Outlook for utilities

- Governor Jared Polis had struck a deal with environmental groups in 2024, passing new oil and gas legislation in return for no new energy and environment policy-changing legislation in 2025.
- At the same time...
  - The General Assembly included a significant amount of freshman, vacancies, and new committee leaders
  - Repeals of federal environmental regulations could cause state legislators to pass more stringent state standards (for example, the Sackett decision)
  - The Colorado Energy Office made clear that it would push for legislators to introduce a net-zero by 2040 bill, accelerating utilities' clean energy goals by a decade
  - From conversations with legislators and other utilities' government affairs staff, we anticipated legislation in public power resource planning as well as wildfire and public safety power shutoff

Session recap

- The 75th General Assembly concluded on May 7
- Legislators passed nearly 500 bills
- Governor Polis has until June 6 to sign or veto bills
- The budget, gun control, abortion, labor, transgender rights, ride share safety, social media and AI were among the most popular issues debated
- Utilities received much less attention compared to other sessions in recent history
- Municipal utilities enjoyed a very successful session, most notably persuading the Colorado Energy Office to defer the introduction of net-zero by 2040 legislation to 2026

Tracking and lobbying legislation

- Platte River tracked about a tenth of the bills introduced
  - Nearly 40 bills specific to energy and the environment
  - About 20 broader business bills
- Platte River took positions on seven bills

Legislative victories – House bills

Bill number / Platte River position	What the bill does	Outcome
HB25-1096 Automated Permits for Clean Energy Technology	Updates the streamlined solar permitting and inspection grant program, which provides funding for the adoption and implementation of automated permitting and inspection software.	Passed
HB25-1119 Require Disclosures of Climate Emissions / OPPOSE	Requires each entity that does business in Colorado and has total revenues of $1B+ to publicly disclose its total greenhouse gas emissions.	Died
HB25-1234 Utility Consumer Protection	Prohibits an electric or gas utility from requiring an energy assistance applicant to disclose their citizenship or immigration status; for IOUs, adds to the circumstances under which disconnection is prohibited.	Passed
HB25-1241 Public Accessibility of Emissions Records / OPPOSE	Requires owners and operators of stationary sources to make emissions records public and accessible through a link on their website.	Died
HB25-1260 Electrical Generation and Distribution Resiliency / OPPOSE	Requires electric utilities to evaluate the reliability of electrical generation and grid resilience after experiencing geomagnetic storms and submit a report.	Died
HB25-1267 Support for Statewide Energy Strategies	Requires the state to adopt rules concerning retail electric vehicle charging by 2026 with enforcement starting in 2027; charging stations owned by, maintained, or used by a public utility are exempt.	Passed
HB25-1286 Protecting Workers from Extreme Temperatures	Reverses the 2024 decision to limit who is authorized to inspect backflow prevention devices. The bill clarifies that inspection, testing or repair of backflow prevention devices does not require a state plumbing license.	Died
HB25-1292 Transmission Lines in State Highway Rights-of-Way	Allows a transmission developer to locate high voltage transmission lines within a state highway right-of-way.	Became law

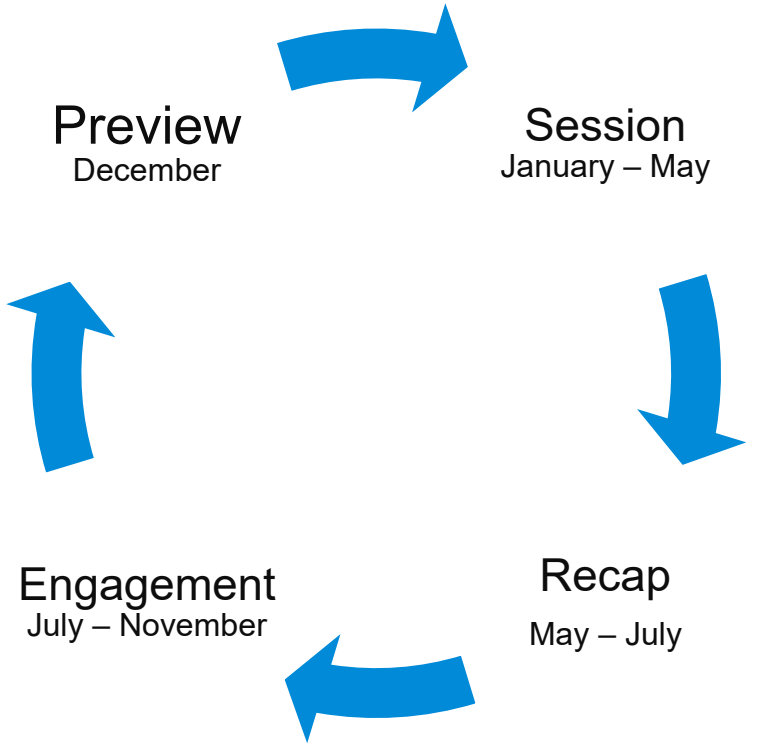
Legislative victories – Senate bills

Bill number / Platte River position	What the bill does	Outcome
SB25-068 Municipal Utility Unclaimed Deposit Program / SUPPORT	Clarifies that MOUs can voluntarily elect to participate in Colorado's Unclaimed Utility Deposit Program but are not required to.	Became law
SB25-127 Optimizing Colorado Electric Transmission System	Expands the Colorado Electric Transmission Authority (CETA) and requires it to facilitate coordinated statewide planning.	Died
SB25-280 Data Center Development and Grid Modernization Act	Creates a program to offer tax benefits to eligible data centers, which need to secure a letter of support from the proposed utility provider to reap the benefits.	Died
SB25-299 Consumer Protection Residential Energy Systems	Creates disclosure requirements for residential solar or battery transactions to increase consumer protection.	Passed
No bill number Net-Zero By 2040	Would have accelerated Colorado utilities' clean energy planning goals by a decade.	Not introduced

Next steps

- Possible special session
- Session recaps with Platte River and municipal staff
- Net-zero by 2040 stakeholder process
- Engagement with legislators and legislative stakeholders to (1) share the Platte River story and the value of public power and (2) learn about stakeholders' legislative plans for the upcoming session
    - 1:1 meetings
    - Rawhide tours

State legislative affairs at Platte River



Questions

Javier C. Camacho, senior manager, external affairs

Leigh Gibson, senior external affairs specialist

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Annex – Other tracked House bills

Bill number / Platte River position	What the bill does	Outcome
HB25-1040 Adding Nuclear as a Clean Energy Resource / SUPPORT	Updates two statutory definitions to include nuclear energy in “clean energy” and “clean energy resources.”	Became law
HB25-1042 Air Quality Control Regulation Workforce Impact / SUPPORT	Creates a workforce advisory council to discuss recommendations for incorporating workforce impact analyses into air quality rulemaking procedures.	Died
HB25-1077 Backflow Prevention Devices Requirements	Exempts individuals engaged in the business of inspecting, testing or repairing backflow prevention devices from plumbing licensure requirements.	Signed into law
HB25-1165 Geological Storage Enterprise and Geothermal Resources	Makes several changes to laws concerning the administration of underground geothermal resources to streamline development.	Passed
HB25-1268 Utility On-Bill Repayment Program Financing	Requires the CEO to establish a state on-bill repayment program to help utilities finance energy efficiency and electrification measures repaid through customers’ monthly utility bill payments (voluntary for municipal utilities).	Died
HB25-1269 Building Decarbonization Measures	Updates commercial building performance standards; public buildings are exempt from fees and penalties.	Passed
HB25-1300 Workers’ Compensation Benefits Proof of Entitlement	Provides injured workers control over the selection of their primary treating physician in workers' compensation cases, increasing the number of physicians from which workers can choose from four to >1,000.	Vetoed

Annex – Other tracked Senate bills

Bill number / Platte River position	What the bill does	Outcome
SB25-077 Modifications to Colorado Open Records Act (CORA) / SUPPORT	Makes a variety of changes to CORA, for example extends the time to respond a request from three to five days.	Vetoed
SB25-254 Transfer Stationary Fund Sources Control Fund	Requires the State Treasurer to transfer $5M from the General Fund to the Stationary Sources Control Fund; as a condition of the transfer, the Air Pollution Control Division must report on the implementation of efficiency improvement projects.	Passed
SB25-306 Performance Audit of Certain State Agencies	Requires state auditors to audit air pollution control division within department of public health in 2026 and 2031.	Passed

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Board of directors

May 29, 2025

Joint DER update

Paul Davis, Platte River Power Authority

Sarah Clark, Estes Park Power and Communications

Brian Tholl, Fort Collins Utilities

Susan Bartlett, Longmont Power & Communications

Adam Bromley, Loveland Water and Power

Topics for today

- Distributed energy resources (DER): who, what, why and how?
- Existing programs
- New programs and projects in development
- Current discussions
- Individual owner community supporting efforts
- Future discussions

Who is working on DER?

	Joint demand side management (DSM) and DER team	DER Advisory Committee
Purpose	Managerial guidance for existing program operations, customer data sharing and budgets	Planning and coordinating development of new flexible DER/VPP systems and programs
Authority	Intergovernmental agreement for DSM and DER collaboration	DER Advisory Committee charter
Platte River	Bryce Brady, Paul Davis	Paul Davis
Estes Park	Sarah Clark	Sarah Clark
Fort Collins	Brian Tholl, Glenn Pease	Brian Tholl
Longmont	Susan Bartlett	Hannah Mulroy, Darrell Hahn
Loveland	Tracey Hewson	Adam Bromley, Christine Schraeder

Other groups of staff meet on a weekly or bi-weekly basis to plan, implement and operate programs

What are DERs?

Existing programs

Energy efficiency

Save energy and save money by using less energy for the given task

Electrification

Reduce greenhouse gases by replacing fossil fuel use with more efficient technology using increasingly decarbonized electricity

Programs and infrastructure under development*

Dispatchable resources

Demand response

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

Electric vehicles, batteries and traditional demand response

Distributed energy storage

Visible resources

Distributed generation

On site noncarbon generation

Solar generation

*Fort Collins has existing demand response programs (smart thermostats, electric vehicles and electric water heaters)

Current DER programs

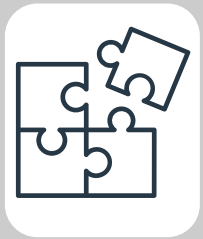
Efficiency Works™

Energy efficiency

Serving
Commercial
Residential
Multifamily
Income-qualified

Electrification
(Building and transportation)

Advising and assessments



Information and education

Service providers

Upgrade incentives

Efficiency programs (since 2002)

- $120 million invested
- 351,000 MWh (11%) annual load savings
- 54 MW (8%) peak reduction

New DER programs and projects

Planning and development

2018	2021	2023	2024	2025
Resource Diversification Policy adopted	**DER strategy developed**	**DER technology roadmap finalized**	**Requests for proposals issued for two scopes** VPP programs and “edge DERMS” Enterprise “grid DERMS”	**Implementation planning underway**

VPP: virtual power plant
DERMS: distributed energy resources management system

Why and how are we integrating DERs?

DER strategy (2021)

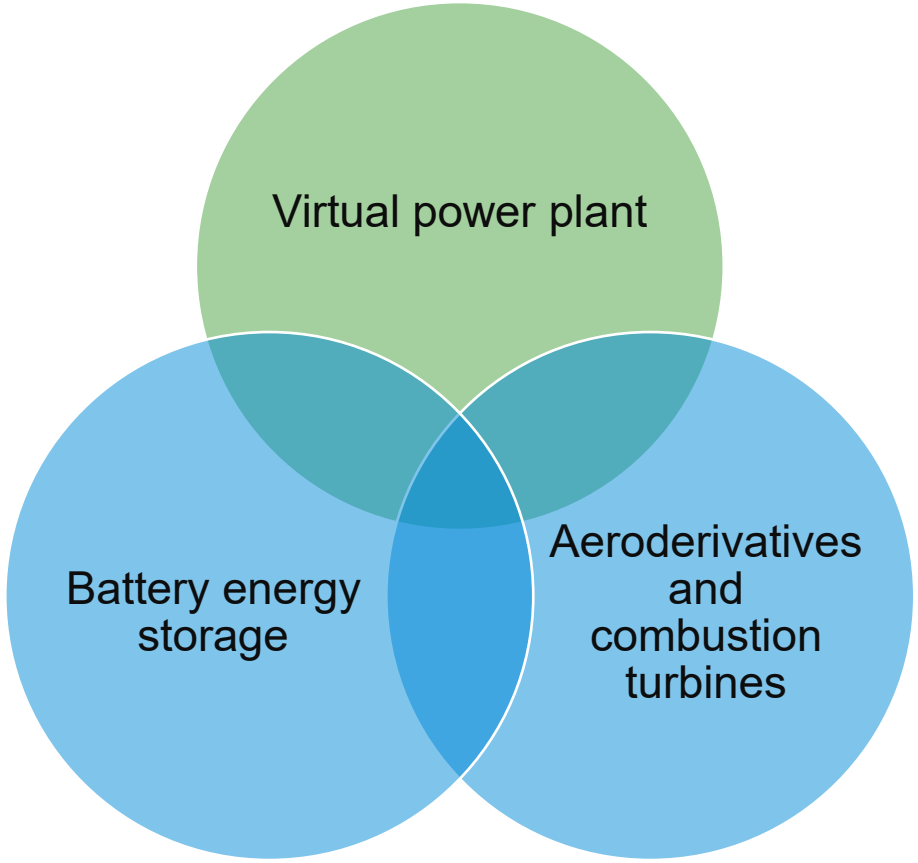
Vision statement: to integrate DERs into the electric system through collaboration and coordination between the owner communities and Platte River to provide value to all customers

Guiding principles

- Maintain system reliability and utility financial sustainability while enhancing environmental responsibility and the customer experience
- Implement safety practices in all facets of DER planning, operations and customer programs to protect the public, utility employees, contractors and customers
- Maintain physical and cybersecurity of utility-owned grid assets and privacy of customer data
- Facilitate the deployment of DERs across all customer groups in a way that provides benefits to those customers and the electrical system
- Provide consistency, transparency and flexibility among Platte River and the owner communities in DER planning, operations and programs
- Employ common processes, industry best practices and innovation for the integration of DER technologies onto the grid

What is the virtual power plant?

One of three forms of dispatchable capacity that are essential for the energy transition



- A dispatchable resource formed from the four owner communities' customers' DER
- Customers volunteer to participate in exchange for incentives informed by anticipated system benefits
- Benefits: environmental, financial and reliability
- Dispatch shared by owner communities and Platte River to prioritize and maximize benefits
- Significant coordination and system integration needed

Distributed generation: solar

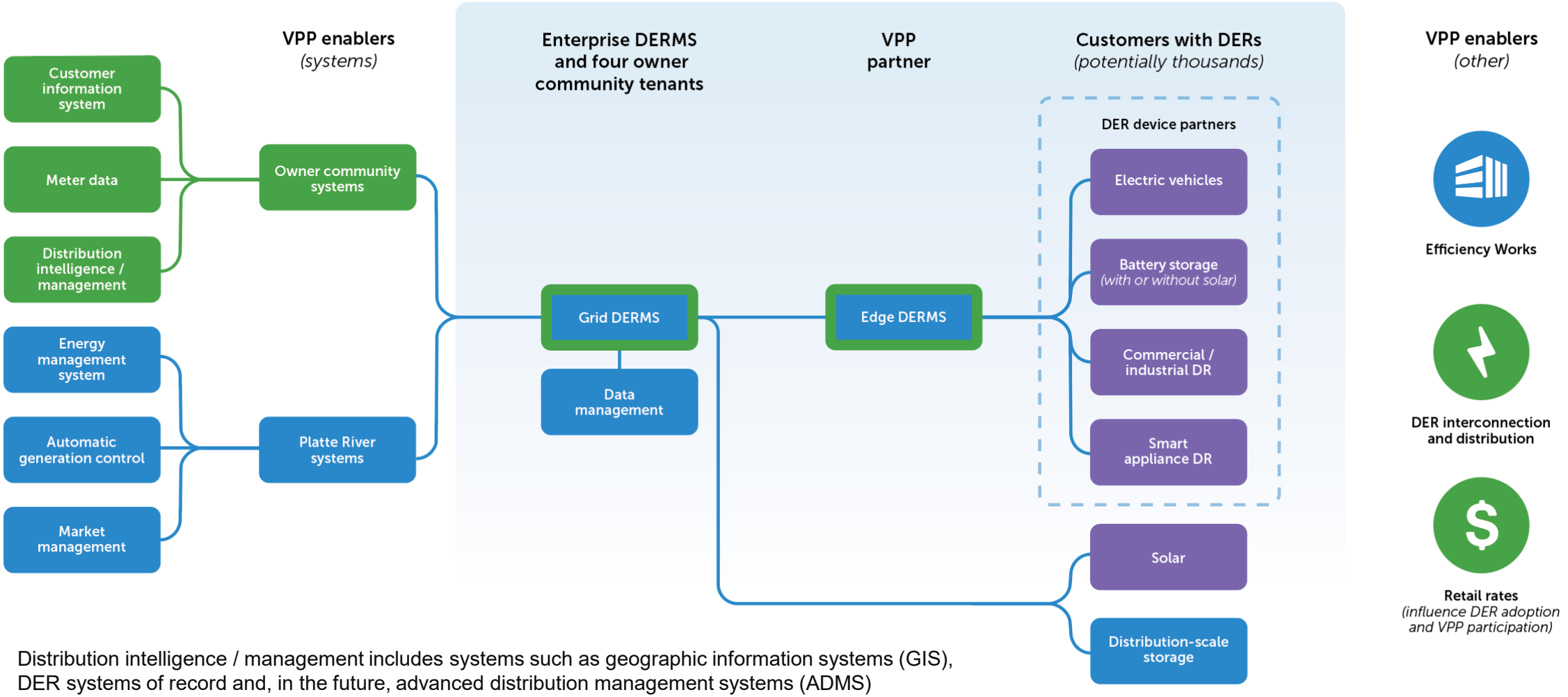
Role of solar in the VPP

- Largest DER by capacity
- Currently not dispatchable and most is not visible
- Surplus solar may be used to charge community battery storage
- Near-term plan: incorporate solar in the grid DERMS for visibility and forecasting
  - Use meter data when available and modeling when not available
  - Supports reliable grid operations
- Potential future plans:
  - Consider the use of advanced inverter functions
  - Communication and control capabilities that could support grid stability and reliability

VPP systems in development

Platte River (with owner community participation)
Owner communities (with Platte River support)
Customers (with Efficiency Works support)

VPP key elements and enablers



Distribution intelligence / management includes systems such as geographic information systems (GIS), DER systems of record and, in the future, advanced distribution management systems (ADMS)

Status of projects

Enterprise grid DERMS

- Working with DER consultant to refine scope, develop system integration and business processes for the owner communities and Platte River
- Next steps
  - Finalize contract and timeline
  - Implement with a phased approach with basic functionality starting late 2026/early 2027 and growing capabilities through 2030

VPP program and edge DERMS

- Working with vendor on program scope and system capabilities
- Next steps
  - Finalize contract and timeline

Current discussions

VPP program selection and prioritization

- Evaluating smart thermostats, electric vehicle charge management, battery storage, commercial and industrial demand response and electric water heaters
- Determining how owner communities participate in new VPP programs

VPP dispatch goals and procedures for integrated system benefits

- Defining dispatch goals and how VPP dispatch can achieve them
- Considering interactions between dispatch for distribution and for wholesale
- Prioritizing among dispatch goals (e.g., reliability versus economic)
- Where does dispatch reside for each goal: Platte River/owner communities
- Do current vendor technologies and business models provide the needed functionality (e.g., DER device partners, grid DERMS, edge DERMS, other utility systems, etc.)?
- How does our vision of the future translate to actions today?
- Need to develop a dispatch procedure agreed to by owner communities and Platte River prior to VPP program launch
    - Expect that the procedure will evolve as experience and functionality are gained

Owner community systems readiness and alignment

Estes Park efforts for readiness and alignment

- Implementing new CIS system (2026)
- Migrating smart grid devices and data to a dedicated server
- Working with smart meter provider to implement meter socket gateways that will facilitate behind-the-meter DER visibility and control
- Evaluating grid data management platforms for data integration

Fort Collins efforts for readiness and alignment

- Continued participation in Fort Collins edge DERMs programs/systems and pilot efforts for EV, water heaters, thermostats and other devices
- Implementation of Utilities-wide technology roadmap, including CIS, OMS and asset management tools
- Evaluation of existing and future staff resources for grid flexibility
- Retail rate evaluation and alignment with Platte River rate study

Longmont efforts for readiness and alignment

- Grid Management Systems Department
- Advanced metering infrastructure (AMI) deployment and data analytics
- Retail rate analysis and benefit/value for large dispatch
- Updated solar/storage interconnection standards with communication requirements
- Existing and new DER identification, system of record and mapping
- Distribution system planning, including smart distribution management equipment
- ADMS evaluation
- Waste Water Treatment Plant battery analytics

Loveland efforts for readiness and alignment

- Implementation of AMI was completed in Q1 2025; customer web portal to follow
- Technology roadmap informing necessary technology enhancements and implementations by 2030 completed in Q1 2025
- Adding staff to support VPP operations and programs
- Capital funding allocated and planned for procurement/implementation of ADMS
- Participation in the distribution system grid-scale battery storage project
- Piloting grid sensing/telemetry devices, remote supervisory distribution switchgear, etc.

Future discussions

- DER funding policy for Platte River
- Possible joint rates study (Joint Rates Team)
- Development of programs to incentivize end-customer participation

Questions

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Board of directors

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April operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	409 MW	406 MW	(3 MW)	(0.7%)	◆
Owner community energy	245 GWh	235 GWh	(10 GWh)	(4.1%)	■
Net variable cost* to serve owner community energy	$5.9M	$6.0M	$0.1M	6.5%	■
	$23.94/MWh	$25.51/MWh	$1.57/MWh		

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

Market impacts to net variable cost

Downward pressure	
Generation and market variances pushing costs lower	
Lower market purchases volume	$0.48M
Higher bilateral sales volume and pricing	$0.44M
Lower wind volume and pricing	$0.27M

Upward pressure	
Generation and market variances pushing costs higher	
Higher coal generation volume and pricing	$0.54M
Higher bilateral purchases volume and pricing	$0.50M
Higher market purchases pricing	$0.22M

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

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	1,825 MW	1,832 MW	17 MW	0.4%	◆
Owner community energy	1,055 GWh	1,033 GWh	(22 GWh)	(2.0%)	◆
Net variable cost* to serve owner community energy	$22.1M	$17.4M	($4.7M)	(19.9%)	●
	$21.02/MWh	$16.82/MWh	($4.20/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 volume and pricing	$5.47M
Higher WEIS market sales volume and pricing	$1.97M
Lower market purchases volume	$1.56M

Upward pressure	
Generation and market variances pushing costs higher	
Higher coal generation volume	$2.95M
Higher market and bilateral purchases pricing	$1.08M
Lower long term market sales volume and pricing	$0.62M

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

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Financial summary

Category	April variance from budget ($ in millions)		YTD variance from budget ($ in millions)	
Change in net position[1]	$0.7	●	$8.1	●
Fixed obligation charge coverage	0.06x	●	0.52x	●
Revenues	$0.1	◆	$5.4	●
Operating expenses	$0.2	◆	$1.6	◆
Capital additions	$8.2	●	$16.4	●
Debt service expenditures	-	◆	$0.2	●

[1] Includes $0.5 million and $1.2 million above budget unrealized gain on investments, April and YTD, respectively.

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

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