Platte River Power Authority

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Board of directors

July 31, 2025

Update on proposed amendments to Organic Contract and Power Supply Agreements

Sarah Leonard, general counsel

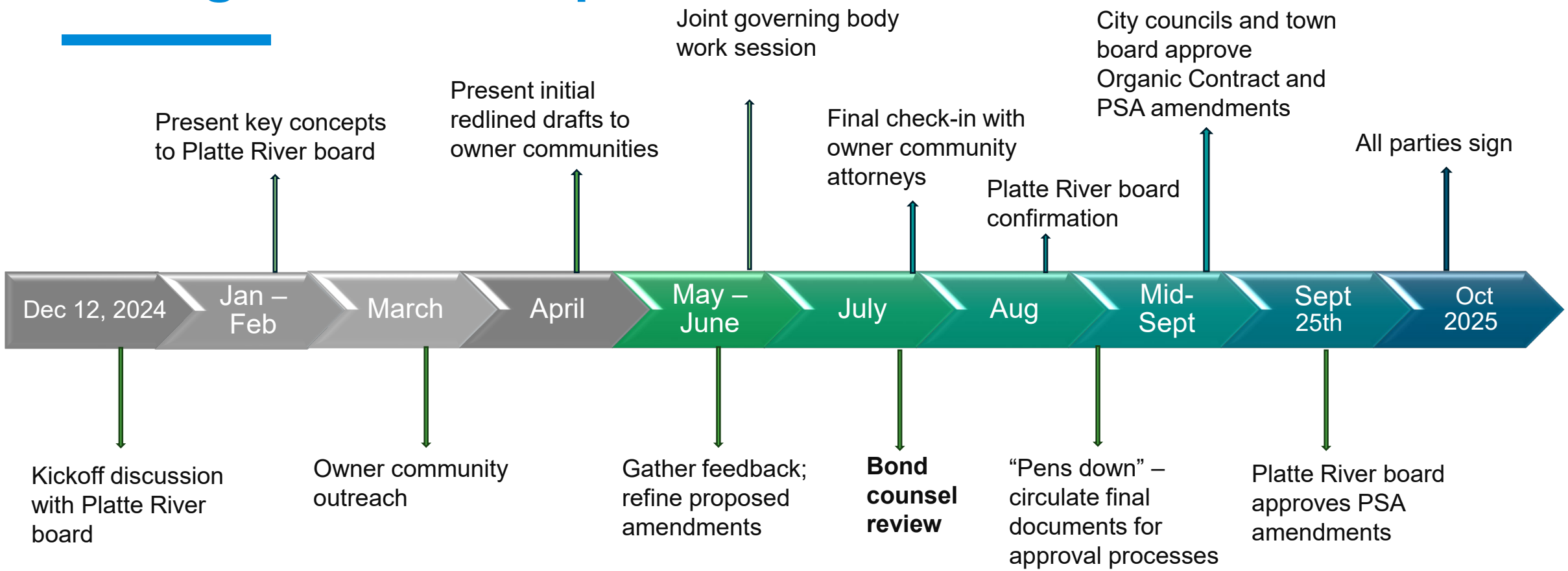
Background

- Kickoff conversation at the Dec. 12, 2024 board meeting
- Feb. 25, 2025 – Platte River board presentation
- April 24 – Platte River board presentation
- June 20 – Joint work session
- July 10 – Fort Collins energy board meeting
- July 11 – Utility directors meeting
- Today – progress recap

Next steps

- Coordinate final refinements with owner community attorneys
- Bond counsel review
- Confirm alignment on final language
- Circulate final documents for approval processes
- Town board and city councils approve amendments to Organic Contract and Power Supply Agreements
- Platte River board approves amendments to Power Supply Agreements
- All parties sign

Timing and next steps



Logistics

- Town board and city councils approve the documents by **mid-September**
- Platte River board to approve the Power Supply Agreements in late September
- All parties sign in October

Board guidance

- What do you and support staff need from Platte River to be ready?
- Proposed materials for approval process:
  - Redlined Organic Contract and Power Supply Agreement
  - Clean Organic Contract and Power Supply Agreement
  - Summary table?
  - Overview memorandum?
- Are we missing anything?
- Do you want Platte River representatives to attend any of your meetings?

Questions and feedback

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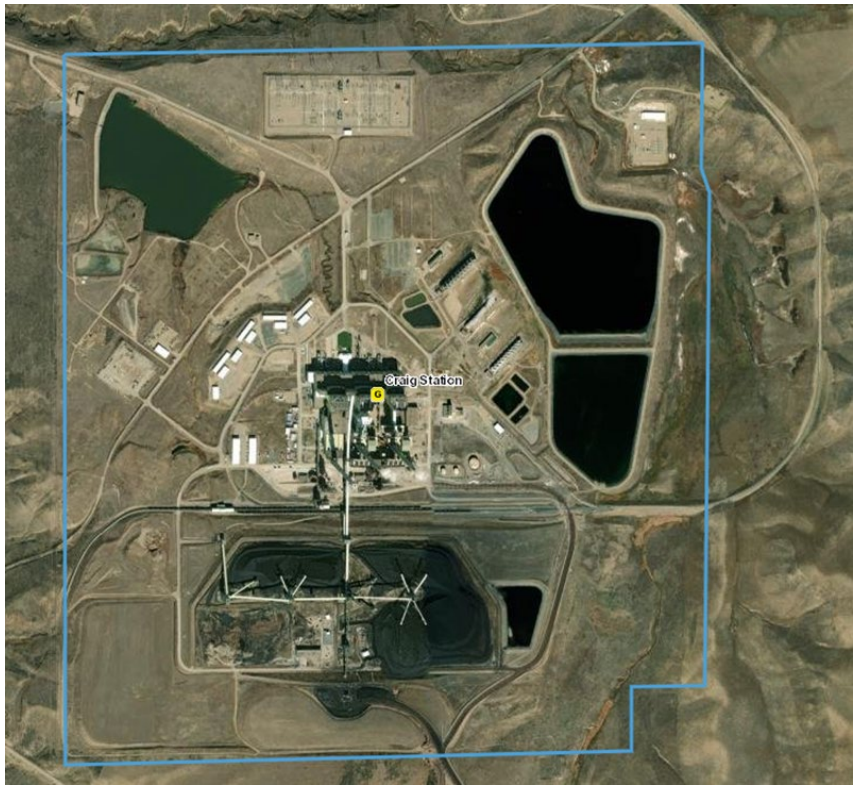
Proposed transfer of Craig Station parcel to Tri-State

Travis Hunter, chief generation and transmission officer

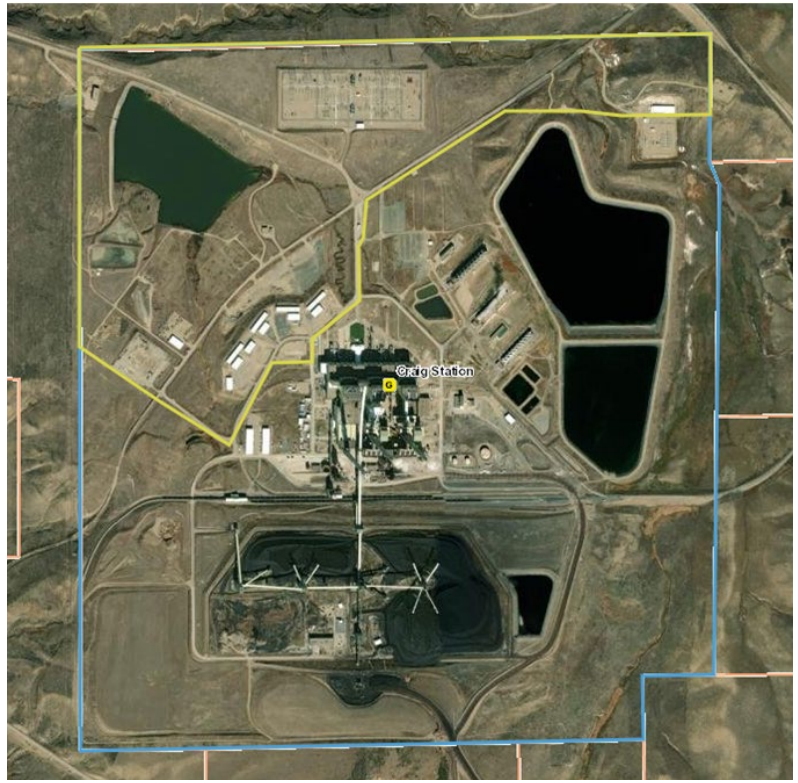
Craig Station site overview



- Craig Station is jointly owned by the Yampa Project participants
- Each owns an undivided fractional share of the entire property
- Platte River's share is 12%
- Site consists of 1,109.56 acres
- Coal units will be retired by the end of 2028

Tri-State proposal

- Purchase 315.14 acres and the existing buildings within that footprint
  - **Ongoing discussions for Tri-State to purchase all 1,109.56 acres**
- Appraised land value for 315.14 acres
  - $2,046,519.16 total
- Appraised structure value
  - $5,000,000.00
- Salt River Project has initiated a second appraisal
- Proposal does not include substation or transmission infrastructure



Effects of sale

- Impacts
  - ~$800k from the sale of the 315.14 acres and structures
  - Tri-State will assume all costs associated with decommissioning buildings within the footprint
- Consistencies
  - Continued ownership of ~800 acres
  - Continued ownership of substation and transmission infrastructure
  - Does not impact Platte River's obligation for decommissioning

Questions

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Public education update

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

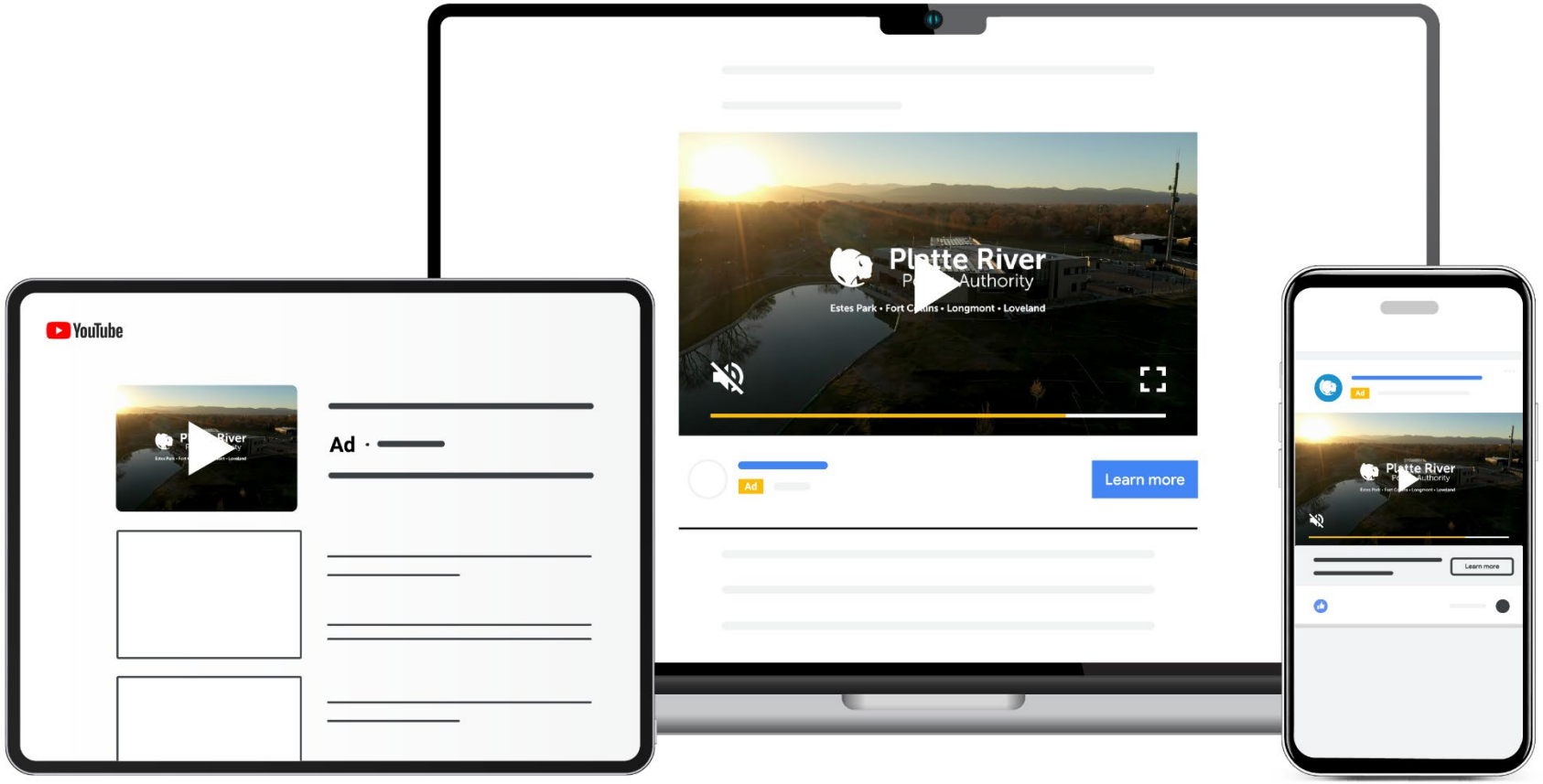
Shift from marketing to public education

- Public education program goals:
  - Introduce Platte River to the owner communities as a not-for-profit, community-owned public power utility
  - Proactively share progress on the Resource Diversification Policy
  - Collaborate with owner community staff on aligned messaging, supporting distribution utilities to lead the messaging

2025 public education initiatives

- Primary focus: share Platte River and the distribution utilities' story through a cohesive, unified campaign
  - Highlight Platte River's structure as a public power utility
  - Share decarbonization journey from multiple perspectives (board of directors, Platte River and distribution utility technical experts)
  - Underscore collaborative approach with owner communities sharing the value of the energy transition for their customers

Video in context



Future initiatives

- Continue to build momentum with a regional voice highlighting the progress, opportunities and challenges Platte River and the distribution utilities face as we continue toward the Resource Diversification Policy goals
- Additional campaign assets that will:
  - Highlight the progress we've made toward the energy transition
  - Engage owner community staff to share the value their communities get from the energy transition

Questions

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VPP technology and timing

Paul Davis, director of distributed energy resources

Mark Weiss, chief technology officer

Topics for today

- VPP Resolution 05-24 revisited
- VPP progress being made
- VPP progress needed: alignment opportunities

Resolution 05-24 background summarized

- Virtual power plants (VPPs) consist of integrated and aggregated distributed energy resources (DERs) that can be controlled through advanced software to provide capacity and energy services to the electric grid
- Requires a sustained multiyear process and coordinated efforts among Platte River and the owner communities to integrate systems, programs, and technology solutions to enroll and operate customer-owned DERs
- Necessary functions include interconnection, program management, enrollment and device registration, data management, telecom and telemetry, control and dispatch, visibility, forecasting, network power flow analysis, measurement and verification, and settlements
- Collaboration among Platte River and the owner communities is critical for enabling systems needed to control and operate the VPP, programs to inform and enroll customers and support their participation, and distribution-side capabilities such as customer information systems, advanced metering infrastructure, meter data management systems, and a distribution network model to support flow analysis for DER assets

Resolution 05-24 expresses support for

- Collaborative efforts among Platte River and the owner communities to implement the actions, programs, and systems necessary to develop and operate an effective virtual power plant
- Platte River to budget for and fund activities to build, operate, maintain, and keep current shared infrastructure and organizational functions necessary to successfully deploy and integrate virtual power plant capabilities that will benefit our collective utility systems and further Platte River's Resource Diversification Policy goals
- Encouraging all owner communities and Platte River to proactively seek opportunities to centralize virtual power plant infrastructure, systems, programs, data, and other functions at Platte River when economies of scale can lower total costs incurred and improve the integration and interoperability

Progress achieved

- Platte River and owner communities formed teams that meet regularly to plan and implement VPP programs, edge DERMS and grid DERMS
- Identified a VPP program/edge DERMS preferred vendor – scope development is underway
- Identified a grid DERMS preferred vendor – scope development is underway
- Developed VPP dispatch and control framework

VPP dispatch and control framework

- Identified dispatch goals and the dispatching entity
  - Platte River dispatches for wholesale system/market benefits
  - Owner communities dispatch for distribution system benefits
- Identified a framework for coordinating dispatch to optimize across the system and the entities
  - Working groups will be established to develop and carry out operating plans
  - DER Advisory Committee provides senior-level guidance from each utility
- Identified preferred DERMS vendor dispatch methods/functionality that will help achieve the goals and manage requests from different dispatch entities
  - Also identifying and working through potential gaps in DERMS capabilities

Progress needed

- Alignment and integration of DERMS and adjacent systems
- Alignment of VPP programs and edge DERMS platforms to achieve customer satisfaction and participation
- Only through alignment can we reduce the cost and complexity of the system integration and VPP program implementation as well as achieve the flexibility and consistency needed for the VPP to provide value in line with costs

Alignment of DERMS and adjacent systems

- Grid and edge DERMS interact with multiple adjacent systems
- Some owner community systems are not aligned and will likely remain as such for some time (e.g., customer information systems, advanced meter infrastructure and meter data management, DER systems of record) – integration will be more complex
- Need to determine a path forward: timing for other adjacent systems gives an opportunity for alignment that could reduce the implementation and integration costs
  - Advanced distribution management systems (ADMS)
  - Distribution supervisory control and data acquisition (D-SCADA)
  - Geographic information systems (GIS)
- Ideal alignment is the use of a common shared system for ADMS, D-SCADA, and GIS

Alignment of VPP programs/edge DERMS

- Grid DERMS is intended to manage and dispatch one or more VPP programs/edge DERMS
- Fort Collins has existing VPP resources, VPP programs, edge DERMS and experience (over a 10-year history)
- Need to determine the path forward: how do we integrate this capacity, not only from a technology perspective, but also from operational, financial and customer-program management perspectives?

Next steps

- Work with owner communities to:
  - Discuss, evaluate and make decisions regarding opportunities for the standardizing and centralizing of DERMS-adjacent systems and VPP programs
  - Reach an agreement with all owner communities to partner and utilize common shared GIS, ADMS, and D-SCADA systems
  - Develop an implementation timeline for these systems that supports the owner communities and the VPP program

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May operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	449 MW	491 MW	42 MW	9.1%	●
Owner community energy	252 GWh	240 GWh	(12 GWh)	(4.7%)	■
Net variable cost* to serve owner community energy	$5.6M	$4.5M	($1.1M)	(16.2%)	●
	$22.11/MWh	$18.54/MWh	($3.57/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	
Higher bilateral sales volume and pricing	$1.5M
Higher Rawhide coal generation fuel pricing	$0.2M

Upward pressure	
Generation and market variances pushing costs higher	
Higher coal generation volume	$0.7M
Higher market purchases pricing	$0.3M

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

June operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	686 MW	647 MW	(39 MW)	(5.7%)	■
Owner community energy	286 GWh	273 GWh	(13 GWh)	(4.7%)	■
Net variable cost* to serve owner community energy	$4.2M	$3.3M	($0.9M)	(18.5%)	●
	$14.81/MWh	$12.08/MWh	($2.73/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 solar volume	$1.3M
Higher market sales volume	$1.3M
Lower market purchases volume	$0.4M

Upward pressure	
Generation and market variances pushing costs higher	
Higher coal generation volume	$1.2M
Higher market purchases pricing	$0.4M

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

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	2,961 MW	2,970 MW	9 MW	0.3%	◆
Owner community energy	1,592 GWh	1,546 GWh	(46 GWh)	(2.9%)	■
Net variable cost* to serve owner community energy	$32.0M	$25.0M	($7.0M)	(19.0%)	●
	$20.07/MWh	$16.25/MWh	($3.82/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 WEIS market sales volume and pricing	$2.1M
Lower market purchases volume	$2.1M
Lower solar volume	$1.6M

Upward pressure	
Generation and market variances pushing costs higher	
Higher coal generation volume	$4.8M
Higher market purchases pricing	$1.5M

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

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Financial summary

Category	May variance from budget ($ in millions)		June variance from budget ($ in millions)		YTD variance from budget ($ in millions)	
Change in net position[1]	$0.7	●	$1.7	●	$10.5	●
Fixed obligation charge coverage	.49x	●	.59x	●	.51x	●
Revenues	$1.1	●	-	◆	$6.4	●
Operating expenses	$0.2	◆	$1.3	●	$3.2	●
Capital additions	$5.0	●	$3.0	●	$24.4	●
Debt service expenditures	$0.2	●	$(0.1)	■	$0.3	●

[1] Decrease of $0.6 million in fair value of investments in May. Increase of $0.3 million and $0.9 million above budget in fair value of investments, June and YTD, respectively.

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

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