

PUBLIC NOTICE

NOTICE OF PROPOSED 2027 STRATEGIC BUDGET

OF PLATTE RIVER POWER AUTHORITY

NOTICE IS HEREBY GIVEN in accordance with the Local Government Budget Law of Colorado, CRS §§ 29-1-101, *et seq.*, that: (1) a proposed strategic budget for the year 2027 has been submitted to the Board of Directors (Board) of Platte River Power Authority (Platte River); (2) a copy of the proposed budget is available for inspection by the public online at www.prpa.org and at the offices of Platte River, 2000 East Horsetooth Road, Fort Collins, Colorado; (3) the Board will consider adopting the proposed budget on December 10, 2026, following a public hearing during the regular meeting of the Board to be held at Platte River, 2000 East Horsetooth Road, Fort Collins, Colorado, on October 29, 2026, at 9:00 a.m.; and (4) any elector of Platte River (that is, anyone receiving electric service from Platte River's owner communities of Estes Park, Fort Collins, Longmont or Loveland) may, at any time before the Board's final adoption of the budget, file or register comments, observations, recommendations or objections to the proposed budget.

For additional information, contact Jason Harris, Senior Manager, Financial Planning and Rates, at (970) 599-1419.

Dated: September 23, 2026

By order of the Board of Directors

PLATTE RIVER POWER AUTHORITY

By: Jason Frisbie
General Manager/CEO



Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 9/16/2026

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Dave Smalley, chief financial officer and deputy general manager
Shelley Nywall, chief financial officer – designate
Kristin Turner, director, accounting, financial reporting and budget
Jason Harris, senior manager, financial planning and rates

Subject: **Proposed 2027 Strategic Budget work session**

We are pleased to present the proposed 2027 Strategic Budget document, which demonstrates how planned expenses for the upcoming year are aligned with our new strategic initiatives and core operations. A copy is attached for your review. The budget document has four main areas of focus:

- Overview – This section introduces the budget document and provides background information about the organization and the owner communities, a performance dashboard and departmental objectives.
- Summary – This section describes how the budget supports our strategic initiatives and core operations. This section also describes the specific work planned in each area and outlines related expenses.
- Budget – This area consists of several sections, including a summary of financial results, comparisons to the Strategic Financial Plan and consolidated budget schedules. These sections also include brief descriptions of the revenues, operating expenses, capital additions and debt service expenditures, as well as detailed comparison schedules. The capital additions section also describes capital projects and project cost estimates.
- Additional information – The budget process section details the budget development process and includes the overall schedule. The financial governance section refers to the financial policies that provide the framework for our financial activities and budget development.

Staff will present the proposed budget at the September board meeting, reviewing the revenues and expenses related to the key activities planned for 2027. To provide a comprehensive view of the

budget, there will also be detailed slides and related trend information at the end of the slide deck for your reference. Staff will not present this detailed information.

We are continually refining the budget as the production cost model is updated three times per year, including enhancements to methods and modeling as we gain additional experience in the Southwest Power Pool Regional Transmission Organization, and new information becomes available about other expenditures. We will have changes that are not yet quantified. The net change will not impact the proposed 2027 Firm Power Service Tariff charges included in the 2027 Rate Tariff Schedules. The changes to the budget will be presented at the October board meeting.

A second review session and the required public hearing are scheduled for October. Board adoption is scheduled for December. This presentation is for informational purposes only and does not require board action during the September meeting.

Attachment

- Proposed 2027 Strategic Budget - draft

Proposed 2027 Strategic Budget

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Letter from the board chair and general manager/CEO

As we look toward 2027 and beyond, Platte River Power Authority and our owner communities remain firmly committed to building a resilient, reliable and financially sustainable noncarbon energy future. Guided by the new strategic plan and grounded in our mission, we continue to make deliberate progress toward a transformed energy portfolio that meets the evolving needs of northern Colorado.

Over the past several years, we have made meaningful investments to strengthen our system while advancing decarbonization. Renewable resources, including large-scale solar and wind, now play an increasingly central role in our energy mix, complemented by critical infrastructure such as substations and transmission enhancements that support continued growth and interconnection. At the same time, we are integrating new technologies, including utility-scale battery storage and distributed energy resources (DER), to create a more flexible, responsive and efficient system.

As we enter 2027, our focus shifts from foundational buildout to coordinated system optimization. This includes advancing our three-pronged approach to dispatchable capacity through energy storage, virtual power plant (VPP) programs and aeroderivative combustion turbine units (aeroderivative units). Together, these solutions will enable us to maintain reliability while managing the variability of renewable energy and preparing for the retirement of all coal-fired generation by the end of the decade.

The proposed 2027 Strategic Budget reflects continued investment in these priorities. Funding is aligned with

strategic initiatives that support resource integration, grid modernization, and market participation, as well as core operations required to reliably serve our owner communities. As we gain experience in the Southwest Power Pool Regional Transmission Organization (SPP RTO), we position Platte River to operate dynamically within a broader regional market.

We also recognize that the energy transition, which is in alignment with the board's direction, brings significant financial pressures that were not anticipated back in 2018. Investment decisions will continue to be made in pursuit of the strategic plan and Resource Diversification Policy. We remain committed to proactively managing costs, maintaining rate stability to the greatest extent possible and working closely with our board and owner communities to ensure long-term financial sustainability.

Equally important is the role our communities and their customers play in this transition. In 2027, we will continue managing DER programs that empower customer participation, including efficiency, electrification and demand response initiatives. Our VPP programs represent a transformative step in integrating customer-owned resources into grid operations, strengthening resilience while creating shared value.

Our progress is made possible through strong partnerships. The extension of our governing agreements through 2075 reflects a shared commitment among Platte River and our owner communities to work collaboratively toward long-term goals. This enduring partnership enables us to take a



disciplined, forward-looking approach to planning and investment while remaining adaptable in a rapidly changing energy landscape.

While challenges remain, including supply chain constraints, rising costs and the complexity of large-scale system transformation, our commitment is clear: we are building a cleaner, more flexible and more resilient energy system that will serve our communities reliably for decades to come.

We appreciate the continued trust and collaboration of our board, our employees and the communities we serve. Together, we are shaping an energy future that reflects our shared values and long-term vision.

Gary Hall
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

**2027 peak demand of
owner communities**

667 megawatts (MW)

2027 revenues

\$402.5 million

General manager/CEO

Jason Frisbie

2027 deliveries of energy

4,832,912 megawatt-hours (MWh)

2027 operating expenses

\$285.9 million

Began operations

1973

**2027 deliveries of energy
to owner communities**

3,224,320 MWh

2027 capital additions

\$223.5 million

2027 budget positions

326

Transmission system

Platte River has equipment in 28 substations and owns 806 miles of transmission lines.

**2027 debt service
expenditures**

\$30.4 million



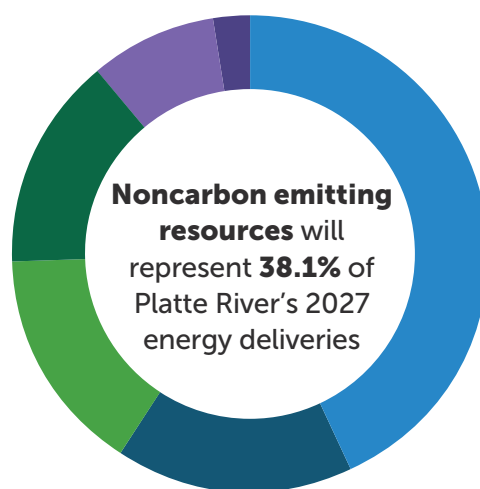
2027 budget capacity and energy

	Nameplate (MW) ⁽¹⁾	Energy deliveries (MWh)
Coal	354	2,085,738
Natural gas	430	117,545
Hydropower ⁽²⁾	83	410,021
Wind power ⁽³⁾	297	1,106,502
Solar	309	740,209
Storage	101	Not applicable
Other purchases	Not applicable	372,897
Total	1,574	4,832,912

(1) Represents summer season capacity available at the end of the year. Additional information is available in the nameplate table of the budget section.

(2) Hydropower capacity varies monthly and 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.



2027 system energy (percent)

- Coal **43.2%**
- Other purchases **16.3%**
- Solar **15.3%**
- Wind **14.3%**
- Hydropower **8.5%**
- Natural gas **2.4%**

Includes adjustments for budgeted renewable energy certificate (REC) sales. Before adjustments for REC sales, noncarbon resources are budgeted as 46.7% of energy deliveries.

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

Vision, mission and values

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

The following values define our daily commitment to following the vision and mission of Platte River, which will strengthen our organization and improve the quality of life in the communities we serve.

Safety

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

Innovation

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

Integrity

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

Operational excellence

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

Respect

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

Sustainability

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

Service

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



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*:
5,768

Utility: Estes Park Power and Communications, established in 1945

Number of customers:
11,307

2025 retail energy sales:
129,956 MWh



City of Fort Collins

Estimated population*:
170,924

Utility: Fort Collins Utilities, established in 1935

Number of customers:
80,930

2025 retail energy sales:
1,453,039 MWh

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



City of Longmont

Estimated population*:
99,818

Utility: Longmont Power & Communications, established in 1912

Number of customers:
44,390

2025 retail energy sales:
804,565 MWh



City of Loveland

Estimated population*:
82,283

Utility: City of Loveland Utilities, established in 1925

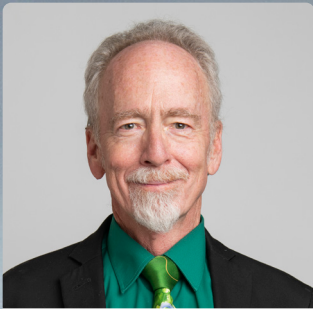
Number of customers:
42,691

2025 retail energy sales:
727,650 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

Board chair
Mayor
Town of Estes Park



Travis Machalek

Town administrator
Town of Estes Park



Emily Francis

Mayor
City of Fort Collins



Travis Walker

Light & power
director
City of Fort Collins



**Susie Hidalgo-
Fahring**

Mayor
City of Longmont



Darrell Hahn

Electric utility
director
City of Longmont



Patrick McFall

Mayor
City of Loveland



Sharon Israel

Vice chair
Director of City of
Loveland Utilities

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



Tim Blodgett

Chief strategy officer



Travis Hunter

Chief generation and
transmission officer



Sarah Leonard

General counsel



Dave Smalley

Chief financial officer
and deputy general
manager



Shelley Nywall

Chief financial officer -
designate



Mark Weiss

Chief technology
officer



Angela Walsh

Executive director
of board and
administration,
board secretary

2027 performance dashboard

The proposed 2027 Strategic Budget supports Platte River's strategic initiatives as outlined in the latest strategic plan, as well as core operational activities. Together, these efforts help advance the organization's mission 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

$\geq 97\%$

Adjusted equivalent availability factor

Rawhide Unit 1

0

No controllable outages

Rawhide Unit 1

$\geq 97\%$

Adjusted equivalent availability factor

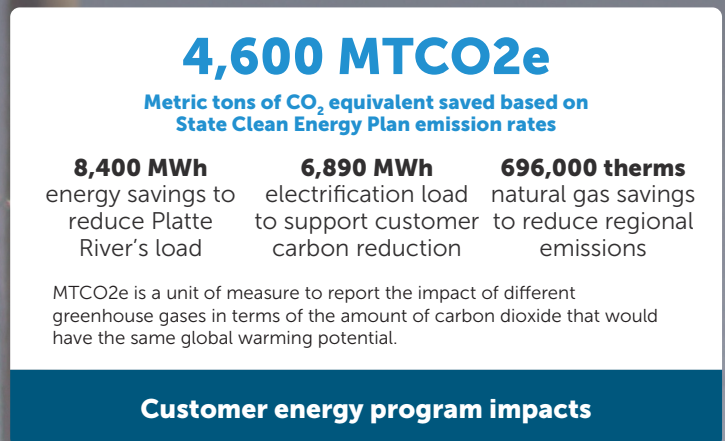
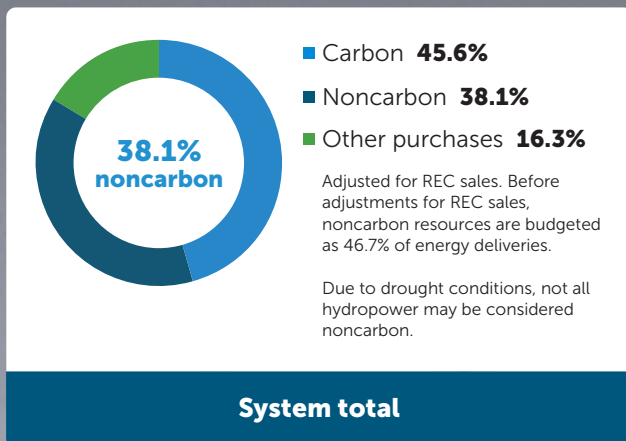
Rawhide frame combustion turbines

0

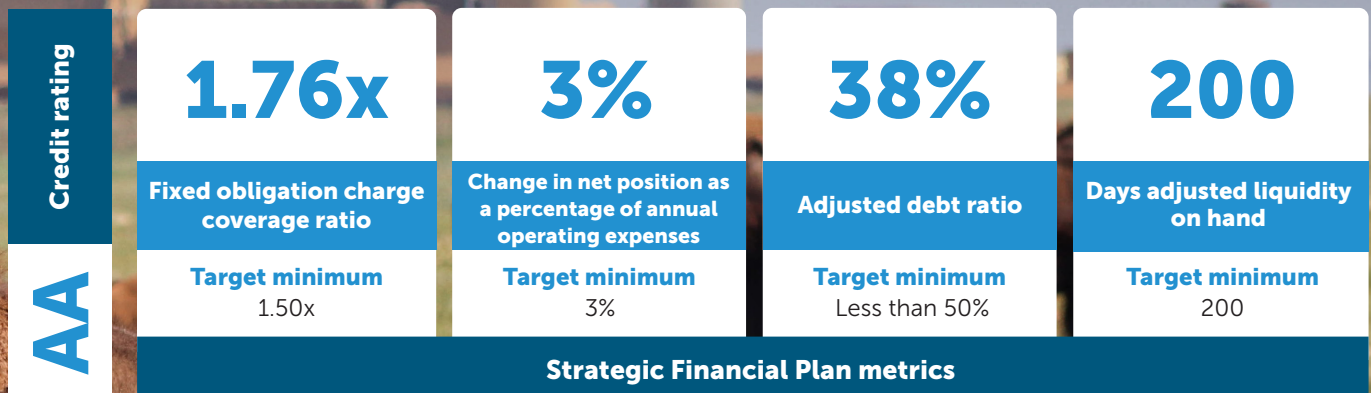
No unplanned communication outages to Platte River's owner communities

Fiber communications

Environmental responsibility

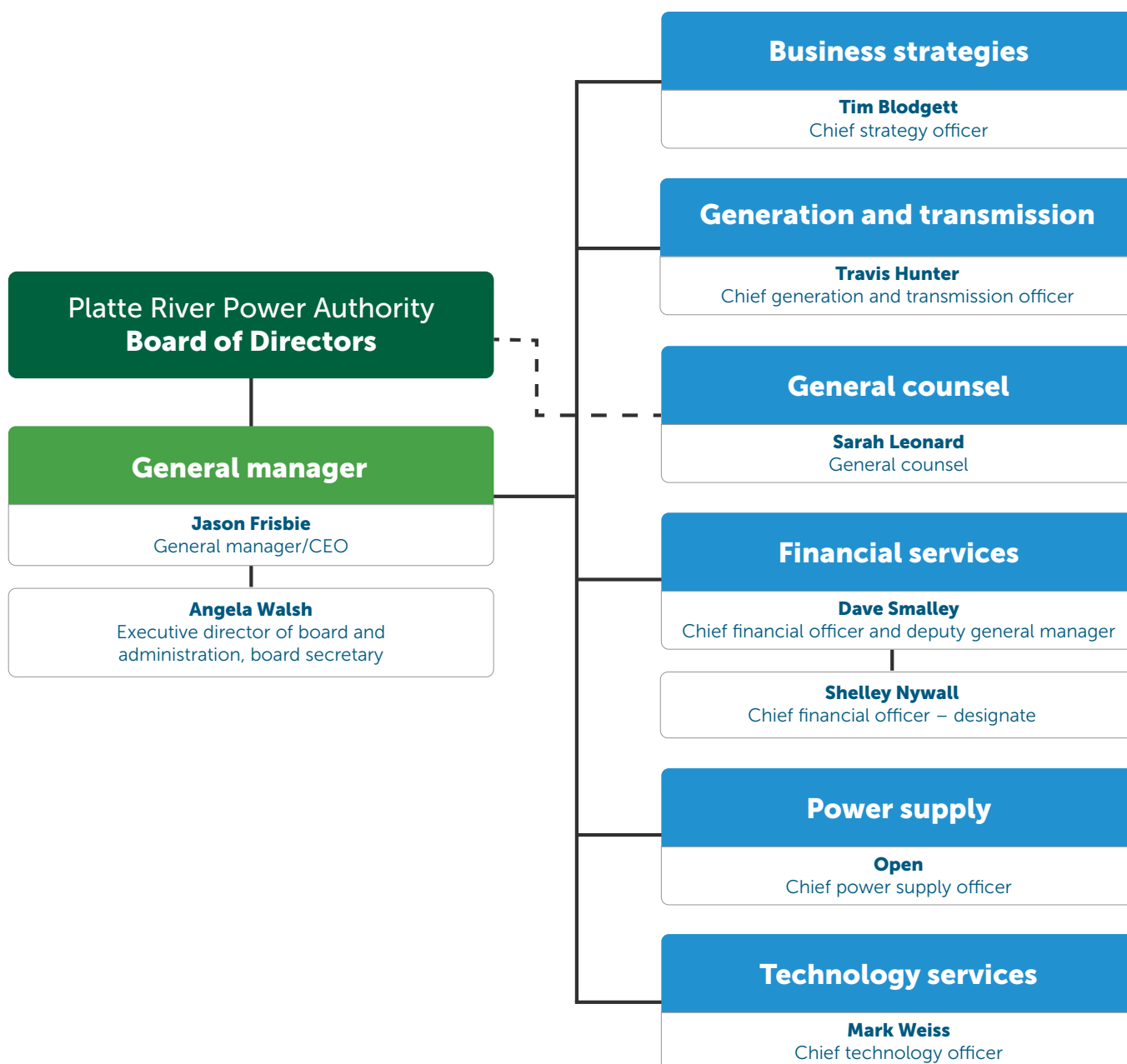


Financial sustainability



Organizational structure

Platte River's organizational structure consists of seven divisions, each containing the departments needed to advance our mission. A brief description follows of each division and its departments, including 2027 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 on the organization's strategic direction and operations, guided by Platte River's mission. The general manager also oversees the board secretary and centralized business and office management functions.

In addition to ongoing operational oversight in 2027, the general manager will support construction of the aeroderivative units and continue to enhance coordination with the owner communities to advance decarbonization goals.

Platte River will collaborate with utility leaders from the owner communities to integrate community energy storage projects, enable customer DER and help develop a VPP. The general manager will guide these and other shared initiatives among Platte River, the owner communities and regional utilities.

Business strategies

In collaboration with the owner communities, the business strategies division manages relationships and messaging 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 strategic and tactical plans to support Platte River's mission and provide information to staff, board members, stakeholders and the public. The department manages internal and external communications, public relations, public education and outreach, community engagement and support, and local, state and federal government affairs. These functions support Platte River, Efficiency Works™ and other specialized programs, including DER.

In 2027, the department will deploy significant communication and outreach to support Platte River's strategic initiatives and will lead community engagement in the 2028 Integrated Resource Plan (IRP). These efforts will build on engagement and collaboration with owner communities and their customers to advance a noncarbon energy future. Additional focus areas include targeted public education related to decarbonization, expanding community engagement, navigating public policy changes and engaging in regulatory processes to support key projects.

Human resources serves as a strategic partner to internal departments, furthering Platte River's organizational goals through effective workforce planning and development. The department remains focused on attracting, developing and retaining top talent while managing health care costs and maintaining competitive employee benefits. In 2027, human resources will focus on strengthening the leadership development program and succession planning efforts, and continue process improvements, while implementing the Just Transition Plan. The department continues to evaluate and make data-driven refinements to the human resources information system and internal processes to increase efficiency and better meet internal stakeholder needs while elevating employee experience.

Safety supports Platte River's core value of workforce, public and asset safety by developing and managing policies that emphasize workforce training and education while sustaining and further advancing a high-performing safety culture. In 2027, the department will support construction of the aeroderivative units, facilitate planned training for all employees and specialized groups and track required safety certifications for designated roles. The department also will conduct annual occupational health testing, evaluate and procure personal protective equipment and systems, provide issue-specific safety training through traditional methods, expand ongoing video training and engage third-party subject-matter experts to amplify the organization's safety culture.

The **emergency response team** protects staff and infrastructure at Rawhide Energy Station and provides mutual aid to the owner communities, the Nunn Fire Protection District and the Wellington Fire Protection District. Team firefighters hold state of Colorado certifications in structural firefighting, hazardous materials operations and medical response. The team also includes several licensed emergency medical technicians. In 2027, the emergency response team will conduct 11 training events and perform required annual system testing and inspections in accordance with National Fire Protection Association standards.

Generation and transmission

The generation and transmission division manages several of Platte River's core functions, including power generation and delivery of high-voltage electricity to substations in the owner communities. The division includes several departments and teams that collaborate to support Platte River's core operations and strategic direction.

Power generation

The power generation departments perform all functions associated with electricity generation, primarily at the Rawhide Energy Station. These departments manage plant operations and maintenance, control systems and design and engineering.

Power generation administration oversees power generation, plant operations, maintenance and engineering at the Rawhide Energy Station and oversees Platte River's ownership interest in Craig Generation Station. In 2027, the team will continue adapting plant operations and generation resources to changing market conditions driven primarily by increased use of intermittent renewable resources and participation in the SPP RTO. The team will continue advancing transition planning efforts and the decommissioning plan for Rawhide Unit 1.

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. In 2027, the department will continue improving the reliability and availability of the combustion turbine frame units (frame units) and enhancing the flexibility of Rawhide Unit 1 to meet evolving market demands and more effectively accommodate increased noncarbon resources. The team also will help Platte River optimize participation in the SPP RTO and manage the construction of the aeroderivative units.

Plant mechanical maintenance conducts safe and effective maintenance of all mechanical equipment and systems at the Rawhide Energy Station. The team plans to execute all projects with the highest regard for personnel and equipment safety. The team also will perform ongoing mechanical maintenance on all generating assets at the facility.

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. The department also manages North American Electric Reliability Corporation (NERC) compliance activities for several reliability and critical infrastructure protection (CIP) standards, state-required maintenance of boiler instrumentation and controls and covered tasks supporting Colorado Department of Transportation regulation of the natural gas pipeline. In 2027, the team will perform preventive maintenance and prioritize corrective actions to maintain generation reliability. The team also will support various capital improvement projects and preparation for the aeroderivative units.

Plant operations manages and operates all systems and components of Rawhide Unit 1 and the frame units to ensure reliable generation that meets load demand and other market obligations. In addition, the department supports operation of the water pump stations that serve the Rawhide Energy Station. In 2027, the group will work to support the reliability of Rawhide Unit 1 and the frame units through greater operational flexibility, allowing quicker adjustments to power output and improving efficiency at lower operating levels when needed.

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 continually monitor thousands of system components, to optimize performance and maintain 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 RTO. Power delivery is critical to the continued resilient and reliable operation of Platte River's transmission system serving 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 upon request. In 2027, the team will provide engineering support and project management for the Rawhide Substation expansion to accommodate the interconnection of new generation resources to the transmission network while increasing the resiliency and reliability of the existing generation interconnection.

System maintenance maintains and supports construction of electrical substation assets, including those owned by Platte River and the owner communities' distribution utilities. The department also inspects and maintains Platte River's 230- and 115-kilovolt transmission

lines. In collaboration with internal and external partners, the department manages equipment installation and inspection for capital projects, performs ongoing maintenance and conducts testing of substation equipment. In 2027, the team will perform relay and meter testing, transformer maintenance, battery maintenance and breaker maintenance at Platte River substations. The team also will conduct systemwide vegetation management and oversee contracted maintenance on the transmission system. In addition, the department will work with system engineering to complete substation upgrades and make system improvements.

System operations safely and reliably operates Platte River's transmission system, delivers power to the owner communities, engages with the SPP RTO on various issues and provides training to applicable Platte River personnel and selected employees of the owner communities. The department also coordinates transmission operations with neighboring system operators while complying with all applicable NERC and Western Electricity Coordinating Council (WECC) reliability standards and Platte River processes and procedures.

Fiber optics manages and maintains the fiber optic network, which provides high-speed digital connectivity among Platte River's generating assets, transmission system and owner community distribution systems. Fiber optic cables connect each owner community, enabling greater system integration through interconnected long-haul networks. Core activities include maintaining, managing and documenting fiber optic infrastructure, installing new cable, relocating existing cable and identifying expansion opportunities to increase diversity and redundancy.

Telecommunications oversees the safe operation, reliability and security of Platte River's wide-area communications network, which supports and protects transmission system operations. This infrastructure supports supervisory control and data acquisition (SCADA) systems and other transmission functions, including real-time operational communications with interconnected utilities. The department will continue to expand these networks and address new connection needs from internal and external customers.

Facilities is responsible for all building and grounds maintenance, including repairs at the headquarters campus, substations and the Rawhide Energy Station. The team also manages Platte River's bison herd. Facilities oversees maintenance activities to keep spaces, structures and infrastructure in optimal operating condition. The department also oversees maintenance at 30 sites, including 28 substations, across the owner communities.

Plant fuel handling manages the coal supply for Rawhide Unit 1. The department operates the rotary car dumping system, suppresses dust throughout the plant, maintains the Rawhide short-line railroad system and manages fly ash and bottom ash from Rawhide Unit 1. Objectives for 2027 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.

Security designs, implements and supports physical security systems, administers software, manages video surveillance and access control systems, oversees contracted security guard services, reviews security policies and procedures across all Platte River locations and manages multiple CIP standards to support NERC CIP compliance.

Fleet is responsible for purchasing, licensing and maintaining all Platte River vehicles. The group also maintains records and performs inspections required by the Federal Motor Carrier Safety Administration and applicable Colorado motor carrier safety requirements.. In 2027, the department will continue managing the fleet compliance program for all Platte River commercial motor vehicle operators.

General counsel

The general counsel division oversees Platte River's legal, enterprise risk management, internal audit, environmental compliance and reliability compliance functions.

Legal, enterprise risk management and internal audit

Legal provides a broad range of services to support Platte River's operations and strategic initiatives. Services include managing complex transactions, ensuring legal and regulatory compliance, providing support and advice to senior leadership and the board of directors, managing risk and dispute resolution, reviewing contracts, supporting human resources and real estate matters. The department also manages relationships with retained counsel who assist in specialized areas such as water law, public finance, pensions and Federal Energy Regulatory Commission (FERC) regulations. Legal works with outside counsel in legal proceedings to protect Platte River's interests, as appropriate.

In 2027, legal will support Platte River's continued addition of renewable energy and storage projects to its portfolio, including Platte River-owned projects, power purchase agreements (PPAs) and a VPP. This work includes managing requests for proposals (RFP), developing term sheets and negotiating final contracts, providing legal advice on issues that arise under current PPAs, advising on the legal implications of legislative and regulatory changes, supporting efforts to modernize contracting processes and documents and facilitating transactions involving RECs and energy and capacity sales. The department also supports Platte River's participation in the SPP RTO, including participation in working groups and advising on tariff changes and risks.

Enterprise risk management coordinates risk management across Platte River. This includes designing, implementing and leading a structured, organization-wide process to manage risk, aligned with Platte River's strategic objectives. The enterprise risk management team partners with internal audit and the risk oversight committee to proactively address emerging risks.

Internal audit provides independent, objective advice to improve organizational operations. Services include evaluating the effectiveness of governance, risk management and control processes, providing insights about risks to organizational objectives, assessing processes for efficiency and adherence to policies and procedures and identifying opportunities to strengthen internal controls. Internal audit plays a critical role in helping Platte River leadership understand and manage risks while offering actionable recommendations to support continuous improvement in governance, risk management and control processes.

Environmental and compliance

Environmental compliance oversees Platte River's adherence to federal, state and local regulations governing its operations. The department's primary activities include obtaining permits, managing compliance, reporting operational data to regulatory agencies, monitoring emissions, managing environmental projects, assessing emerging regulatory changes and collaborating with trade groups and other utilities on environmental issues. In 2027, the department will continue to support activities that advance the strategic plan, including permitting and constructing the aeroderivative units.

Reliability compliance oversees and provides guidance on all NERC and WECC reliability obligations enforceable under the Energy Policy Act of 2005. Activities include compliance risk analysis and monitoring, along with implementation guidance and compliance support. In addition to providing reasonable assurance to senior leadership that Platte River meets all NERC and WECC requirements, the department will continue to develop and implement a risk assessment and internal controls framework in 2027. This framework will help Platte River to demonstrate effective risk mitigation practices to WECC staff ahead of its next formal audit.

Financial services

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

Accounting manages transactional accounting functions, including capital, fuel and invoicing activities for the organization. The team also provides reports to managers, directors and senior leaders to support informed decision-making 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 ensure the organization has sufficient financial resources to fund projects and initiatives while meeting financial targets. Treasury also oversees accounts payable, purchasing, warehousing, inventory control and contract administration.

Financial reporting and budgeting monitors and reports on Platte River's financial status. Key responsibilities 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 needed to make informed decisions. The team manages the financial system, including evaluating opportunities to implement best practices and leverage additional system functionality and updates in close collaboration with other stakeholders. The team also coordinates Platte River's annual financial audit and leads the budget process in compliance with Colorado's local government budget law.

Financial planning and rates is responsible for long-term financial planning using established models, in close collaboration with the resource planning department. In collaboration with senior leadership and the board of directors, the 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 Platte River's energy trading and risk management system and maintaining the energy risk management policy and guidelines. In 2027, this team will lead a joint rates study, working closely with the owner communities to design a rate structure that reflects the future operating environment and align rates from wholesale to retail to promote system benefits.

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 leading the energy transition.

Power markets and generation dispatch plans and schedules generating resources to reliably meet the energy needs of the owner communities and fulfill other obligations. The department optimizes available resources through bilateral transactions and organized energy markets to deliver a cost-effective, reliable energy supply. In 2027, staff will participate in the SPP RTO, continue market training and engage in market working groups. The department will optimize available resources and monitor the development of new noncarbon resources under PPAs.

Portfolio strategy and integration advances the strategic plan through resource planning and support for the procurement of renewable energy and storage resources. Staff uses industry-standard modeling software and extensive analysis to develop long-term IRP and quarterly power supply plans for budgeting, financial modeling and wholesale rate projections. The department also provides analytical support for power transactions and portfolio optimization. In 2027, the department will focus on the 2028 IRP, which the board will be asked to approve in the spring of 2028 for filing with the Western Area Power Administration (WAPA) by mid-2028. The department will continue focusing on planning and portfolio optimization in the SPP RTO.

The **DER** team leads collaboration with owner communities to integrate DER into a reliable, financially sustainable and increasingly noncarbon electric system. The DER department plans, develops and operates systems that improve DER visibility, predictability and, where possible, dispatchability. This work includes coordinating with the owner communities and the distributed energy solutions department to support customer DER participation in programs such as Efficiency Works Flex, as well as developing and deploying distribution-scale DER, including battery storage.

Distributed energy resource management systems (DERMS) support the coordinated operation of DER through two complementary layers of software. Grid DERMS enables utility system management and edge DERMS enables customer participation and flexibility. In 2027, the department will continue implementing the enterprise grid DERMS for coordinated management of customer- and utility-owned DER, initially focused on distribution-scale battery projects. Following their 2026 launch, the edge DERMS and Efficiency Works Flex programs will expand, increasing participation and building operational experience with customer-sited DER. In parallel, staff will develop operating procedures to support safe, reliable and financially optimized system and market operations.

Distributed energy solutions leads the development and implementation of customer energy programs, providing technical and financial support to help customers use energy more effectively. In collaboration with owner community staff, the team delivers distributed energy solutions under the Efficiency Works brand and supports customer energy program reporting for the Energy Information Administration and WAPA IRP annual updates.

In 2027, the department will continue efforts launched in 2022 to expand program offerings beyond traditional energy efficiency measures. This work includes a significant shift in the customer energy program portfolio toward flexible load programming. The expanded focus will support DER technologies that advance the strategic plan. The department will offer customer energy solutions focused on energy efficiency, building electrification, noncontrolled electric vehicle services and flexible loads. Distributed energy solutions will emphasize foundational elements of efficient energy use to support flexible load initiatives that directly interact with the DERMS and the growing VPP.

Fuels and water manages the availability and delivery of critical fuel and water resources required to safely, reliably and efficiently operate Platte River's generation facilities. Core responsibilities include fuel and water supply planning, contract management, coal and rail optimization, natural gas firming strategies and long-range forecasting to support current operations and future system needs.

Department activities support regulatory compliance, contractual obligations and industry best practices related to fuel procurement, water reliability and resource stewardship. These efforts help ensure generation resources operate as planned while adapting to evolving operational, market and regulatory conditions.

In 2027, water-related priorities include filling Chimney Hollow Reservoir, subject to uranium mitigation requirements; participation in regional water planning efforts and evaluating future water projects and partnerships. Platte River also anticipates marketing and selling two unfirmed Windy Gap units in 2027, with estimated revenue of \$10.6 million.

Fuel-related priorities include full-scale post-mining reclamation at Trapper Mine, careful management of coal inventories at Craig Generating Station and strategic planning for coal deliveries and inventory reductions for Rawhide Unit 1. The department will continue natural gas firming efforts to support existing and future dispatchable generation.

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 and maintains the cybersecurity strategy and manages the cyber risk remediation program. The department designs and implements asset and vulnerability management programs for Platte River. It also upholds the principles of confidentiality, integrity and availability in providing information and data across the organization. The department researches technical security controls, manages security

systems and provides organization-wide cybersecurity education. It also administers the NERC CIP compliance management program for digital assets.

Client technology and endpoint security manages end-user computing devices and applications that enable service delivery and support for Platte River staff. The department manages laptops and desktops, special-purpose and non-enterprise systems, audiovisual and conferencing solutions, printers, mobile devices and other client-facing technologies. The team provides service desk support, client-facing system administration and mobile device management using both on-premises and cloud-based tools. The department partners with other teams to support projects, coordinate technology service communications and remediate security vulnerabilities on client devices.

Operational technology (OT) maintains the reliability, resilience and security of the central control systems used to operate Platte River's high-voltage transmission lines and electrical substations and monitors the surrounding regional transmission system. In 2027, OT assumes responsibility for Rawhide's controls network, including the computing and storage infrastructure that supports power generation. The team provides transmission and generation system asset control, situational awareness and advanced applications while overseeing compliance with NERC regulations.

Enterprise applications is responsible for the administration, maintenance, enhancement and lifecycle management of Platte River's core business applications. These systems support mission-critical operations across finance, market operations, system engineering, compliance, safety, customer programs and enterprise-wide collaboration. The department manages a large and diverse portfolio of vendor-hosted and subscription-based software, much of which is essential to regulatory compliance, grid reliability, market participation, employee services and organizational efficiency. The team also supports system integrations, vendor relationships, license management and coordination with managed service providers to ensure continuity and performance across supported platforms.

Enterprise infrastructure manages backend systems for other departments to deliver services to end users. The department maintains the reliability of information technology (IT) networks and systems. The team designs, implements and manages wired and wireless enterprise networks, firewalls, servers, virtualization systems, storage systems and backup and recovery solutions.

Enterprise project office maintains the project portfolio and works with leaders, staff and other departments to support project intake and assist with project documentation. This functional team represents the continued evolution of project portfolio management at Platte River as the organization works toward best practices in project planning, prioritization and execution. In 2027, the department will support multiple projects central to Platte River's operations and long-term objectives. The team will develop an enterprise project management strategy focused on aligning project portfolios with business strategy, establishing governance and driving organizational change.

Summary

Proposed 2027 Strategic Budget at a glance

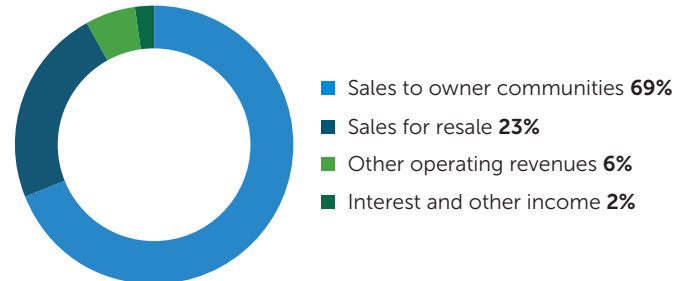
The Platte River Power Authority proposed 2027 Strategic Budget, produced under the direction of the organization's leadership, aligns with the long-range strategic plan to give community leaders, stakeholders and the public a transparent roadmap of Platte River's tactical, operational and capital plans for the coming year.

Platte River's 2027 budget enables ongoing investments to transform the organization based on its strategic initiatives and sustain core operations. These investments advance Platte River's vision to be a respected leader and responsible power provider, while upholding the organization's mission to safely provide reliable, financially sustainable and environmentally responsible energy and services to the owner communities. Together with the strategic plan, these priorities guide the resource allocations, revenues and expenses detailed in the budget.

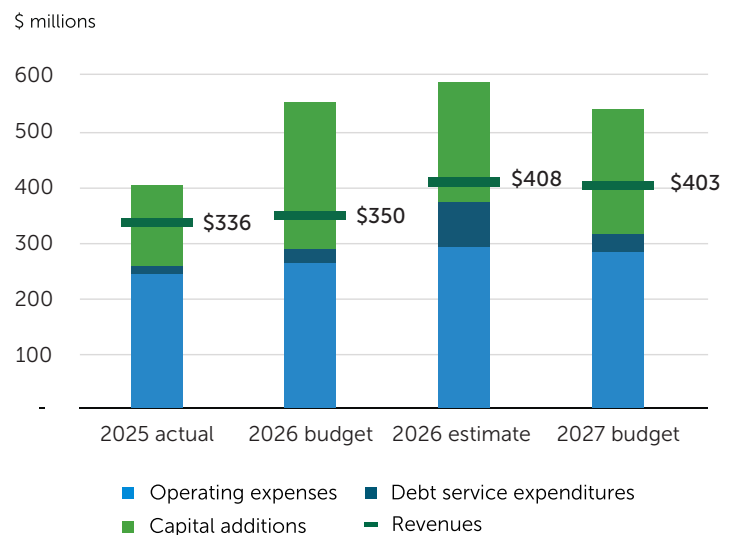
Platte River manages expenses from a broad perspective with the goal of maintaining a safe, compliant and reliable electric system, advancing environmental stewardship and supporting long-term rate stability. Platte River communicates and collaborates with the owner communities to align processes and outcomes for the benefit of all customers.

Platte River's budget includes \$641.8 million in total uses consisting of operating, capital, debt and contingency. Sources total \$402.5 million from revenues and \$239.3 million from prior reserves and debt financing. Of the \$509.4 million in operating expenses and capital additions, approximately 55% and 45% are allocated to activities supporting core operations and strategic initiatives, respectively.

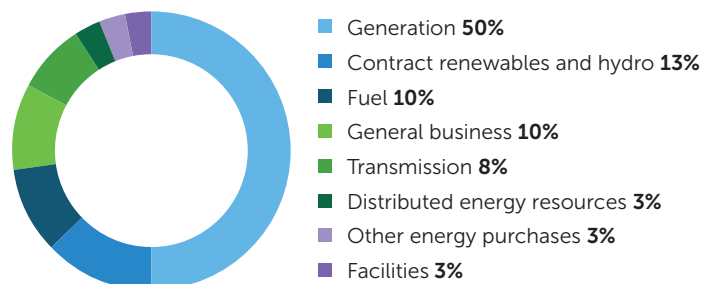
Revenues



Revenues and expenditures



Operating and capital additions



Strategic initiatives

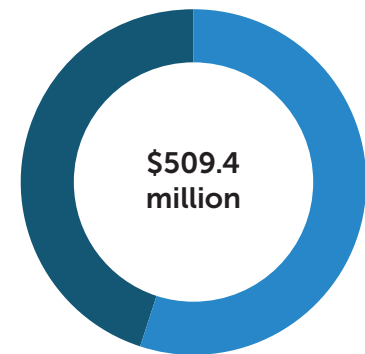
\$227.8 million, 45% of operating and capital

- Portfolio diversification, integration and optimization, \$219.1 million, 43%
- Partnership, engagement and alignment, \$4.3 million, 1%
- Organizational dynamics, \$4.4 million, 1%

Activities

- Dispatchable capacity through energy storage including Weld Energy Storage and distribution-level batteries, VPP including DERMS and programs, and aeroderivative units
- New control building at Rawhide Energy Station to support long-term operational resiliency, business continuity, accessibility and technology infrastructure requirements
- Noncarbon resources infrastructure and planning, including additional renewable resources
- 2028 IRP development and analysis
- Market performance and portfolio optimization, including integration of advanced battery optimization, monetizing excess RECs and capacity, participation in SPP RTO stakeholder forums and strengthening natural gas risk management and procurement
- Design rates and incentive programs to promote system benefits for the energy transition
- Partnership, engagement and alignment including engagement strategy development and deployment, joint training events and educational materials
- Organizational dynamics including leadership development programs, workforce modernization and commitment to the Just Transition Plan

Operating expenses and capital additions



- Core operations **55%**
- Strategic initiatives **45%**

Core operations

\$281.6 million, 55% of operating and capital

- Generation, including fuel, \$140.5 million, 28%
- Energy purchases including wind, solar and hydropower energy, \$82.7 million, 16%
- Transmission, \$48.4 million, 9%
- Customer energy programs, \$10.0 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 two-week scheduled minor maintenance outage
- Continued generation from wind and solar resources under PPAs, along with hydropower contracts with WAPA
- Ongoing operations and maintenance of the transmission and fiber optic systems
- Proactive capital investments including construction of a new substation and enhancements to physical security at existing locations
- Customer energy programs
- Community initiatives and facilities improvements
- Staffing plan to support organization changes and strategic initiatives

Strategic initiatives

\$227.8 million, 45% of operating and capital

Platte River is committed to its mission to provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities, while driving utility innovation. The 2026 Strategic Plan helps guide Platte River's transition to a cleaner energy future while maintaining system reliability and managing rate pressures.

Achieving the objectives of the strategic plan requires the continued development and integration of a diversified energy portfolio, active participation in the SPP RTO, strong partnerships with owner communities and industry stakeholders, and an engaged, adaptable workforce.

In 2027, staff will continue to implement the 2026 Strategic Plan, which is organized around three strategic initiatives:

- Portfolio diversification, integration and optimization
- Partnership, engagement and alignment
- Organizational dynamics

The following information highlights investments in 2027 that support each strategic initiative.

Portfolio diversification, integration and optimization

\$219.1 million, 43%

Platte River's portfolio diversification, integration and optimization efforts focus on decarbonizing its energy portfolio while balancing cost pressures, maintaining system reliability and optimizing SPP RTO membership. This initiative focuses on cross-functional collaboration to monitor and assess dispatchable capacity solutions and emerging technologies and to selectively integrate those solutions to support decarbonization goals. It also emphasizes partnerships with the owner communities to design business processes and tools that enable integration and optimization of generation, transmission, distribution and DER planning and operations.

Dispatchable capacity

Guided by the strategic plan, 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 approved a resolution of support for highly flexible, dispatchable capacity through a three-pronged approach: energy storage, a VPP and aeroderivative units. This approach will help Platte River manage renewable resource variability and weather related dark calms (extended periods of low or no renewable generation) while supporting regional markets and transmission services to maintain reliable delivery of energy to the owner communities.

Energy storage

Operation of the Weld Energy Storage project (100 MW / 400 MWh), the first large-scale energy storage project in Platte River's history, is expected to begin in late December 2026, with 2027 being the first full year of operation. This project helps maximize the use of renewable resources by storing excess energy during low-cost periods, typically around midday, and releasing it during higher-demand, higher-priced evening hours. Additionally, battery storage can provide ancillary services for grid operation.

The agreement for Weld Energy Storage is a financing arrangement under Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. It requires recognition of a lease liability and a corresponding amortizable lease asset, currently estimated at \$192.0 million, with funding appropriated as debt service of approximately \$14.7 million per year from 2027 through 2046. Additional information appears in the debt service expenditures and debt-like obligations section of this document.

Platte River is partnering with the owner communities to develop distribution-level battery storage. The goal is to install at least one 5 MW, four-hour (20 MWh) battery in each owner community to enhance load flexibility, improve local reliability and support potential market benefits.

These distribution-level battery systems will be owned, installed and maintained by a third-party vendor. The systems will serve as Platte River resources and operate in coordination with owner community distribution systems through the VPP initiative. Site assessment and design began in 2025, with commissioning targeted for 2028.

Virtual power plant

A VPP aggregates flexible DER, such as batteries, electric vehicles and controllable devices, to provide grid services similar to those of a traditional power plant. Customers can voluntarily enroll their DER to support system capacity and energy needs. The VPP is expected to grow to approximately 19 MW by 2030, excluding previously discussed distribution-level storage. Planned incentives during 2027 of \$0.4 million target enrolling customer devices to provide an initial 3.2 MW for the VPP.

In 2024, Platte River issued an RFP to procure technology and services to support VPP development. The RFP included two primary scopes:

- Implementation of a grid-level DERMS to coordinate DER operations across Platte River and the owner communities
- Development of customer incentive programs and an edge DERMS to communicate with and manage customer-owned DER behind the meter

In 2027, Platte River will invest \$2.0 million as part of completing a multiyear, \$5.2 million phase 1 DERMS implementation. Phase 1 includes DERMS software, hardware and integration with owner community customer information systems, geographic information systems (GIS), advanced metering infrastructure and meter data management systems.

This project enables greater DER integration to maintain reliability, manage costs and support renewable energy integration. Capitalization and cost treatment will depend on final vendor selection, system ownership and implementation approach.

Phase 2 of the DERMS project will add market dispatch and distribution management capabilities. These enhancements will enable DER to participate in energy markets and respond to distribution system needs through integration with the owner communities' advanced distribution management systems. Work on phase 2 is expected to begin in 2027, after completion of phase 1, with an estimated \$1.6 million investment to begin the project and implementation anticipated through 2030 for a total project cost of \$3.5 million.

Aeroderivative units

Aeroderivative units at Rawhide Energy Station will support reliability and financial sustainability as Platte River increases investment in renewable resources to allow retirement of its coal-fired generation by the end of 2029. These units start and ramp up quickly to respond to changing market conditions including load and variable renewable 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 (synchronized to the grid but not consuming fuel or producing energy). Platte River has received all necessary air and land use permits for these units.

Platte River is under contract with General Electric (GE) to procure the turbine package and other associated equipment representing 200 MW of new dispatchable capacity when commercially operational. Platte River has contracted with Fagen Inc. as the engineering, procurement and construction contractor. Construction activities began in 2026 and will continue through unit commissioning in 2029. A key focus in 2027 will be continued milestone equipment payments and construction activities, approximately \$164.1 million of the total estimated \$638.1 million multiyear investment.

Off-site component manufacturing and assembly will proceed in parallel with on-site construction. In 2027, Rawhide staff will invest in technical training before attending factory acceptance tests for major equipment, with operator training following in 2028. Because the aeroderivative units will operate on a different control system than Rawhide Unit 1 and the existing frame units, there will be considerable training for engineering and the instrumentation and electrical teams on the GE control system.

In 2027, Platte River will invest in the following projects that support the aeroderivative units.

- **Water infrastructure:** This project includes design, procurement and construction of a new service and potable water treatment system, expanded demineralized water treatment infrastructure and potentially additional demineralized water storage. The new service and potable water system is anticipated to use enhanced filtration technology and will be able to operate alongside or replace the existing system. The project team is evaluating options that would reuse portions of the existing service and potable water treatment system, in addition to reusing the existing space to reduce total project cost. Demineralized water upgrades are anticipated to include pumps,

filters and piping to connect with portable treatment units that can be serviced off-site. The project will also include necessary piping tie-ins and infrastructure to integrate with existing water systems. With a 2027 investment of \$0.1 million, the total project cost is estimated at \$10.1 million, depending on the final project scope. These upgrades address flexibility and capacity constraints to meet the future demands of the aeroderivative and frame units.

- **12.47-kilovolt switchgear replacement:** This project will phase out the aging 12.47-kilovolt switchgear located in the Rawhide Substation control building, which supports multiple facility loads. The new switchgear will initially operate in parallel with the existing system, with cables retained for future flexibility. After Rawhide Unit 1 is decommissioned, the original switchgear will be retired and the breaker feeding it will be repurposed for future use. The project also includes upgrading the electrical feeds to improve reliability by providing dual power sources, supporting long-term, reliable load sourcing for the next 45 years. The work will be completed as a multiyear effort including engineering, procurement and construction activities. Civil work and site construction in 2027 is estimated at \$2.9 million of an estimated total project cost of \$8.7 million, with expected completion in 2028.
- **Control room upgrades:** This project will modernize and reconfigure the Rawhide Energy Station control room to provide more intuitive, operator-focused and forward-facing monitoring of current and future assets. The upgrade will consolidate and enhance visibility of Rawhide Unit 1, existing frame units, balance of plant systems, fire protection monitoring, environmental compliance, aeroderivative units and SPP RTO information. The scope includes potential structural expansion of the control room, installation of a horseshoe-style operator console, three video walls and repositioned operator desks and display screens. Supporting infrastructure improvements include network and control cable rerouting, reassignment of display functions, heating, ventilation and air conditioning (HVAC) improvements and new flooring to improve cable management. In 2027, these upgrades will cost an estimated \$1.0 million of a total multiyear project cost of approximately \$2.0 million and will enhance operational efficiency, operator visibility and scalability, supporting continued equipment procurement and construction. Implementation is planned during the 2027 Rawhide Unit 1 scheduled minor maintenance outage to limit the disruption of unit operations.
- **Rawhide Substation expansion:** Platte River will expand the existing Rawhide Substation yard to support new generation resources and provide additional transmission interconnections. This project includes site redevelopment and modifications to existing facilities, installation of new substation equipment and construction necessary to safely and reliably integrate the expansion. Major scope elements include new 230-kilovolt bus, breakers, switches, associated protection and control equipment and a new control enclosure. With a 2027 investment of \$11.0 million and a total multiyear project cost of approximately \$26.5 million, the project supports future resource integration and will be completed through a multiyear effort including design, procurement and construction activities.

Buildings projects

Control building - Rawhide

Design and construction of a new critical operations facility at Rawhide Energy Station is needed to replace the existing transmission and power supply backup control centers and Rawhide control room, while providing a new IT and OT facility and evaluating future office space needs. The required space will be designed as a centralized, resilient platform to support long-term operational resiliency, business continuity, accessibility and technology infrastructure requirements.

The project includes developing facility requirements and determining the preferred construction delivery method. Existing backup control centers and control room facilities have significant limitations related to accessibility, resiliency and long-term functionality, while growing IT and OT demands require expanded secure data capacity. The design effort will establish the facility program, project scope, construction cost estimate and implementation schedule needed to advance this future capital construction project.

This project's estimated multiyear cost of \$16.5 million, with 2027 funding of \$1.5 million, is based on preliminary assumptions for a highly resilient facility with redundant mechanical, electrical, communications and critical support systems. The total project cost is likely to change after scope is defined and design is complete.

Technology infrastructure building - headquarters

A new technology infrastructure building is needed at Platte River's headquarters campus. This project will provide for design and construction of a new facility to further support the organization's growing IT and OT infrastructure needs. It will include secure rack space, equipment staging and storage areas, mechanical and electrical rooms, office and communications workspaces.

In 2027, this project is expected to be \$5.0 million of a total multiyear project cost of approximately \$5.4 million and supports Platte River's transition from cloud-hosted IT and OT systems to an on-premises hosting model for critical business and utility applications. The new facility will provide the capacity, security and redundancy necessary to host core business systems as well as a GIS, DERMS and VPP platforms for Platte River and its owner communities. The facility will establish the long-term infrastructure required to support expanding technology demands, improve system resiliency and maintain reliable delivery of critical services.

Noncarbon resources

Noncarbon resources are projected to supply 38.1% of Platte River's total energy portfolio in 2027, which includes the impact of estimated REC sales. By adding solar, wind and storage ahead of coal retirements, Platte River is spreading out necessary investments and resulting rate impacts across multiple years while building critical operational experience. This approach aligns with the board's support of a thoughtful decarbonization path that maintains reliability and manages wholesale rate impacts.

In 2027, Platte River will continue pursuing a new wind project to help replace the energy currently provided by Rawhide Unit 1. While project selection and timeline are uncertain, the next project is modeled to be approximately 200 MW and commercially operational in 2029.

Integrated resource plan

Platte River staff will continue work to complete the portfolio identified in the 2024 IRP that supports the decarbonization of Platte River's energy mix and meets statewide policies for greenhouse gas emission reductions by 2030.

In parallel, Platte River will begin work on the 2028 IRP with funding of \$0.2 million to reflect the most up-to-date assumptions and consider latest technologies. This is the last IRP that Platte River will file with WAPA before retiring Rawhide Unit 1. The following changes and refinements to the IRP modeling process are expected:

- Portfolio development will shift away from reliability modeling based on extreme dark calm scenarios and instead align with the planning reserve margin requirements set by the SPP RTO.
- Transmission import and export restrictions will no longer be treated as planning constraints. Instead, analyses will consider transmission congestion and the resulting economic impacts on the portfolio.
- The financial impacts of ancillary services transactions will be evaluated as part of portfolio planning.

Portfolio planning will also include an assessment of price volatility risks for electricity and natural gas, especially during extreme weather events.

As crucial information for integrated resource planning and also to guide DER program planning, Platte River will engage an expert consultant to complete a \$0.2 million DER forecast, potential and planning study and evaluate DER that increase load (building and transportation electrification), DER that reduce load (efficiency and distributed generation) and flex load (demand response and storage). The study will provide a 20-year forecast of customer adoption of these technologies as well as the potential for cost-effective programs to influence customer adoption.

The communications team will also support the IRP by partnering with the resource planning team and the owner communities to inform the public about the IRP process. The financial governance section has additional information about the IRP.

Asset optimization

Platte River's existing frame units continue to support regional reliability and integration of noncarbon resources. A \$6.4 million project will upgrade one combustion turbine unit with new combustion hardware and control system improvements, including sequential fuel injection capabilities and enhanced tuning software, to improve performance, emissions and operational flexibility.

Natural gas infrastructure will be upgraded to enable connections with additional gas transporters, improving supply flexibility, redundancy and measurement accuracy. The

project addresses operational needs, as the existing supply pressure is insufficient for the aeroderivative units. Expanding supplier options will provide significant benefits for both cost and reliability. The project will be completed over multiple years at an estimated total cost of \$24.2 million, with 2027 funding of \$10.8 million to begin design and construction phased through 2029, aligned to gas transmission outages.

Gas valve security

A \$0.3 million project will implement physical security enhancements at a critical natural gas valve site to protect essential infrastructure and reduce the risk of unauthorized access, tampering or vandalism. The project will focus on upgrading site security measures to meet current standards for protecting critical utility assets and protect continued reliability of gas delivery systems.

Enhanced access control and physical protection measures will help safeguard critical equipment, support regulatory and security objectives and reduce the potential for service interruptions. The project is planned for implementation in the fourth quarter of 2027, aligning with resource availability and asset protection priorities.

Wet compression – frame combustion turbine

This multiyear series of projects will enhance generating capacity, operational flexibility and asset performance by installing wet compression capability on units A-D and replacing aging fogging infrastructure with a modernized, more reliable system. Based on the favorable performance results from similar upgrades on Unit C in 2025, staff determined that implementing the same improvements across the remaining frame units will provide significant operational and reliability benefits. The next upgrade is on Unit D, started in 2026 and planned for completion in 2027. The project includes new high-pressure pump skids, stainless steel feedlines, redesigned fog nozzle arrays and associated electrical, controls and instrumentation integrated into the existing Ovation Distributed Control System.

The upgraded system will address known reliability issues with the existing fogging arrays, which have experienced fatigue cracking at nozzle adapters, while leveraging much of the existing infrastructure, including pump skid enclosures, concrete pads and water delivery piping. In addition to restoring reliable fogging operation, the addition of wet compression is expected to provide up to 10 MW of additional generating capacity per unit when ambient temperatures exceed approximately 60°F. The system is expected to have a neutral to modestly positive effect on heat rate, slight reductions in NOx emissions and minimal parasitic load impacts relative to improved performance.

In 2027, Platte River will invest approximately \$0.8 million to complete this \$1.4 million multiyear project on one frame unit, which directly supports the portfolio diversification, integration and optimization strategic initiative by increasing available generating capacity from existing assets, improving response to peak system demand and enhancing operational flexibility through rapid-output capability that may qualify as spinning reserve. Integration with automatic generation control signals will further strengthen system responsiveness and dispatch capabilities. By maximizing the performance and reliability of existing generation resources, this project represents a cost-effective approach to meeting future energy needs

while improving overall system efficiency and reliability. Similar upgrades for frame units A and B are planned in the long-term capital forecast.

Market performance and portfolio optimization

In 2027, the power markets team will strengthen market performance by integrating advanced battery optimization into the Weld Energy Storage project. With an annual operating cost of approximately \$0.3 million, the team will procure and deploy a best-in-class platform that connects directly with SPP RTO systems and supports automated bidding in day-ahead, real-time and ancillary service markets. Staff will use improved forecasts for prices, load and renewable generation to guide dispatch decisions and track performance metrics, including revenue, cycle efficiency and market capture. Targeted training in algorithmic bidding and battery optimization will build internal expertise. These actions are anticipated to increase revenue and improve asset utilization.

The power markets team will increase portfolio value by actively monetizing excess generating capacity and RECs. The team will implement a structured, data-driven trading strategy that uses forward sales and hedging to secure favorable prices and improve market timing. It will deploy enhanced analytics to track positions, pricing trends and contract performance. These steps are expected to reduce revenue volatility, enhance returns from capacity and environmental assets and help manage rate pressure.

At the same time, efforts will be underway to expand Platte River's influence on regional market design through active participation in SPP RTO stakeholder forums. The team will work with market engagement staff and Platte River leadership to develop clear policy positions on key issues such as market operations and capacity planning and align them with long-term resource strategy. It will collaborate with peer utilities to strengthen advocacy and provide leadership with regular updates on regulatory developments and implications. This engagement will work to influence market rules that support operational and financial goals.

Platte River also will strengthen natural gas risk management and procurement as reliance on gas generation grows. This initiative will formalize nomination procedures, add better tools for price forecasting and scenario modeling and set clear risk thresholds and governance controls. Power markets will evaluate a third-party partner, approximately \$0.2 million, to support trading, logistics and market optimization. By aligning gas procurement with power market strategy, Platte River will reduce fuel cost volatility, improve dispatch efficiency and better capture emerging market opportunities.

Consulting and staff training to support natural gas firming strategies for the frame and aeroderivative units will occur in 2027 with funding of approximately \$0.1 million. These efforts will focus on pipeline interconnection implementation, evaluation of additional firming opportunities and development of gas supply risk management strategies.

Rates

As Platte River transitions its system to a primarily intermittent resource mix supported by flexible, dispatchable capacity and participation in the SPP RTO, rate design and incentive programs require modernization. In addition to managing wholesale rate pressure while

maintaining strong financial risk mitigation, Platte River will work closely with the owner communities to design rates and incentives that promote system benefits while aligning with evolving operating characteristics. Approximately \$0.3 million of funds will be dedicated to continuing a multiyear joint rate study including identification of common objectives, a formal cost of service study and rate design study to achieve those common objectives with updated cost of service methodologies.

Partnership, engagement and alignment

\$4.3 million, 1%

The partnership, engagement and alignment strategic initiative centers on strengthening partnerships with owner communities to advance a shared vision and implementation roadmap. Community engagement is key to this effort, driving alignment, trust and participation across all five entities, especially as Platte River and the owner communities pursue integration opportunities and shared services that deliver long-term value. The plan also emphasizes transparent, consistent public education to support VPP participation, along with ongoing collaboration with regional partners through the RTO stakeholder process. Engagement at the state, regional and national levels, combined with continued local community involvement, ensures these efforts directly support strategic priorities and collective goals.

Strategy development and deployment

Platte River's communications team will collaborate with the owner communities to develop a customer-focused communication and engagement strategy that supports clear and timely outreach across customer segments. Public engagement for the 2028 IRP will be informed by this strategy, with Platte River and the owner communities collaborating in 2027 to educate the public about the resource planning process and how it helps advance Platte River's strategic plan.

Joint training and education

The team will also invest in joint training events with the owner communities in 2027 to help increase efficiencies and foster long-term collaboration and pursue relationship-building with local, regional and industry partners to share strategic initiatives and further Platte River's interests.

In addition to its existing annual engagement opportunities for elected officials, the external affairs team plans to launch new educational materials for elected officials on Platte River's entry into the SPP RTO and engage with Colorado's incoming gubernatorial administration in 2027.

Organizational dynamics

\$4.4 million, 1%

The organizational dynamics initiative focuses on employee training to support leadership development, succession planning, workforce transition and fostering an engaged workforce

that clearly understands how their contributions advance Platte River's goals. It also highlights the board of directors' role in ensuring alignment between owner community organizations, adopted policies and Platte River's strategic priorities.

Leadership development

In 2027, Platte River continues to strengthen a high-performing workforce aligned to strategic priorities. A key \$0.3 million investment is the leadership development program, which is actively building a consistent leadership framework and shared language to strengthen capability, alignment and effectiveness across current leaders. This effort is critical to enabling disciplined decision-making, fostering collaboration and supporting the organization's noncarbon energy future.

Workforce modernization

Concurrently, there is continued focus to advance workforce modernization efforts to improve efficiency, expand employee development and enhance cross-functional collaboration. The organization will also identify and implement a human resources case management tool to improve service delivery and operational consistency.

Just Transition Plan

Platte River will continue to implement the transition strategy directed by the board-adopted Responsible Transition for Rawhide Employees resolution and Just Transition Plan. Platte River anticipates no involuntary reductions from retiring Rawhide Unit 1, as reflected in its Just Transition Plan, and remains committed to reskilling and upskilling employees for long-term success.

Core operations

\$281.6 million, 55% of operating and capital

Reliable core operations are essential to Platte River's ability to pursue strategic initiatives while continuing to safely provide reliable, cost-effective and environmentally responsible energy services to the owner communities. Investments in generation, transmission and a diversified energy portfolio, including wind, solar, storage and hydropower, support system reliability and long-term sustainability.

Generation

In 2027, coal- and natural gas-fired resources owned by Platte River are expected to provide 45.6% of the utility's energy. Platte River will continue leveraging its participation in the SPP RTO, following a successful market transition in April 2026, to enhance reliability, improve regional coordination and support cost-effective energy delivery. Participation in the broader regional market increases access to diverse generation resources, strengthens operational flexibility during periods of peak demand and renewable variability and enables least-cost dispatch across the region.

As Platte River continues progressing toward a more diversified and lower-carbon resource portfolio, dispatchable coal- and natural gas-fired resources will remain an important part of the generation mix alongside wind, solar, storage and hydropower. Through active participation in the SPP RTO, Platte River purchases energy when market prices are more economical than self-generation and sells excess energy when production costs are competitive, helping optimize system operations and maintain financial sustainability.

Additional information about Platte River's generation resources and energy mix is available at prpa.org/generation, and current resource and load information, including the trailing 24-hour resource mix, is available at prpa.org/energy-production.

Rawhide Energy Station

The Rawhide Energy Station continues to play a central role in Platte River's reliable and responsible energy transition strategy. As renewable energy resources expand across the portfolio, dispatchable generation at Rawhide remains essential to maintaining system reliability and operational flexibility during changing weather conditions and periods when wind and solar generation are limited. The site continues to evolve as an integrated energy campus with coal, natural gas, solar, battery storage and wind interconnections supporting a balanced and resilient resource mix.

Platte River is also advancing future-focused technologies at Rawhide, including highly efficient aeroderivative units that will strengthen reliability while supporting long-term decarbonization goals. Rawhide Unit 1 remains a critical source of dependable, cost-effective energy and Platte River will continue investing in strategic maintenance and operational improvements to enhance flexibility, efficiency and overall system performance as the

generation portfolio evolves. In 2027, Rawhide Unit 1 and the frame units will generate 37.8% and 2.4%, respectively, of Platte River's energy.

Rawhide Unit 1

Platte River will continue investing in preventive and predictive maintenance to ensure Rawhide Unit 1 remains safe, reliable and compliant throughout its remaining operating life. Following completion of its final major maintenance outage in 2025, only one minor maintenance outage is planned before the unit retires in 2029, this minor outage is scheduled for fall 2027. The outage scope will focus on inspections and any necessary repair work to improve availability and reliability during the unit's remaining two years of operation. Maintenance outage expenses, including personnel costs, are estimated to be \$4.8 million.

Two significant projects are planned during the outage. The first is burner inspections and repairs to support compliance with mercury and air toxics standards. The second is the first generator inspection since the unit's generator rewind in 2018.

Beginning in 2027, Platte River will implement a planned reduction in coal inventory at Rawhide to support a gradual transition to zero inventory at the retirement of Rawhide Unit 1.

Frame units

Platte River's frame units remain a critical part of core operations and system reliability, particularly during periods of high summer demand and variable renewable output. Although Platte River is newly participating in the SPP RTO and early results may not reflect long-term performance, the units are demonstrating value beyond traditional peak periods, suggesting different uses than in the bilateral and previous energy imbalance-only markets. Designed for dependable, dispatchable generation during extended peaks, the frame units support a balanced, resilient portfolio as renewable generation expand. Platte River will continue investing in maintenance and operational improvements to keep these units reliable, flexible and responsive to evolving system needs.

Craig Generating Station

Craig Unit 2 remains on track to retire by Sept. 30, 2028. Craig Unit 1 continues to be available to operate under federal emergency orders issued after its planned retirement date of Dec. 31, 2025. The Department of Energy orders require continued availability of Craig Unit 1 and add uncertainty to anticipated operating requirements, fuel expenses and overall budget planning for the station.

Platte River and the other co-owners planned for the retirement of Craig Unit 1 for more than a decade and previously replaced its expected capacity and energy through alternative resources and market participation strategies.

Following the expected conclusion of mining operations at Trapper Mine in 2026, sufficient coal inventory will be established to meet forecasted fuel needs for Craig Unit 2 through its scheduled retirement. Additional fuel planning may be required for Craig Unit 1 due to ongoing federal emergency orders, reflecting continued uncertainty related to operating

requirements, fuel needs and associated costs. Platte River will continue coordinating with Yampa Project participants as operational requirements evolve.

For 2027, Platte River's share of production and transmission operating expenses, excluding fuel, is expected to be \$8.6 million and will continue to support safe, reliable and compliant operations at Craig Unit 2 through the remainder of its operating life. Planned capital investments, less than \$0.1 million in 2027, include limited upgrades to maintain station and switchyard reliability. The Craig Generating Station is expected to generate 5.4% of Platte River's energy.

Chimney Hollow Reservoir

Chimney Hollow Reservoir reached substantial completion in 2025. Uranium mitigation efforts delayed commissioning, with a limited initial fill completed in 2026 for testing and monitoring. The process of developing and implementing a management strategy will take additional time and has delayed the original plans to fill Chimney Hollow Reservoir.

Purchased power

Approximately 54.4% of Platte River's energy source is from wind, hydropower, solar and other purchases. The operating expenses section has more information on these purchased power resources.

Rates for WAPA Colorado River Storage Project (CRSP) were stable, with further delivery reductions in 2025 due to water conditions. In 2026, Colorado experienced historically low water levels, and the Colorado River Basin is projected to surpass its driest year on record. Water deliveries are currently down approximately 27%, requiring WAPA to purchase replacement power from the energy market to meet contractual obligations. No rate changes or delivery reductions are expected from WAPA's Loveland Area Projects (LAP).

Transmission and substations

Transmission and substation capital projects are guided by ongoing system planning and long-term load studies that identify infrastructure improvements needed to maintain reliable electric service and meet operational standards. These projects require strong collaboration, communication and coordinated planning between Platte River and the owner communities, particularly as system needs evolve and new delivery points and infrastructure improvements are developed.

Transmission

Transmission maintenance and infrastructure upgrades are foundational to Platte River's ability to deliver reliable electric service, manage costs responsibly and support its evolving power supply strategy. These activities are essential for reliability and represent long-term investments in financial sustainability.

Substations

Substations are critical to Platte River's ability to deliver safe and reliable electric service while supporting the transition to a more flexible, increasingly noncarbon energy system. Ongoing maintenance and upgrades help maintain grid reliability, reduce long-term costs and ensure infrastructure can support future growth, new generation interconnections and evolving community energy needs. Strategic planning and siting of substations also strengthens system resilience, improves operational flexibility and positions the transmission network to support regional market participation, future technologies and long-term resource diversification goals.

Midtown Substation

The Midtown Substation project is a modernization effort, in partnership with the City of Fort Collins, to improve system reliability, increase delivery capacity and support future community growth. The project includes construction of a new delivery point, Midtown Substation, east of the existing Drake facility, which was originally built in the 1960s and cannot be modified to increase capacity or meet Platte River's reliability and operational standards.

The new substation will be designed with a modern 115-kilovolt ring-bus configuration, including six breakers, upgraded communications and control systems and four delivery points for Fort Collins. Platte River will also modify the existing transmission lines to connect to the new site and decommission the existing Drake Substation once the new facility is operational. With an initial 2027 investment of approximately \$1.9 million, the project is anticipated to be completed in 2030, with a total multiyear estimated cost of approximately \$13.8 million, exclusive of an additional \$1.3 million multiyear total estimated for decommissioning the existing Drake facility.

Platte River views the Midtown Substation project as a long-term investment in modernizing critical transmission infrastructure to better serve Fort Collins and support future system demands. Replacing the aging facility with a new ring-bus substation will modernize critical transmission infrastructure, improve system resilience and provide greater flexibility to accommodate growth and electrification.

Security

Platte River's 2027 security-related projects focus on protecting critical electric infrastructure, strengthening operational resilience and supporting the reliable delivery of power to the owner communities. Security has become an increasingly important component of core utility operations as threats to power infrastructure continue to evolve. Security efforts now require significant organizational resources, coordination and ongoing investment across both physical and operational systems.

Key 2027 security projects expected to be completed in 2027 include:

- Visitor management system: Implemented at both headquarters and Rawhide Energy Station, this system will modernize visitor screening, occupancy tracking and

emergency response coordination through automated check-in systems and badge management.

- Gunshot detection systems: Located at both Boyd and Severance Substations, these systems will provide automated threat detection, faster law enforcement response and enhanced protection for critical 230-kilovolt transmission infrastructure. These projects support an industry “defense in depth” security strategy and strengthen potential compliance measures for NERC standards CIP-014. The two systems, combined, are expected to cost approximately \$0.1 million.
- Automated control gate at Rawhide: At an estimated investment of \$0.1 million, this project will add monitored and controlled access between Rawhide Energy Station and adjacent solar facilities to improve safety, occupancy awareness and physical security.

Platte River continues to evaluate future security enhancements at owner community substations as operational needs and system risks evolve. As electrification, DER and regional transmission operations expand, substations are increasingly recognized as critical infrastructure requiring layered physical and cybersecurity protections. These investments support core operations by protecting the infrastructure, communications systems and OT necessary to reliably deliver electricity while also advancing Platte River’s values.

Customer energy programs

Customer energy programs have long been central to Platte River’s mission. Programs that support customer participation through energy efficiency, electrification and DER help reduce system peaks and improve operational flexibility, creating benefits for both customers and the overall electric system.

In 2027, Platte River will invest \$10.0 million in customer assessments, rebates, incentives and income-qualified programming. These efforts project savings of 8,400 MWh of energy. Building and transportation electrification initiatives will further impact 6,890 MWh supporting customer decarbonization efforts. Owner communities will provide an additional \$0.8 million, outside Platte River’s budget, to support local community energy improvement initiatives, with Platte River staff facilitating.

2027 activities include:

- Providing customer service and energy solutions to the owner communities and their customers.
- Leading customer-facing programs for DER solutions, aligning program development and implementation with the DER team’s recommendations in support of VPP development.
- Providing programming activities to support annual carbon reductions of 4,600 MTCO₂e from customer upgrades.
- Providing DER product education to support customers in their journey to effectively use energy as the adoption rate of various DER technologies continues to grow.

The communications team will continue supporting the expansion and evolution of Efficiency Works programs, including the VPP, through development and deployment of marketing campaigns to generate awareness and drive customer participation.

Ongoing communications and community engagement

Platte River's communications and community engagement efforts support education, transparency, collaboration and long-term planning with owner communities, stakeholders and customers. These efforts build understanding of major infrastructure projects, resource diversification, reliability investments and the ongoing energy transition while strengthening relationships across the region. They support informed decision-making, encourage customer participation in emerging energy programs and help align future energy strategies with community priorities, reliability goals and financial sustainability.

Ongoing support areas include stakeholder engagement with owner community utility leadership and the board of directors, as well as communications related to system integration and regional market participation. Additional efforts include supporting community energy storage initiatives, VPP education, marketing customer energy programs and deploying public education campaigns that build awareness of Platte River, the owner community utilities and the public power model. Additional efforts include public information on transmission and generation projects, the SPP RTO, continued collaboration on electrification, renewable integration and evolving customer energy needs.

External affairs will maintain its focus on advancing strategic policy initiatives, building stakeholder relationships, informing the public on policy matters, enhancing organizational influence and supporting policy compliance.

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Facilities improvements

Facility services will support nearly every area of Platte River's operations by maintaining the buildings, substations, operational spaces and support infrastructure necessary for reliable electric service, employee safety and organizational efficiency. The department will manage facility maintenance, HVAC systems, storage and workspace support, security infrastructure coordination and capital improvement projects that support generation, transmission, telecommunications and daily business operations across the organization.

The storage outbuilding headquarters project focuses on expanding operational storage capacity at Platte River headquarters to better support organization-wide operations and equipment needs. The project includes construction of a new storage outbuilding intended to improve space utilization, operational efficiency and long-term asset organization for departments across the organization. This project is part of Platte River's ongoing efforts to maintain functional and adaptable facilities infrastructure that supports daily operations, maintenance activities and future organizational growth. With a final estimated \$3.5 million

investment, the project is scheduled for completion in 2027 for a total estimated cost of approximately \$7.7 million.

Facility services completed facilities master plan condition assessments for all properties and buildings in 2026. These assessments will guide how the organization allocates capital and operations and maintenance dollars over the next 10 to 15 years.

Personnel

Approximately 28% of the operating expense budget covers employee salaries and benefits, which include retirement, medical and dental. Combined, these expenses are expected to rise 5.7% from 2026. Platte River awards merit-based salary adjustments following the performance management framework of the compensation philosophy established in 2022. Benefits for employees are spread across all functional areas as a percentage of salaries.

As strategic initiatives advance, new positions are required. During 2026, Platte River continued emphasis on longer-term planning for positions influenced by the board-adopted Responsible Transition for Rawhide Employees resolution and the Just Transition Plan. Vacant positions, reorganizations and long-term organizational needs were considered. Positions no longer required were evaluated and redesigned to best align resources where they are needed to support strategic initiatives or eliminated to support financial sustainability. Additional positions are planned for redesign or elimination in 2027. Based on these needs, efforts and plans, net year-over-year positions increased by eight, with three eliminated and eleven added. Of the new positions in the 2027 budget, one serves in the general counsel division, two are in generation and transmission and eight are in technology services.

Additional information, including new position justification, is presented to the board annually in September through staffing update memorandums available at prpa.org/about-prpa/board-meetings. The Just Transition Plan will continue to shape future position realignments. Below is a summary of full-time positions by division, based on organizational structure expected at the end of 2026 and a 2027 re-alignment moving all senior leadership positions from their respective divisions into the general manager division.

Positions by division	2025 actual	2026 budget	2026 estimate	2027 budget
General manager	6	6	5	11
Business strategies	26	26	26	25
General counsel	13	15	17	17
Financial services	31	31	29	28
Generation and transmission	143	141	136	138
Power supply	45	46	48	47
Technology services	49	53	54	60
Total positions	313	318	315	326

Revenues

Platte River anticipates approximately \$402.5 million in revenues during 2027. The majority of revenues, 69%, come from energy sales to the owner communities. The remainder come

from sales for resale, other operating revenues, interest and other income. Owner community revenues include a 7.5% average wholesale rate increase and a reduction in loads of 0.7%. Revenues from sales for resale are 23% of revenues and are expected to increase by approximately \$21.8 million, primarily due to new long-term sales for resale contracts for both energy and capacity, partially offset by lower short-term sales for resale energy and capacity. Other operating revenues, 6%, are projected to increase due to higher point-to-point wheeling revenue expected in the SPP RTO, partially offset by lower REC sales due to unfavorable pricing. Interest and other income are expected to decrease based on lower average investment and operating funds balances.

Wholesale rates

Platte River establishes service offerings and a supporting rate structure that complement its vision, mission and values, strategic plan and the governing policies of the organization. Platte River establishes its tariffs and charges to achieve Strategic Financial Plan targeted financial metrics. Rate increases and associated revenues help Platte River maintain a strong financial position and a “AA” credit rating, which enables the organization to obtain favorable debt financing. Over the long term, rate increases fund continued infrastructure investment, the resource portfolio transition, core operations, general inflationary expenses and market-based expenses. The current rate structure provides unbundled transmission and generation rates and transparent fixed and variable costs, sending clear pricing signals that foster system benefits. As discussed in the strategic initiatives section, a joint rates study will evaluate and design rates, as needed, in continued support of system benefits aligned with strong financial risk management and mitigation.

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 approve the rate tariff schedules for the next year. Staff periodically prepares long-term average wholesale rates projections for a 10-year planning horizon using then-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.

The 2027 budget includes a 7.5% 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. Long-term average wholesale rate projections communicated to the board are as follows:

- 7.5% (2028)
- 5.5% (2029 – 2032)
- 5.0% (2033)
- 2.0% (2034 – 2036)

Platte River’s website has additional information about rates at prpa.org/wholesale-rates.

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Budget

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 2027 by \$9.5 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 GASB pronouncements. Amortization expense will increase with a full year of the Weld Energy Storage project, an increase for subscription assets as new subscriptions are placed into service and an updated cost estimate for Craig Generating Station impoundments. Partially offsetting these increases are decreases to reflect a gain on the expected sale of Windy Gap water units and fully amortizing the Trapper Mine post-mining reclamation. Accretion expense will increase for inflation to reflect the accrual under 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	2025 actual	2026 budget	2026 estimate ⁽¹⁾	2027 budget
Fixed obligation charge coverage ratio	1.50 times	1.63x	1.54x	1.66x	1.76x
Change in net position as a percentage of annual operating expenses	3%	3%	3%	3%	3%
Adjusted debt ratio	less than 50%	20%	39%	36%	38%
Days adjusted liquidity on hand	200	312	219	278	200
Other selected data (\$000 except bond service coverage ratio)					
Change in net position		\$ 7,334	\$ 7,947	\$ 8,807	\$ 8,584
Accumulated deferred regulatory revenues		\$ 125,534	\$ 153,565	\$ 187,241	\$ 225,579
Accumulated net position		\$ 680,739	\$ 688,706	\$ 689,546	\$ 698,129
Dedicated reserves and available funds		\$ 217,880	\$ 169,019	\$ 225,457	\$ 159,215
Long-term debt and other long-term obligations		\$ 201,251	\$ 335,981	\$ 309,065	\$ 413,088
Capital additions		\$ 142,794	\$ 262,231	\$ 214,594	\$ 223,505
Bond service coverage ratio (minimum 1.1x)		5.16x	3.67x	6.63x	8.72x

(1) 2026 estimate represents seven months actual and five months budget adjusted for revised projections on all budget schedules.

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

	2025 actual	2026 budget	2026 estimate	2027 budget
Operating revenues				
Sales to owner communities	\$ 242,057,530	\$ 260,939,776	\$ 260,126,794	\$ 278,522,557
Sales for resale	68,334,893	69,205,165	106,049,312	91,029,544
Other operating revenues	11,437,646	9,723,644	29,169,149	25,307,266
Deferred regulatory revenues	(46,360,632)	(29,396,685)	(61,707,289)	(38,337,909)
Total operating revenues	275,469,437	310,471,900	333,637,966	356,521,458
Operating expenses				
Purchased power	67,173,890	83,804,201	93,864,451	82,655,314
Fuel	45,814,714	39,380,243	60,202,534	49,461,669
Production ⁽¹⁾	56,995,664	58,337,937	59,031,781	66,933,039
Transmission ⁽¹⁾	22,388,841	21,694,115	21,856,833	22,903,693
Energy storage	-	-	-	300,000
Administrative and general ⁽¹⁾	40,132,534	46,421,681	44,989,956	50,524,230
Distributed energy resources ⁽¹⁾	11,949,841	15,246,983	13,613,413	13,352,541
Depreciation, amortization and accretion ⁽¹⁾	35,998,491	39,342,340	39,071,220	48,883,303
Total operating expenses	280,453,975	304,227,500	332,630,188	335,013,789
Operating income	(4,984,538)	6,244,400	1,007,778	21,507,669
Nonoperating revenues (expenses)				
Interest income	11,941,301	9,277,542	11,790,606	6,957,520
Other income	2,171,431	833,128	806,147	674,808
Interest expense	(4,122,695)	(9,591,858)	(8,236,805)	(21,044,156)
Amortization of bond financing costs ⁽¹⁾	1,173,834	1,011,435	4,754,638	464,626
Net increase in fair value of investments ⁽¹⁾	1,154,332	171,908	(1,315,594)	23,448
Total nonoperating revenues (expenses)	12,318,203	1,702,155	7,798,992	(12,923,754)
Change in net position	7,333,665	7,946,555	8,806,770	8,583,915
Net position at beginning of period	673,405,072	680,759,458	680,738,737	689,545,507
Net position at end of period	\$ 680,738,737	\$ 688,706,013	\$ 689,545,507	\$ 698,129,422

(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	2025 actual	2026 budget	2026 estimate	2027 budget
Source of funds				
Operating revenues				
Sales to owner communities	\$ 242,057,530	\$ 260,939,776	\$ 260,126,794	\$ 278,522,557
Sales for resale - long-term	16,580,280	9,378,316	9,133,377	61,951,816
Sales for resale - short-term	51,754,613	59,826,849	96,915,935	29,077,728
Wheeling	10,750,146	7,618,644	26,635,549	24,193,516
Renewable energy certificate sales	687,500	2,105,000	2,533,600	1,113,750
Total operating revenues	321,830,069	339,868,585	395,345,255	394,859,367
Other revenues				
Interest income	12,093,999	9,449,450	11,962,515	6,980,968
Other income	2,171,431	833,128	806,147	674,808
Total other revenues	14,265,430	10,282,578	12,768,662	7,655,776
Total revenues	336,095,499	350,151,163	408,113,917	402,515,143
Funds from prior reserves and debt financing	68,994,529	304,115,189	282,799,961	239,271,408
Total sources	\$ 405,090,028	\$ 654,266,352	\$ 690,913,878	\$ 641,786,551
Use of funds				
Operating expenses				
Purchased power	\$ 67,173,890	\$ 83,804,201	\$ 93,864,451	\$ 82,655,314
Fuel	45,814,714	39,380,243	60,202,534	49,461,669
Production	56,749,374	58,098,933	58,561,042	66,694,036
Transmission	21,862,823	21,694,115	22,099,635	22,903,693
Energy storage	-	-	-	300,000
Administrative and general	39,689,205	46,421,681	44,758,595	50,524,230
Distributed energy resources	11,950,484	15,246,983	13,553,583	13,352,541
Total operating expenses	243,240,490	264,646,156 ⁽¹⁾	293,039,840	285,891,483
Capital additions				
Production	125,240,868	220,984,921	167,360,545	189,642,878
Transmission	9,446,347	21,958,067	17,148,856	19,210,250
General	6,454,894	17,049,218	28,046,381	14,652,288
Asset retirement obligations	1,652,267	2,238,649	2,038,649	-
Total capital additions	142,794,376	262,230,855 ⁽¹⁾	214,594,431	223,505,416
Total operating expenses and capital additions	386,034,866	526,877,011	507,634,271	509,396,899

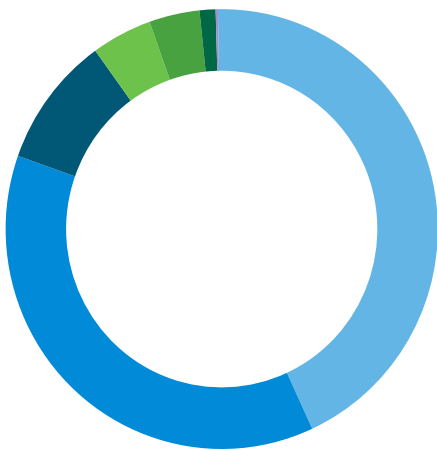
Source and use of funds

(continued)

	2025 actual	2026 budget	2026 estimate	2027 budget
Use of funds (continued)				
Debt service expenditures				
Bond redemption	\$ -	\$ -	\$ 62,032,504	\$ -
Principal	14,932,467	16,491,805	11,704,620	9,345,496
Interest expense	4,122,695	8,897,536	7,542,483	21,044,156
Total debt service expenditures	19,055,162	25,389,341 ⁽¹⁾	81,279,607	30,389,652
Total expenditures	405,090,028	552,266,352	588,913,878	539,786,551
Contingency appropriation	-	102,000,000 ⁽¹⁾	102,000,000	102,000,000
Total uses	\$ 405,090,028	\$ 654,266,352	\$ 690,913,878	\$ 641,786,551

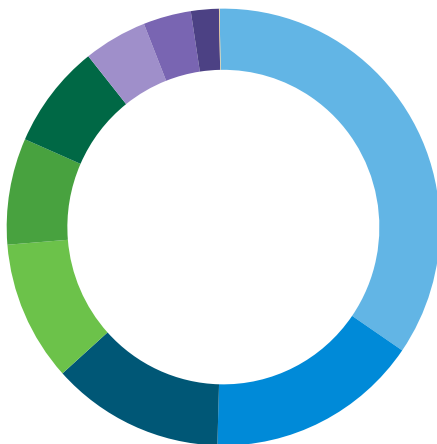
(1) Excludes projections for contingency transfers.

2027 sources



43%	Sales to owner communities	\$ 278,522,557
10%	Sales for resale - long-term	61,951,816
4%	Sales for resale - short-term	29,077,728
4%	Wheeling	24,193,516
1%	Interest and other income	7,655,776
1%	Renewable energy certificate sales	1,113,750
	Total revenues	402,515,143
37%	Funds from prior reserves and debt financing	239,271,408
	Total sources	\$ 641,786,551

2027 uses



35%	Capital additions	\$ 223,505,416
13%	Purchased power	82,655,314
10%	Production	66,694,036
8%	Administrative and general	50,524,230
7%	Fuel	49,461,669
5%	Debt service expenditures	30,389,652
3%	Transmission	22,903,693
2%	Distributed energy resources	13,352,541
1%	Energy storage	300,000
	Total expenditures	539,786,551
16%	Board contingency	102,000,000
	Total uses	\$ 641,786,551

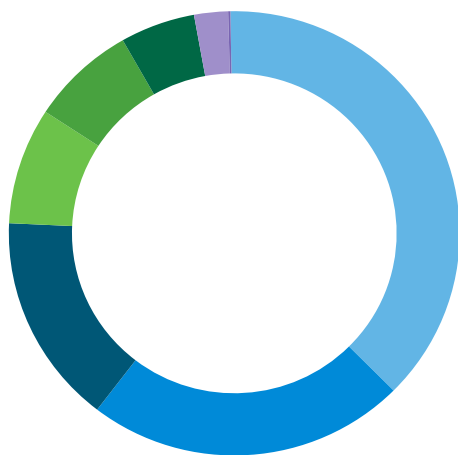
Revenue and expenditure detail	2025 actual	2026 budget	2026 estimate	2027 budget
Revenues				
Operating revenues				
Sales to owner communities	\$ 242,057,530	\$ 260,939,776	\$ 260,126,794	\$ 278,522,557
Sales for resale - long-term	16,580,280	9,378,316	9,133,377	61,951,816
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Other revenues				
Interest income	12,093,999	9,449,450	11,962,515	6,980,968
Other income	2,171,431	833,128	806,147	674,808
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Total revenues	336,095,499	350,151,163	408,113,917	402,515,143
Funds from prior reserves and debt financing	68,994,529	304,115,189	282,799,961	239,271,408
Total revenues and prior funds	\$ 405,090,028	\$ 654,266,352	\$ 690,913,878	\$ 641,786,551
Expenditures				
Operating expenses				
Personnel expenses				
Salaries				
Regular wages	\$ 45,578,289	\$ 48,931,128	\$ 47,319,388	\$ 52,667,623
Overtime wages	4,029,391	2,824,161	2,673,773	3,137,859
Total salaries	49,607,680	51,755,289	49,993,161	55,805,482
Benefits				
Pension - defined contribution	2,675,147	3,513,361	3,145,943	3,920,372
Pension - defined benefit	7,258,782	8,226,659	8,226,659	6,990,831
Social security	3,384,723	3,828,117	3,660,724	4,101,378
Long-term disability	171,371	178,833	178,130	184,486
Medical and dental	6,637,638	9,025,060	9,097,824	10,035,543
Recruiting	77,839	312,276	243,490	227,276
Life insurance	173,431	187,000	181,942	201,972
Accidental death	37,256	41,445	39,615	42,755
Workers' compensation	123,444	147,000	201,326	147,000
Unemployment compensation	22,537	18,414	42,223	100,000
Salary and pension services	440,024	436,170	419,464	450,020
Total benefits	21,002,192	25,914,335	25,437,340	26,401,633
Total personnel expenses	70,609,872	77,669,624	75,430,501	82,207,115
Less charged to capital and other	2,367,421	2,812,374	2,764,567	3,064,709
Total operating personnel expenses	68,242,451	74,857,250	72,665,934	79,142,406

Revenue and expenditure detail (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Expenditures (continued)				
Operating expenses (continued)				
Materials and other expenses				
Office expenses	\$ (16,920)	\$ 20,000	\$ 5,927	\$ 10,000
Safety expenses	225,621	280,256	249,155	258,816
Furniture and equipment	54,759	37,700	24,761	37,710
Local business expense	658,567	806,859	715,447	778,542
Postage and deliveries	28,199	25,959	21,657	30,280
O&M materials and supplies	7,634,103	5,567,218	5,284,991	7,555,476
Coal	38,449,854	33,042,112	33,992,996	41,735,972
Oil	205,997	123,000	105,578	150,000
Natural gas	6,292,156	5,674,278	25,184,112	6,421,484
Gasoline and diesel	156,092	150,605	139,555	158,232
Tools and shop equipment	123,870	135,812	103,656	145,849
Purchased power	68,446,171	83,804,201	93,864,451	82,655,314
Craig units 1 and 2 operating expenses	9,019,492	7,741,797	8,682,513	8,734,679
Computer equipment	437,275	595,248	607,073	661,569
Wheeling expense	3,823,996	1,771,253	2,435,096	549,996
Outage accrual	(11,669,807)	-	-	-
Total materials and other expenses	123,869,425	139,776,298	171,416,968	149,883,919
Contractual services				
Contracted services	31,979,598	25,181,678	24,853,246	31,223,245
Insurance	3,229,158	3,535,430	3,363,866	3,642,430
Travel and training	1,301,798	1,856,328	1,738,165	2,338,251
Telephone services	152,504	154,142	147,939	150,993
Utilities	584,807	796,473	879,381	844,666
Dues, memberships and fees	1,494,114	3,257,797	3,197,005	3,993,118
Trustees fees	18,000	18,000	12,000	23,000
Pooled financing expenses	3,452,186	5,900,453	5,865,135	6,963,507
Leases and rents	1,792,800	1,298,948	1,624,599	1,636,120
Direct community support	120,000	120,000	120,000	120,000
Fiscal impact payment	23,209	23,209	23,209	23,209
Rebates/incentives for retail customers: non-controlled	5,610,713	5,689,150	5,551,624	4,005,850
Rebates/incentives to owner communities: controlled	125,459	132,000	149,158	-
Audits/assessments for retail customers	1,211,385	1,853,600	1,278,359	1,421,240

Revenue and expenditure detail (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Expenditures (continued)				
Operating expenses (continued)				
Contractual services (continued)				
Rebates/incentives for retail customers: controlled	\$ -	\$ 151,500	\$ 108,270	\$ 392,689
Other financing expenses	32,883	43,900	44,982	86,840
Total contractual services	51,128,614	50,012,608	48,956,938	56,865,158
Total operating expenses	243,240,490	264,646,156 ⁽¹⁾	293,039,840	285,891,483
Capital additions				
Personnel expenses				
Regular wages	1,107,517	1,595,056	1,457,549	1,798,454
Overtime wages	190,808	105,828	167,843	134,071
Benefits allocation	525,628	763,561	729,671	957,759
Total personnel expenses	1,823,953	2,464,445	2,355,063	2,890,284
Capital expenditures	140,409,201	259,534,761	212,212,934	220,615,132
Capital reimbursements and trade-in value	(1,091,045)	(2,007,000)	(2,012,215)	-
Asset retirement obligations	1,652,267	2,238,649	2,038,649	-
Total capital additions	142,794,376	262,230,855 ⁽¹⁾	214,594,431	223,505,416
Total operating expenses and capital additions	386,034,866	526,877,011	507,634,271	509,396,899
Debt service expenditures				
Bond redemption	-	-	62,032,504	-
Principal	14,932,467	16,491,805	11,704,620	9,345,496
Interest expense	4,122,695	8,897,536	7,542,483	21,044,156
Total debt service expenditures	19,055,162	25,389,341 ⁽¹⁾	81,279,607	30,389,652
Total expenditures	405,090,028	552,266,352	588,913,878	539,786,551
Contingency appropriation	-	102,000,000 ⁽¹⁾	102,000,000	102,000,000
Total expenditures and contingency appropriation	\$ 405,090,028	\$ 654,266,352	\$ 690,913,878	\$ 641,786,551

(1) Excludes projections for contingency transfers.

2027 resources

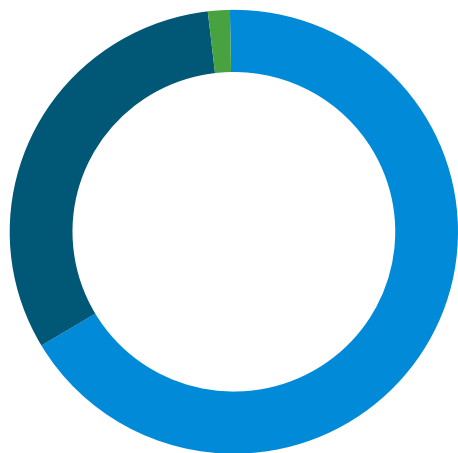


- Rawhide Unit 1 (1,826,442 MWh)
- Wind (1,106,502 MWh)
- Solar (740,209 MWh)
- Hydropower (410,021 MWh)
- Market purchases (365,311 MWh)
- Craig Unit 2 (259,296 MWh)
- Frame combustion turbines (117,545 MWh)
- Owner community solar (7,586 MWh)

Total resources* = 4,832,912 MWh

* Excludes adjustments for REC sales

2027 deliveries



- Owner communities (3,224,320 MWh)
- Sales for resale (1,532,174 MWh)
- Losses and other (76,418 MWh)

Total deliveries = 4,832,912 MWh

Nameplate (MW)	2025 actual	2026 budget	2026 estimate	2027 budget
Coal				
Rawhide Unit 1	280	280	280	280
Craig units 1 and 2				
Craig Unit 1 ⁽¹⁾	77	-	-	-
Craig Unit 2	74	74	74	74
Total Craig units 1 and 2	151	74	74	74
Total coal	431	354	354	354
Natural gas				
Rawhide Unit A ⁽²⁾	65	75	65	70
Rawhide Unit B	65	65	65	65
Rawhide Unit C	75	75	75	75
Rawhide Unit D ⁽²⁾	65	65	70	75
Rawhide Unit F	145	145	145	145
Total natural gas	415	425	420	430
Hydropower				
WAPA-CRSP ⁽³⁾	60	45	48	53
WAPA-LAP ⁽⁴⁾	30	30	30	30
Total hydropower	90	75	78	83
Wind power				
Roundhouse	225	225	225	225
Spring Canyon II ⁽⁵⁾	32	32	32	32
Spring Canyon III ⁽⁵⁾	28	28	28	28
Silver Sage ⁽⁵⁾	12	12	12	12
Total wind power	297	297	297	297
Solar				
Black Hollow ⁽⁶⁾	150	257	257	257
Rawhide Flats	30	30	30	30
Rawhide Prairie	22	22	22	22
Total solar	202	309	309	309

Nameplate (MW) (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Storage				
Rawhide Prairie	1	1	1	1
Weld Energy ⁽⁷⁾	-	100	100	100
Total storage	1	101	101	101
Total nameplate	1,436	1,561	1,559	1,574

(1) Continues to operate under federal emergency orders issued after its planned retirement date of Dec. 31, 2025. Emergency orders are expected to renew every 90 days.

(2) Capacity increase originally planned for Unit A budgeted October 2026, but Unit D was selected for 2026 upgrade instead. Unit A capacity increase now budgeted for July 2027.

(3) Contract rate of delivery is 106 MW in the summer season and 136 MW in the winter season. Actual capacity available varies by year and month and may fluctuate with drought conditions. The values shown in the table reflect capacity available at Platte River's system peak.

(4) Capacity available varies by month and may fluctuate with drought conditions. The values shown in the table reflect capacity available at Platte River's system peak.

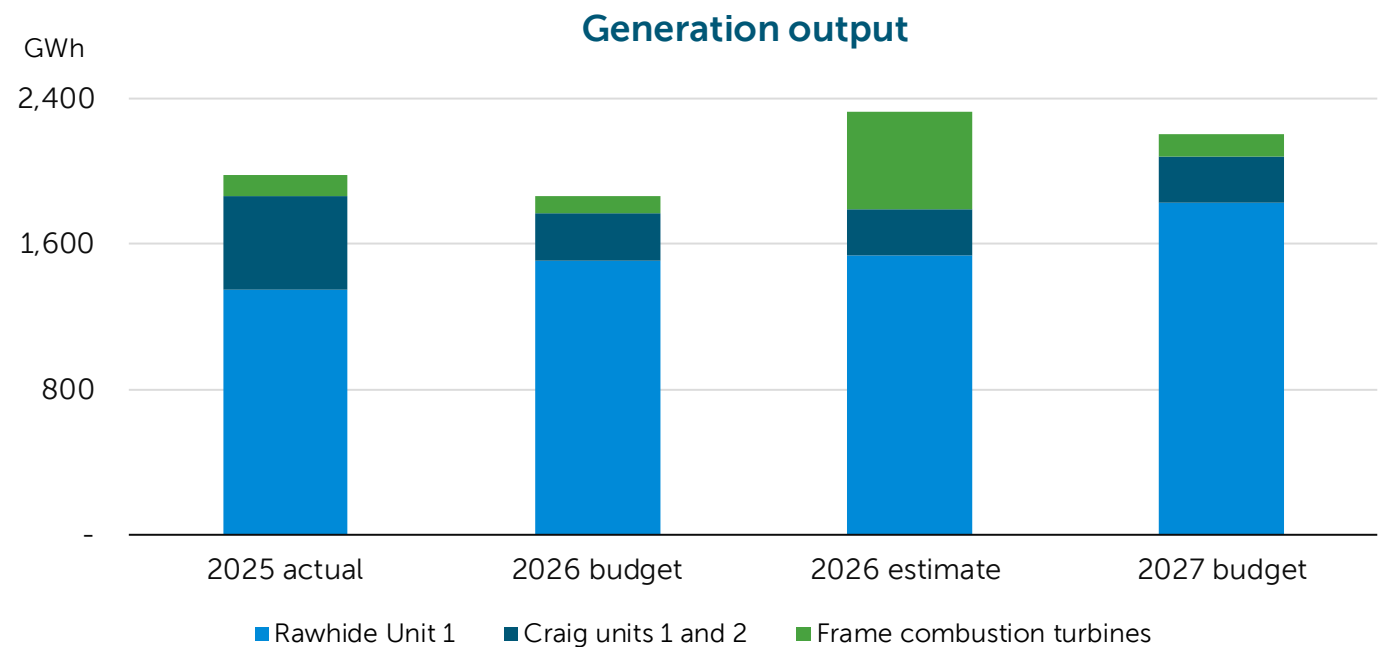
(5) Energy and renewable attribute currently sold to other entities.

(6) Phase 1 (150 MW) achieved commercial operation October 2025. Phase 2 (107 MW) achieved commercial operation September 2026.

(7) Commercial operation budgeted and estimated December 2026.

Owned generation resources	2025 actual	2026 budget	2026 estimate	2027 budget
Rawhide Unit 1				
Generation (MWh)	1,350,324	1,510,369	1,535,218	1,826,442
Capacity factor	55.1%	61.6%	62.6%	74.5%
Fuel cost (\$/MWh)	\$ 16.97	\$ 16.87	\$ 17.25	\$ 19.02
O&M cost (\$/MWh)	38.49	27.86	26.88	24.81
Total Rawhide (\$/MWh)	\$ 55.46	\$ 44.73	\$ 44.13	\$ 43.83
Craig units 1 and 2 ⁽¹⁾				
Generation (MWh)	510,849	259,345	254,979	259,296
Capacity factor	38.6%	40.0%	19.3%	40.0%
Fuel cost (\$/MWh)	\$ 32.56	\$ 31.90	\$ 33.56	\$ 32.22
O&M cost (\$/MWh)	16.55	29.17	34.19	33.65
Total Craig (\$/MWh)	\$ 49.11	\$ 61.07	\$ 67.75	\$ 65.87
Frame combustion turbines				
Generation (MWh)	118,912	91,530	541,634	117,545
Capacity factor	3.5%	2.5%	15.9%	3.5%
Fuel cost (\$/MWh)	\$ 52.70	\$ 61.51	\$ 46.45	\$ 54.26
O&M cost (\$/MWh)	19.04	36.22	6.22	54.09
Total frame combustion turbines (\$/MWh)	\$ 71.74	\$ 97.73	\$ 52.67	\$ 108.35

(1) 2026 budget and 2027 budget reflect retirement of Craig Unit 1.



Purchased power resources	2025 actual	2026 budget	2026 estimate	2027 budget
Wind				
Roundhouse				
Generation (MWh)	881,920	837,499	876,880	837,499
Capacity factor	44.7%	42.5%	44.5%	42.5%
Total Roundhouse (\$/MWh) - delivered ⁽¹⁾	\$ 22.23	\$ 18.76	\$ 18.77	\$ 17.30
Spring Canyon II				
Generation (MWh)	103,504	125,208	125,710	125,208
Capacity factor	36.9%	44.7%	44.8%	44.7%
Total Spring Canyon II (\$/MWh) - delivered ⁽¹⁾	\$ 48.85	\$ 38.29	\$ 38.76	\$ 36.41
Spring Canyon III				
Generation (MWh)	101,878	105,945	108,061	105,945
Capacity factor	41.5%	43.2%	44.1%	43.2%
Total Spring Canyon III (\$/MWh) - delivered ⁽¹⁾	\$ 47.17	\$ 38.32	\$ 38.75	\$ 36.34
Silver Sage				
Generation (MWh)	31,286	37,850	34,181	37,850
Capacity factor	29.8%	36.0%	32.5%	36.0%
Total Silver Sage (\$/MWh) - delivered	\$ 70.22	\$ 71.91	\$ 71.96	\$ 73.71
Total wind				
Generation (MWh)	1,118,588	1,106,502	1,144,832	1,106,502
Capacity factor	43.0%	42.5%	44.0%	42.5%
Total wind (\$/MWh)	\$ 28.30	\$ 24.66	\$ 24.44	\$ 23.22
Solar				
Black Hollow Sun				
Generation (MWh)	114,978	423,304	456,856	627,813
Capacity factor	16.1%	26.0%	23.8%	27.9%
Total Black Hollow Sun (\$/MWh) - including ancillary services	\$ 22.52	\$ 32.33	\$ 35.25	\$ 34.59
Rawhide Flats Solar				
Generation (MWh)	59,135	60,016	60,394	59,856
Capacity factor	22.5%	22.8%	23.0%	22.8%
Total Rawhide Flats Solar (\$/MWh) - including ancillary services and maintenance	\$ 54.06	\$ 53.90	\$ 53.97	\$ 53.62

Purchased power resources (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Solar (continued)				
Rawhide Prairie Solar				
Generation (MWh)	45,444	52,570	49,071	52,540
Capacity factor	23.6%	27.3%	25.5%	27.3%
Total Rawhide Prairie Solar (\$/MWh) - including ancillary services, maintenance, interconnection and battery fee	\$ 32.88	\$ 33.03	\$ 36.92	\$ 32.87
Total solar				
Generation (MWh)	219,557	535,890	566,321	740,209
Capacity factor	20.3%	25.7%	23.9%	27.3%
Total solar (\$/MWh)	\$ 33.16	\$ 34.82	\$ 37.39	\$ 36.01
Hydropower				
WAPA-CRSP				
Generation (MWh)	341,320	303,673	305,245	301,996
Capacity factor	32.2%	28.6%	28.8%	28.5%
Total WAPA-CRSP (\$/MWh)	\$ 34.66	\$ 39.30	\$ 37.30	\$ 37.57
WAPA-LAP				
Generation (MWh)	108,024	108,025	108,025	108,025
Capacity factor	39.8%	39.8%	39.8%	39.8%
Total WAPA-LAP (\$/MWh)	\$ 37.75	\$ 40.85	\$ 40.85	\$ 40.85
Total hydropower				
Generation (MWh)	449,344	411,698	413,270	410,021
Capacity factor	33.7%	30.9%	31.0%	30.8%
Total hydropower (\$/MWh)	\$ 35.41	\$ 39.71	\$ 38.23	\$ 38.43
Other purchases				
Market purchases				
Energy (MWh)	641,246	638,743	526,495	365,311
Total market purchases (\$/MWh)	\$ 19.08	\$ 26.97	\$ 28.34	\$ 28.79
Bilateral purchases				
Energy (MWh)	43,098	61,407	9,988	-
(\$/MWh)	\$ 40.26	\$ 41.96	\$ 50.60	\$ -

Purchased power resources (continued)	2025 actual		2026 budget		2026 estimate	2027 budget
Other purchases (continued)						
Owner community solar programs						
Energy (MWh)	6,695		7,613		7,370	7,586
Total owner community solar programs (\$/MWh)	\$	46.85	\$	32.98	\$ 28.86	\$ 24.90
Total other purchases						
Energy (MWh)	691,039		707,763		543,853	372,897
Total other purchases (\$/MWh)	\$	20.67	\$	28.33	\$ 28.76	\$ 28.71

(1) 2026 budget, 2026 estimate and 2027 budget reflect significant impact of the SPP RTO on wheeling and ancillary service charges.

Revenues

Operating revenues

Platte River's operating revenues consist of sales to owner communities, sales for resale, wheeling and REC sales. 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 market and bilateral sales. Short-term sales also include revenues from transmission congestion rights and operating reserves. Platte River may also sell excess capacity and associated energy. The production cost model determines the volume and price of sales for resale for the budget based on current market projections.

Market sales occur in the SPP RTO, which gives participants access to lowest-cost resources and increased operational efficiencies. In the SPP RTO day-ahead and real-time market structure, all load is considered served through market purchases and all generation is offered into the market and sold. SPP economically dispatches energy from Platte River's resources based on market signals and overall system needs of all participants. When Platte River's overall energy from resources into the day-ahead or real-time markets exceeds the energy required to serve load, the excess energy is recorded as sales for resale. Conversely, when Platte River's energy into those markets is less than deliveries to load, purchased power expense is recognized. Bilateral sales involve a single counterparty and are specifically negotiated deals. Sales for resale generally occur when market prices exceed Platte River's incremental cost to generate, but sales may still occur at lower prices due to must-take obligations under noncarbon PPAs and other operational factors.

Transmission congestion rights are a revenue stream from participation in the SPP RTO and represent payments from financial rights that hedge against the costs of physical transmission congestion, offsetting price differences between two settlement locations on the transmission system. Operating reserves revenues are also a revenue stream from participation in the SPP RTO and represent payments for providing reliability services to the market.

Sales for resale help offset the 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 resources.

Wheeling

Wheeling revenues represent payments from other parties that use Platte River's transmission system. In the SPP RTO, SPP is the transmission service provider and collects wheeling revenue on Platte River's behalf under SPP's transmission tariff.

Renewable energy certificate sales

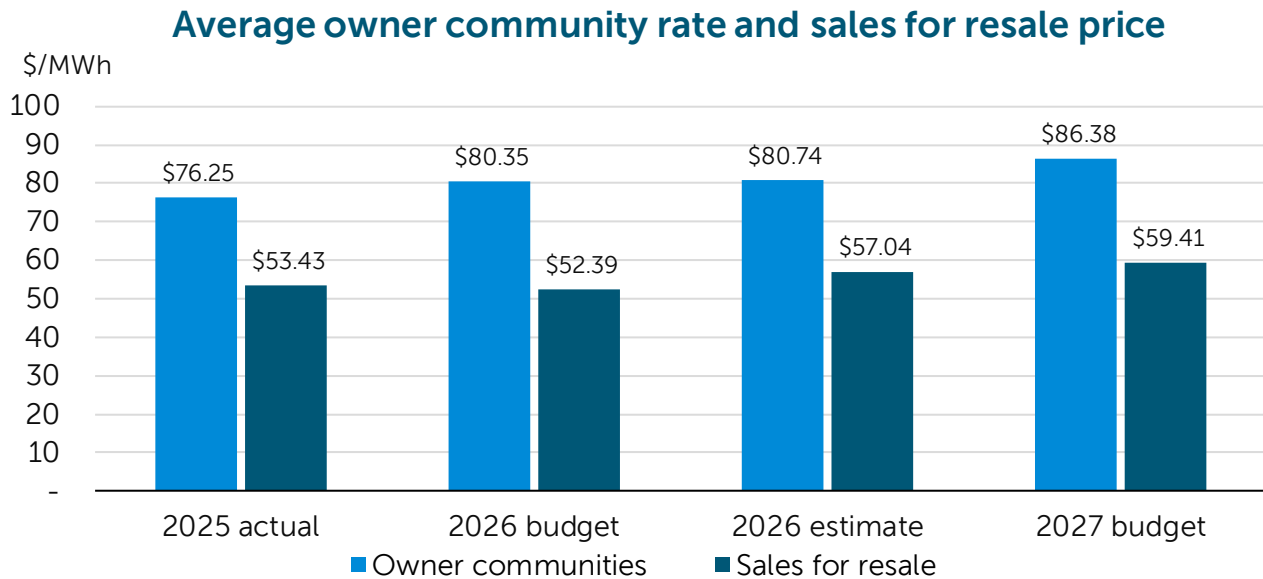
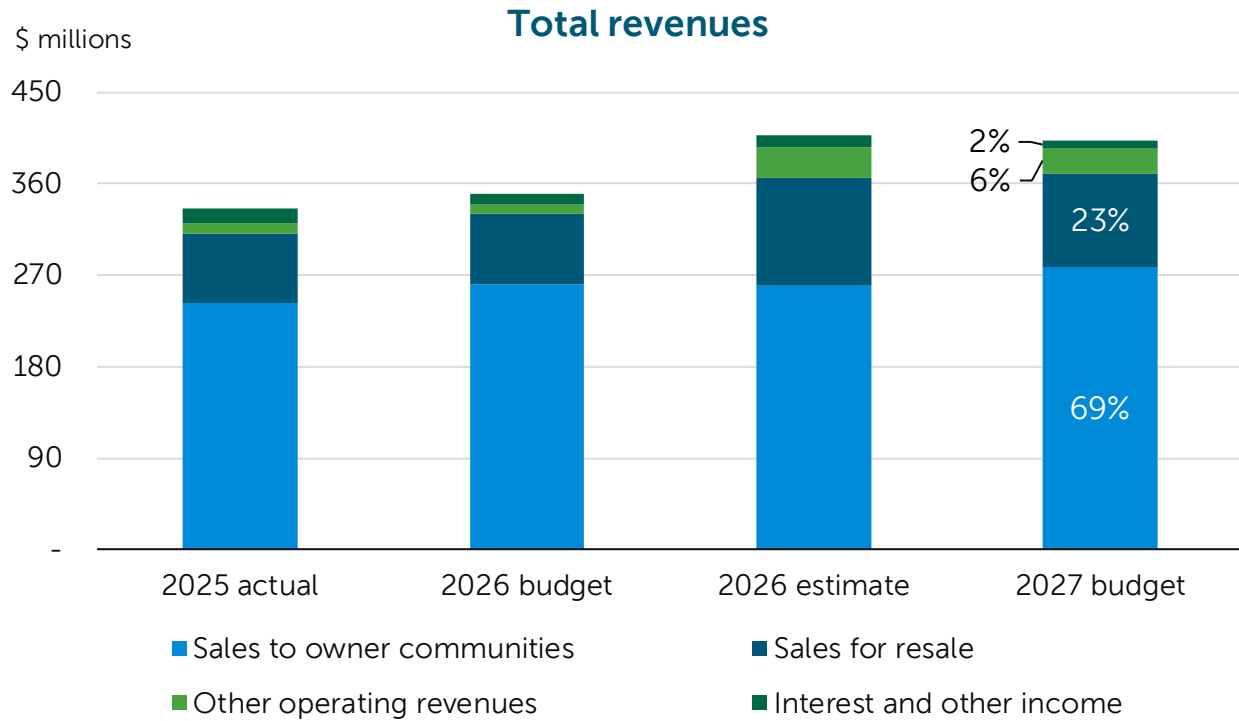
REC sales represent proceeds from the sale of RECs, which are renewable attributes unbundled from renewable energy and separately sold in the open market. These sales eliminate Platte River's ability to claim those attributes in its own noncarbon metrics.

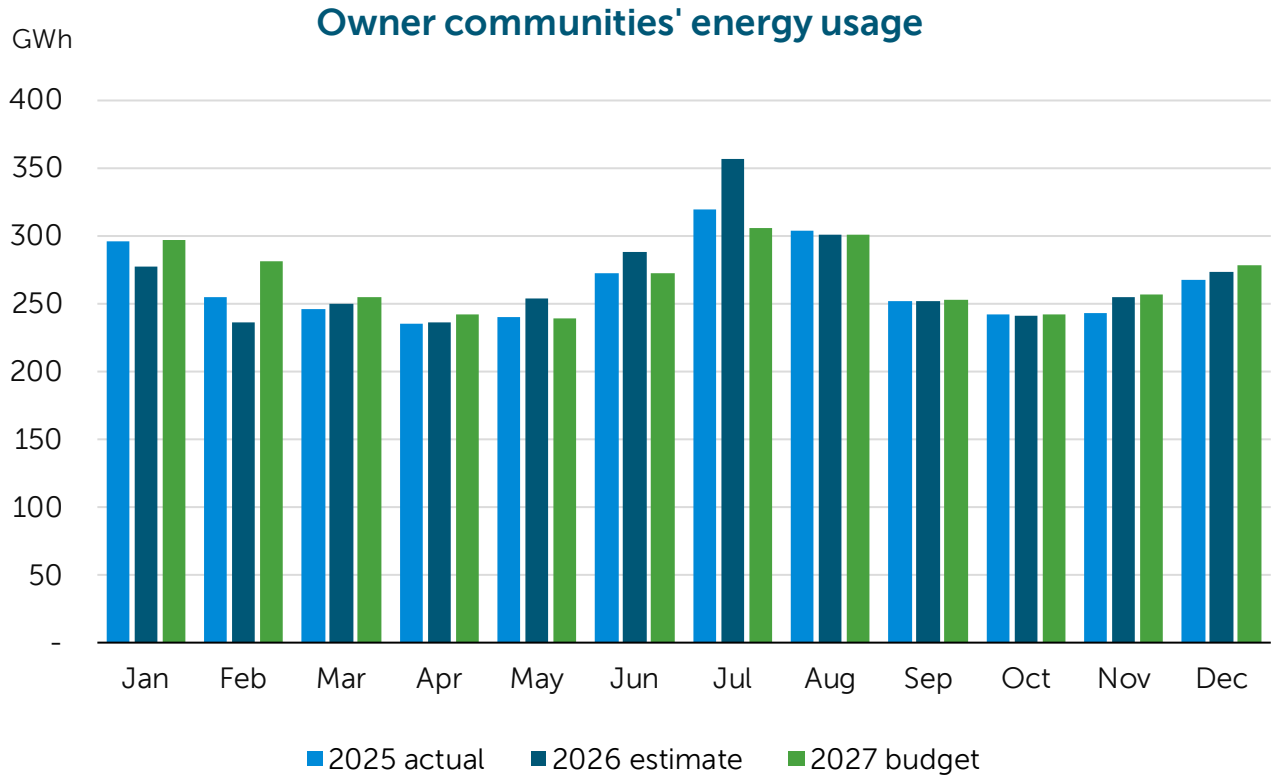
Other revenues

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. Other income includes fiber leases, fiber administration fees, a dividend from Trapper Mine, the bison program net of expenses and other miscellaneous revenues.

Total revenues (\$000)	2025 actual	2026 budget	2026 estimate	2027 budget
Operating revenues				
Sales to owner communities	\$ 242,058	\$ 260,940	\$ 260,127	\$ 278,522
Sales for resale - long-term	16,580	9,378	9,133	61,952
Sales for resale - short-term	51,755	59,827	96,916	29,078
Wheeling	10,750	7,619	26,635	24,193
Renewable energy certificate sales	687	2,105	2,534	1,114
Total operating revenues	321,830	339,869	395,345	394,859
Other revenues				
Interest income	12,094	9,449	11,963	6,981
Other income	2,171	833	806	675
Total other revenues	14,265	10,282	12,769	7,656
Total revenues	\$ 336,095	\$ 350,151	\$ 408,114	\$ 402,515





	2025 actual	2026 budget	2026 estimate	2027 budget
Owner communities' loads				
Summer peak demand (MW) ⁽¹⁾	678	673	738	667
Nonsummer peak demand (MW) ⁽¹⁾	517	516	522	525
Metered coincident demand (MW) ⁽²⁾	6,250	6,246	6,292	6,254
Billing determinants ^{(2) (3)}				
Noncoincident billing demand (MW)	6,738	6,723	6,802	6,777
Coincident billing demand (MW)	6,665	6,666	6,724	6,705
Energy (MWh)	3,174,814	3,247,675	3,221,728	3,224,320
Sales for resale				
Energy (MWh) ⁽⁴⁾	1,279,077	1,320,990	1,859,342	1,532,174
Capacity (MW-Mo) ⁽²⁾	2,165	1,700	1,700	1,800

(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	2025 actual	2026 budget	2026 estimate	2027 budget
Fort Collins				
Owner community allocation	47.0%	46.7%	46.7%	46.5%
Noncoincident billing demand (MW) ⁽¹⁾	3,014	3,004	2,986	2,978
Coincident billing demand (MW) ⁽¹⁾	3,006	3,004	2,982	2,967
Energy delivered (MWh)	1,460,040	1,507,696	1,482,066	1,490,792
Owner community charge	\$ 8,652,438	\$ 9,437,700	\$ 9,437,696	\$ 9,494,004
Demand charges				
Transmission demand	\$ 20,191,710	\$ 21,150,888	\$ 21,018,394	\$ 19,957,123
Generation demand	19,536,669	21,572,442	21,404,980	26,672,336
Total demand charges	\$ 39,728,379	\$ 42,723,330	\$ 42,423,374	\$ 46,629,459
Energy charges				
Fixed cost energy	\$ 25,842,710	\$ 28,208,999	\$ 27,729,447	\$ 28,861,740
Variable cost energy	35,887,787	38,943,798	38,281,753	41,608,011
Total energy charges	\$ 61,730,497	\$ 67,152,797	\$ 66,011,200	\$ 70,469,751
Total charges	\$ 110,111,314	\$ 119,313,827	\$ 117,872,270	\$ 126,593,214
Average blended rate (\$/MWh)	\$ 75.42	\$ 79.14	\$ 79.53	\$ 84.92
Longmont				
Owner community allocation	25.9%	26.2%	26.2%	26.2%
Noncoincident billing demand (MW) ⁽¹⁾	1,874	1,882	1,887	1,874
Coincident billing demand (MW) ⁽¹⁾	1,862	1,878	1,883	1,861
Energy delivered (MWh)	830,423	852,672	842,585	846,573
Owner community charge	\$ 4,776,617	\$ 5,284,704	\$ 5,284,706	\$ 5,364,132
Demand charges				
Transmission demand	\$ 12,558,332	\$ 13,246,936	\$ 13,283,523	\$ 12,554,884
Generation demand	12,100,345	13,487,978	13,528,163	16,734,353
Total demand charges	\$ 24,658,677	\$ 26,734,914	\$ 26,811,686	\$ 29,289,237
Energy charges				
Fixed cost energy	\$ 14,698,481	\$ 15,953,492	\$ 15,764,774	\$ 16,389,661
Variable cost energy	20,411,789	22,024,515	21,763,983	23,627,863
Total energy charges	\$ 35,110,270	\$ 37,978,007	\$ 37,528,757	\$ 40,017,524
Total charges	\$ 64,545,564	\$ 69,997,625	\$ 69,625,149	\$ 74,670,893
Average blended rate (\$/MWh)	\$ 77.73	\$ 82.09	\$ 82.63	\$ 88.20

Sales to owner communities (continued)

	2025 actual	2026 budget	2026 estimate	2027 budget
Loveland				
Owner community allocation	22.8%	22.8%	22.8%	23.0%
Noncoincident billing demand (MW) ⁽¹⁾	1,572	1,556	1,654	1,655
Coincident billing demand (MW) ⁽¹⁾	1,566	1,552	1,649	1,653
Energy delivered (MWh)	748,415	747,240	765,417	745,763
Owner community charge	\$ 3,675,029	\$ 4,047,900	\$ 4,475,327	\$ 4,700,004
Demand charges				
Transmission demand	\$ 10,531,127	\$ 10,951,911	\$ 11,645,081	\$ 11,086,820
Generation demand	10,191,861	11,143,875	11,860,261	14,860,089
Total demand charges	\$ 20,722,988	\$ 22,095,786	\$ 23,505,342	\$ 25,946,909
Energy charges				
Fixed cost energy	\$ 11,589,710	\$ 12,282,357	\$ 13,905,997	\$ 14,437,968
Variable cost energy and large customer service	21,559,627	22,489,195	20,590,844	20,814,241
Total energy charges	\$ 33,149,337	\$ 34,771,552	\$ 34,496,841	\$ 35,252,209
Total charges	\$ 57,547,354	\$ 60,915,238	\$ 62,477,510	\$ 65,899,122
Average blended rate (\$/MWh)	\$ 76.89	\$ 81.52	\$ 81.63	\$ 88.36
Estes Park				
Owner community allocation	4.3%	4.3%	4.3%	4.3%
Noncoincident billing demand (MW) ⁽¹⁾	278	281	275	270
Coincident billing demand (MW) ⁽¹⁾	231	232	210	224
Energy delivered (MWh)	135,664	140,067	131,643	141,192
Owner community charge	\$ 786,585	\$ 868,992	\$ 868,996	\$ 876,648
Demand charges				
Transmission demand	\$ 1,863,009	\$ 1,982,084	\$ 1,937,253	\$ 1,809,545
Generation demand	1,467,844	1,623,447	1,482,250	1,999,010
Total demand charges	\$ 3,330,853	\$ 3,605,531	\$ 3,419,503	\$ 3,808,555
Energy charges				
Fixed cost energy	\$ 2,401,247	\$ 2,620,645	\$ 2,463,035	\$ 2,733,469
Variable cost energy	3,334,613	3,617,918	3,400,331	3,940,656
Total energy charges	\$ 5,735,860	\$ 6,238,563	\$ 5,863,366	\$ 6,674,125
Total charges	\$ 9,853,298	\$ 10,713,086	\$ 10,151,865	\$ 11,359,328
Average blended rate (\$/MWh)	\$ 72.63	\$ 76.49	\$ 77.12	\$ 80.45

Sales to owner communities (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Total owner communities				
Owner community allocation	100.0%	100.0%	100.0%	100.0%
Noncoincident billing demand (MW) ⁽¹⁾	6,738	6,723	6,802	6,777
Coincident billing demand (MW) ⁽¹⁾	6,665	6,666	6,724	6,705
Energy delivered (MWh)	3,174,542	3,247,675	3,221,711	3,224,320
Owner community charge	\$ 17,890,669	\$ 19,639,296	\$ 20,066,725	\$ 20,434,788
Demand charges				
Transmission demand	\$ 45,144,178	\$ 47,331,819	\$ 47,884,251	\$ 45,408,372
Generation demand	43,296,719	47,827,742	48,275,654	60,265,788
Total demand charges	\$ 88,440,897	\$ 95,159,561	\$ 96,159,905	\$ 105,674,160
Energy charges				
Fixed cost energy	\$ 54,532,148	\$ 59,065,493	\$ 59,863,253	\$ 62,422,838
Variable cost energy and large customer service	81,193,816	87,075,426	84,036,911	89,990,771
Total energy charges	\$ 135,725,964	\$ 146,140,919	\$ 143,900,164	\$ 152,413,609
Total charges	\$ 242,057,530	\$ 260,939,776	\$ 260,126,794	\$ 278,522,557
Average blended rate (\$/MWh)	\$ 76.25	\$ 80.35	\$ 80.74	\$ 86.38

(1) Accumulated monthly values.

Operating expenses

Expenses incurred to generate and deliver electricity include purchased power, fuel, production, transmission, energy storage and administrative and general. In addition, operating expenses include investments in DER. The production cost model determines the majority of budgeted expenses for purchased power and fuel, whereas expenses for production, transmission, energy storage, 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 activities, technologies and personnel to advance the strategic initiatives and energy transition.

Purchased power

Purchased power is the largest classification of operating expenses. Purchased power includes purchases under long-term contracts for wind, solar and hydropower energy. Other purchases supplement additional energy and operating reserve requirements. Purchased power fluctuates with weather, market conditions and outages.

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, which results in higher purchased power expenses.

Wind

Wind generation includes 297 MW of nameplate capacity 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 2042.
- Spring Canyon Wind Energy Center Phase II and III (60 MW combined) in Colorado; contracts end October and December 2039, respectively. To accommodate additional energy available from the Roundhouse Wind Energy Center and reduce ancillary services expenses, Platte River sold the energy and renewable attributes from these sites under a 10-year contract from June 2020 to May 2030. 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 September 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.

Solar

Solar generation includes 309 MW of nameplate capacity with 2 MWh of associated battery storage provided under long-term PPAs. The agreements are for deliveries from the following facilities.

- Black Hollow Sun (257 MW) in Weld County; contract ends December 2046.

- Rawhide Flats Solar facility (30 MW) located at the Rawhide Energy Station; contract ends October 2041.
- Rawhide Prairie Solar facility (22 MW) located at the Rawhide Energy Station; contract ends March 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.

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 September 2057 and September 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 39 MW to 53 MW. In the winter season, estimated available capacity ranges from 44 MW to 50 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.

Other purchases

Market purchases provide energy through participation in the SPP RTO as previously described in the core operations and revenues sections. Bilateral purchases involve a single counterparty and are specifically negotiated deals.

Platte River purchases capacity of approximately 4.022 MW and 0.207 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.

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 and Craig Unit 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 with commodity prices, and as resource availability changes with outages and market conditions, including weather.

Rawhide Unit 1 (280 MW) is Platte River's largest baseload resource. As Platte River adds more noncarbon energy to its resource portfolio and participates in the SPP RTO that helps balance regional noncarbon generation, Rawhide Unit 1 operates 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 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 2027 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. In 2026, efforts are ongoing to finalize a new transportation contract.

Platte River owns 18% of Craig Unit 2 (74 MW). Platte River purchases coal for Craig Unit 2 under a long-term contract with Trapper Mining, Inc. The agreement with Trapper Mining runs through September 2028. Platte River has a minority ownership share of the mine. Mining activity will end in 2026. Platte River is working to proactively manage fuel inventory levels to align with operations and the planned closure of Craig Unit 2. As mining operations at Trapper Mine end, final reclamation efforts will ramp up significantly. These activities will be followed by a 10-year monitoring period to ensure compliance and environmental stewardship.

Natural gas-fired combustion turbines include five simple-cycle frame combustion turbines: four GE 7EAs (Rawhide units A, B, C and D, 65-75 MW each) and one GE 7FA (Rawhide Unit F, 145 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 market conditions including load and renewable generation. Platte River is engaged in long-term natural gas planning and developing strategies to strengthen its supply as Rawhide Unit 1 approaches retirement.

Production

Production expenses include operations and maintenance expenses (excluding fuel) incurred for the Rawhide Energy Station, the Craig Generating Station and power operations. 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.

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. Based on needs ahead of retirement, the final scheduled minor maintenance outage is planned for 2027. Personnel expenses that are charged to operations and maintenance can fluctuate with labor charged to capital projects and changes in headcount in any given year.

Craig Generating Station

Routine operations and maintenance expenses for Craig Unit 2 maintain reliability and environmental compliance until retirement. To limit reliance on coal-fired resources and

avoid excessive capital costs to comply with changing environmental regulations, participants in Craig Unit 2 agreed to retire the facility by September 2028.

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 supports 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 and transmission wheeling expenses for load. Transmission expenses are primarily developed through departmental budgets. Personnel expenses charged to operations and maintenance can fluctuate with the amount of labor charged to capital projects and changes in headcount in any given year.

Energy storage

As a new functional area created by FERC Order No. 898, energy storage expenses include all expenses to operate and maintain storage assets. Beginning in the 2027 budget, these costs only include battery optimization software, as the majority of energy storage costs Platte River appropriates are accounted for as lease liabilities as discussed in the debt service expenditures and debt-like obligations section. Platte River has not previously incurred costs in this functional area. As Platte River continues to operate and bring online new energy storage projects, additional expenses such as contracted services and lease payments that fall outside the scope of lease liability accounting may also be appropriated in this functional area.

Platte River has one long-term energy storage agreement, not including the Rawhide Prairie Solar facility's integrated storage project discussed earlier:

- Weld Energy Storage (100 MW / 400 MWh) in Weld County; contract ends 20 years from commercial operation, expected by the end of 2026.

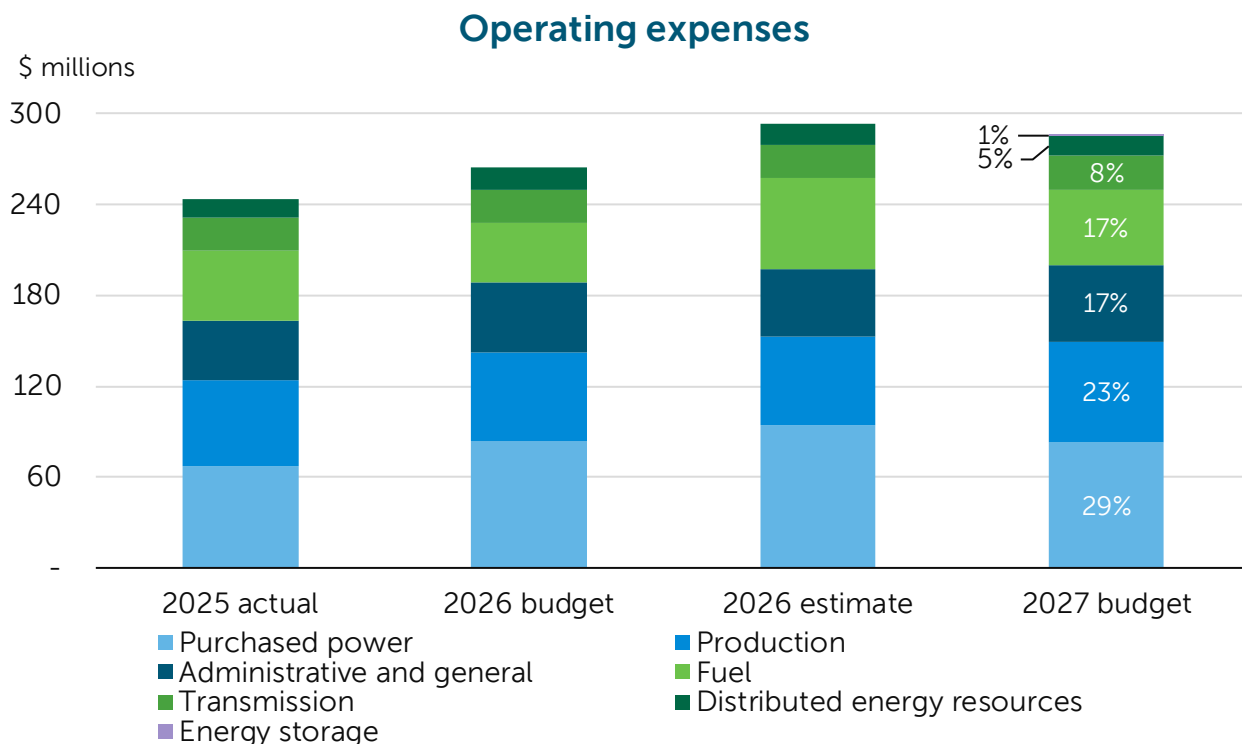
Administrative and general

Administrative and general expenses include all expenses incurred that are not directly allocated to capital or assigned to fuel, production, transmission, energy storage or DER. These expenses include those related to the general manager, communications, community and government affairs, human resources, safety, general counsel, technology services, 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 its strategic initiatives and mission.

Distributed energy resources

DER expenses include all expenses to administer and implement Platte River's DER programs. Distributed energy solutions investment continues due to its success and positive system and owner 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 portfolio diversification, integration and optimization strategic initiative.

Operating expenses (\$000)	2025 actual	2026 budget	2026 estimate	2027 budget
Purchased power	\$ 67,174	\$ 83,804	\$ 93,864	\$ 82,655
Fuel	45,815	39,380	60,202	49,462
Production	56,749	58,099	58,561	66,694
Transmission	21,863	21,694	22,100	22,904
Energy storage	-	-	-	300
Administrative and general	39,689	46,422	44,759	50,524
Distributed energy resources	11,951	15,247	13,554	13,352
Total operating expenses	\$ 243,241	\$ 264,646	\$ 293,040	\$ 285,891



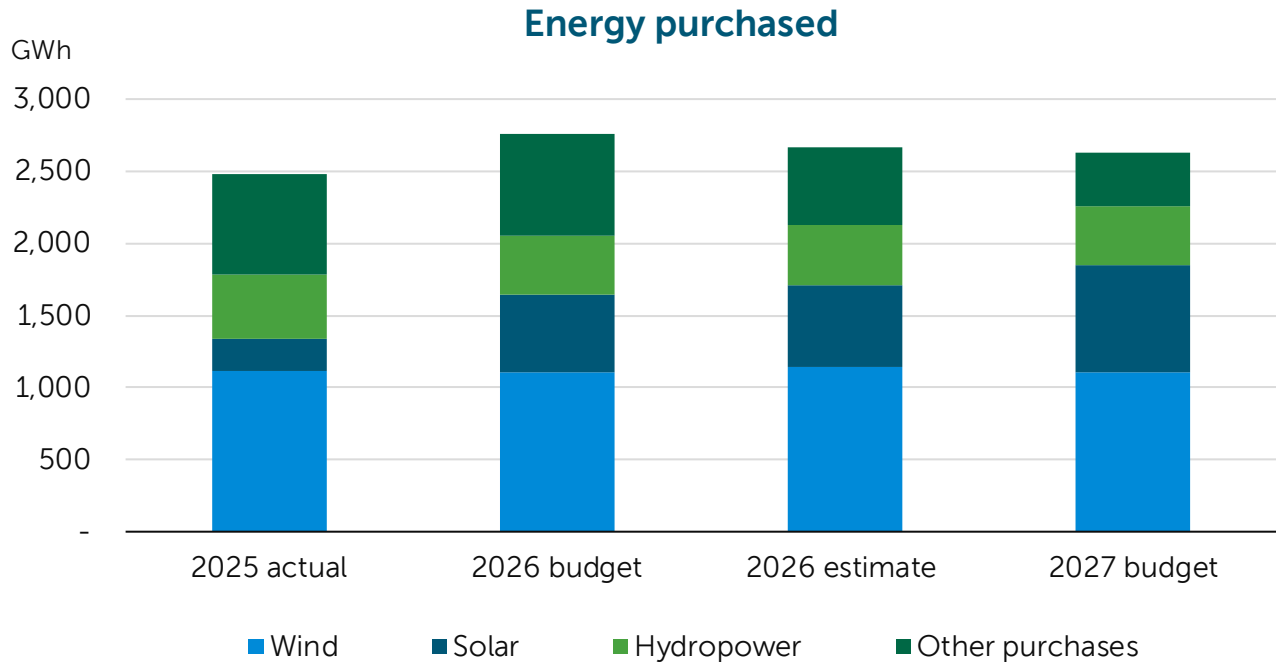
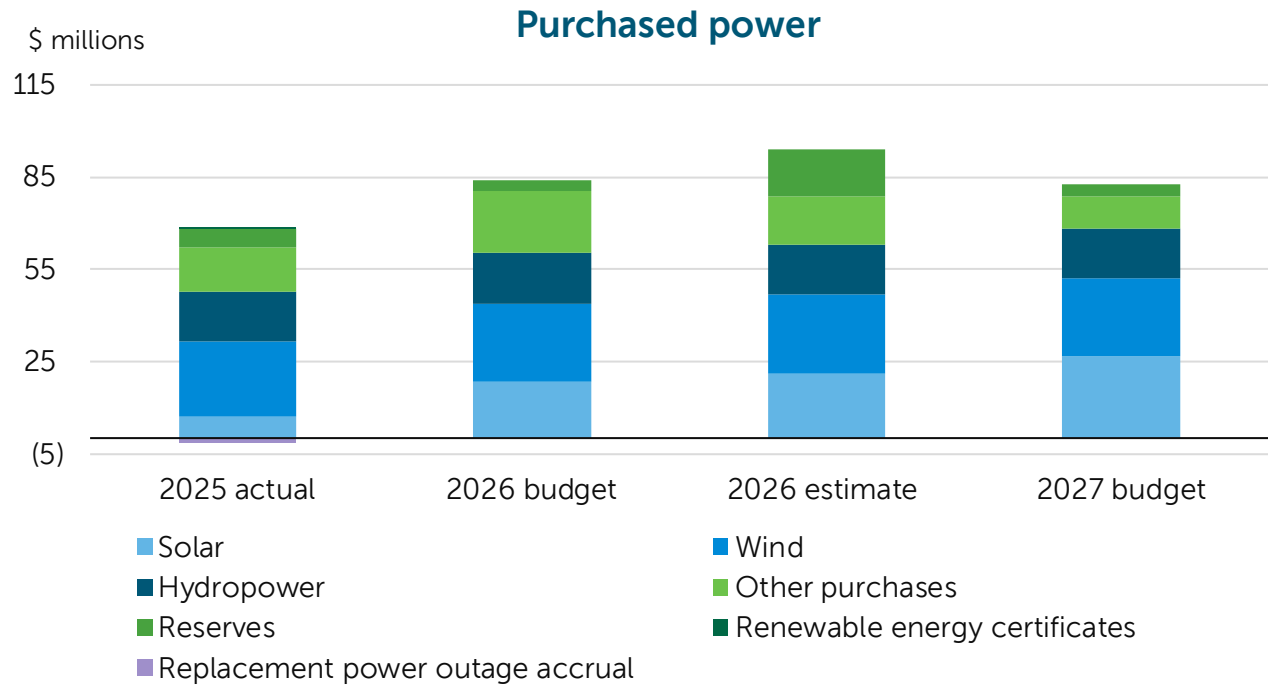
	2025 actual	2026 budget	2026 estimate	2027 budget
Purchased power				
Wind				
Roundhouse				
Energy (MWh)	881,920	837,499	876,880	837,499
Energy \$	\$ 15,257,217	\$ 14,488,742	\$ 15,267,728	\$ 14,488,742
Spring Canyon II ⁽¹⁾				
Energy (MWh)	103,504	125,208	125,710	125,208
Energy \$	\$ 3,588,729	\$ 4,448,146	\$ 4,465,899	\$ 4,559,036
Spring Canyon III ⁽¹⁾				
Energy (MWh)	101,878	105,945	108,061	105,945
Energy \$	\$ 3,521,495	\$ 3,756,682	\$ 3,831,510	\$ 3,850,269
Silver Sage ⁽²⁾				
Energy (MWh)	31,286	37,850	34,181	37,850
Energy \$	\$ 2,196,772	\$ 2,721,664	\$ 2,459,736	\$ 2,789,843
Total wind				
Energy (MWh)	1,118,588	1,106,502	1,144,832	1,106,502
Energy \$	\$ 24,564,213	\$ 25,415,234	\$ 26,024,873	\$ 25,687,890
Solar				
Black Hollow Sun				
Energy (MWh)	114,978	423,304	456,856	627,813
Energy \$	\$ 2,589,134	\$ 13,629,070	\$ 16,047,672	\$ 21,716,064
Rawhide Flats Solar				
Energy (MWh)	59,135	60,016	60,394	59,856
Energy \$	\$ 3,160,779	\$ 3,207,828	\$ 3,228,047	\$ 3,199,281
Rawhide Prairie Solar				
Energy (MWh)	45,444	52,570	49,071	52,540
Energy \$	\$ 1,468,159	\$ 1,727,822	\$ 1,803,085	\$ 1,726,836
Total solar				
Energy (MWh)	219,557	535,890	566,321	740,209
Energy \$	\$ 7,218,072	\$ 18,564,720	\$ 21,078,804	\$ 26,642,181
Hydropower				
WAPA-CRSP				
Demand (MW-Mo)	1,450	1,450	1,450	1,450
Demand \$	\$ 7,612,511	\$ 7,993,140	\$ 7,612,511	\$ 7,612,512
Energy (MWh)	341,320	303,673	305,245	301,996
Energy \$	\$ 4,218,708	\$ 3,941,063	\$ 3,772,826	\$ 3,732,670
Total CRSP	\$ 11,831,219	\$ 11,934,203	\$ 11,385,337	\$ 11,345,182

Purchased power (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Hydropower (continued)				
WAPA-LAP				
Demand (MW-Mo)	369	369	369	369
Demand \$	\$ 1,926,305	\$ 2,084,988	\$ 2,084,986	\$ 2,084,988
Energy (MWh)	108,024	108,025	108,025	108,025
Energy \$	\$ 2,151,845	\$ 2,327,946	\$ 2,327,929	\$ 2,327,952
Total LAP	\$ 4,078,150	\$ 4,412,934	\$ 4,412,915	\$ 4,412,940
Total hydropower				
Demand (MW-Mo)	1,819	1,819	1,819	1,819
Demand \$	\$ 9,538,816	\$ 10,078,128	\$ 9,697,497	\$ 9,697,500
Energy (MWh)	449,344	411,698	413,270	410,021
Energy \$	\$ 6,370,553	\$ 6,269,009	\$ 6,100,755	\$ 6,060,622
Total \$	\$ 15,909,369	\$ 16,347,137	\$ 15,798,252	\$ 15,758,122
Other purchases				
Market purchases				
Energy (MWh)	641,246	638,743	526,495	365,311
Energy \$	\$ 12,234,690	\$ 17,226,183	\$ 14,921,209	\$ 10,518,245
Bilateral purchases				
Energy (MWh)	43,098	61,407	9,988	-
Energy \$	\$ 1,735,214	\$ 2,576,701	\$ 505,360	\$ -
Owner community solar programs ⁽³⁾				
Energy (MWh)	6,695	7,613	7,370	7,586
Energy \$	\$ 313,638	\$ 251,040	\$ 212,680	\$ 188,876
Total other purchases				
Energy (MWh)	691,039	707,763	543,853	372,897
Energy \$	\$ 14,283,542	\$ 20,053,924	\$ 15,639,249	\$ 10,707,121
Reserves	\$ 6,336,600	\$ 3,423,186	\$ 15,323,273	\$ 3,860,000
Renewable energy certificates	\$ 134,375	\$ -	\$ -	\$ -
Replacement power outage accrual	\$ (1,272,281)	\$ -	\$ -	\$ -
Total purchased power	\$ 67,173,890	\$ 83,804,201	\$ 93,864,451	\$ 82,655,314

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

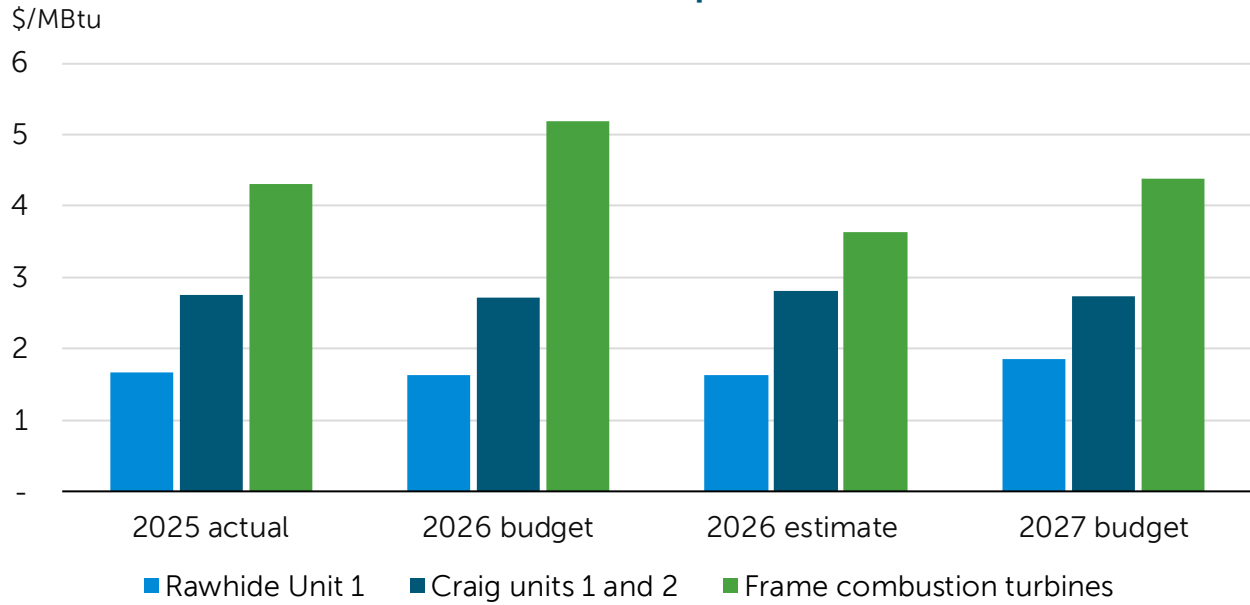
(2) Effective October 2018, Silver Sage energy and the renewable attribute have been sold to a third party.

(3) The owner communities retain the renewable attributes.

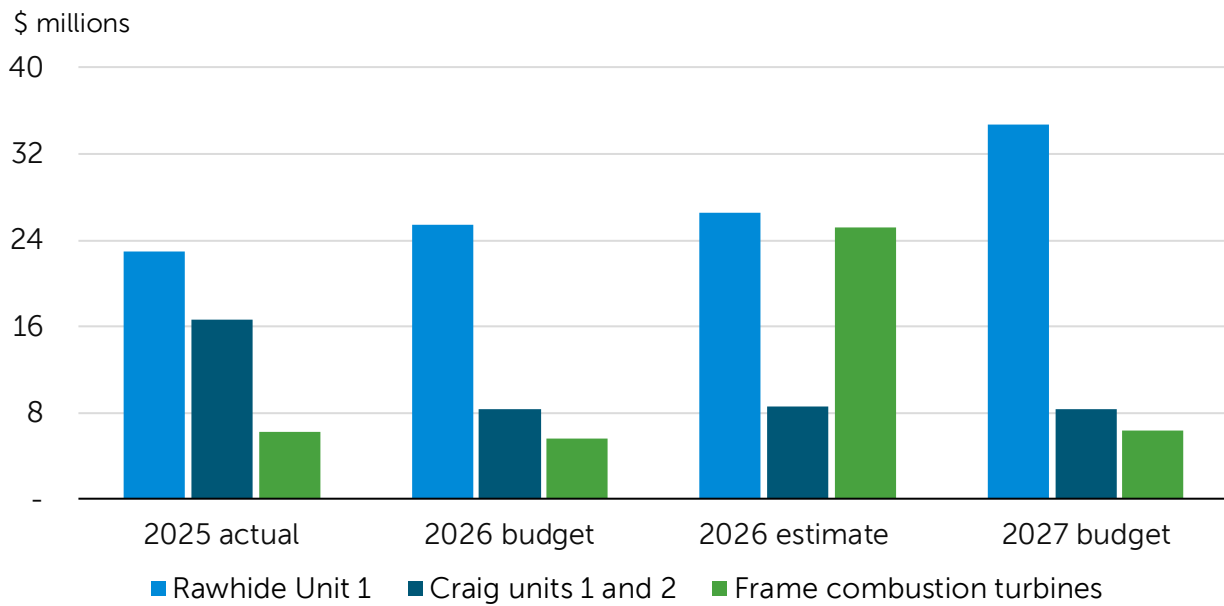


Fuel	2025 actual	2026 budget	2026 estimate	2027 budget
Rawhide Unit 1				
Coal burned (MBtu)	13,733,997	15,600,386	16,183,124	18,633,032
\$/MBtu	\$ 1.62	\$ 1.60	\$ 1.60	\$ 1.80
Coal expense	\$ 22,284,987	\$ 24,902,281	\$ 25,878,404	\$ 33,552,117
Car lease and other	14,000	4,500	6,000	15,000
Oil	198,275	105,000	97,630	130,000
Fuel ash disposal	(149,540)	(100,000)	(90,639)	(50,000)
Fuel handling	501,697	506,584	536,922	1,026,337
Testing and analysis	66,637	59,000	54,137	56,540
Total Rawhide Unit 1	\$ 22,916,056	\$ 25,477,365	\$ 26,482,454	\$ 34,729,994
Craig units 1 and 2				
Coal burned (MBtu)	6,018,329	3,045,817	3,039,801	3,045,244
\$/MBtu	\$ 2.68	\$ 2.67	\$ 2.67	\$ 2.68
Coal expense	\$ 16,150,867	\$ 8,135,331	\$ 8,108,592	\$ 8,168,855
Oil	7,722	18,000	7,948	20,000
Natural gas	25,768	44,000	23,478	44,000
Fuel handling	447,913	75,269	419,428	121,336
Total Craig units 1 and 2	\$ 16,632,270	\$ 8,272,600	\$ 8,559,446	\$ 8,354,191
Rawhide units A, B, C, D and F (frame combustion turbines)				
Natural gas burned (MBtu)	1,455,170	1,085,429	6,933,861	1,453,227
\$/MBtu	\$ 4.27	\$ 5.10	\$ 3.63	\$ 4.39
Natural gas expense	\$ 6,210,636	\$ 5,530,278	\$ 25,160,631	\$ 6,377,484
Other gas expense	55,752	100,000	3	-
Total Rawhide units A, B, C, D and F (frame combustion turbines)	\$ 6,266,388	\$ 5,630,278	\$ 25,160,634	\$ 6,377,484
Total fuel	\$ 45,814,714	\$ 39,380,243	\$ 60,202,534	\$ 49,461,669

Fuel unit cost per MBtu

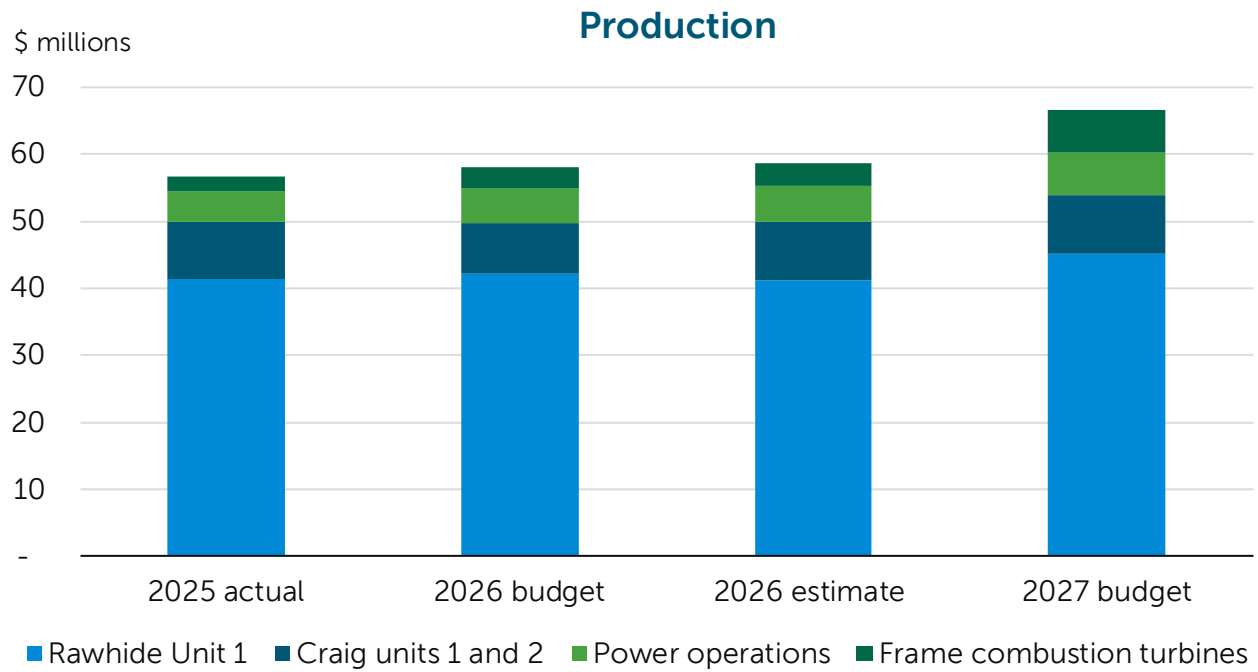


Fuel



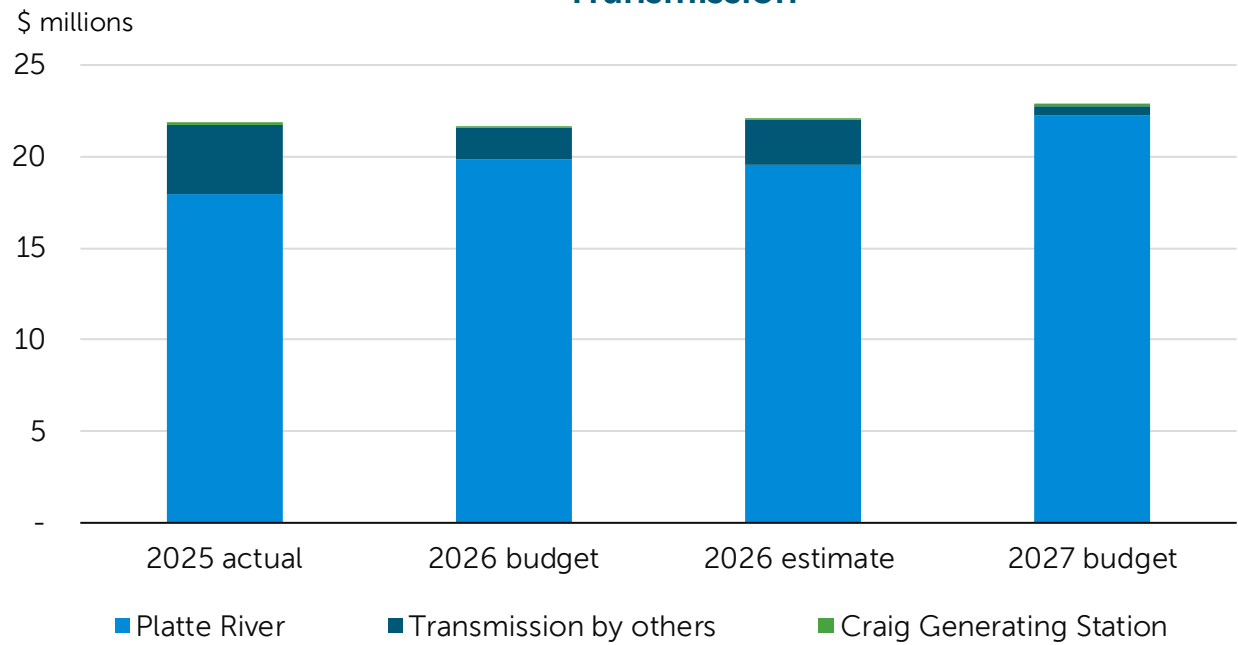
	2025 actual	2026 budget	2026 estimate	2027 budget
Production				
Rawhide Unit 1				
Personnel expenses				
Regular wages	\$ 11,436,545	\$ 10,931,291	\$ 10,287,982	\$ 10,216,392
Overtime wages	2,919,863	1,832,980	1,602,451	2,057,396
Benefits allocation	6,012,513	6,375,619	6,131,799	5,682,205
Stores allocation	366,948	454,825	421,187	304,356
Total personnel expenses	20,735,869	19,594,715	18,443,419	18,260,349
Operations and maintenance				
Office expenses	11,383	18,000	13,268	14,500
Safety expenses	115,438	153,405	124,440	120,525
Furniture and equipment	22,154	20,200	9,334	20,210
Local business expense	61,260	42,477	36,420	49,746
Postage and deliveries	14,456	11,330	9,093	11,330
O&M materials and supplies	6,848,970	4,192,427	3,789,277	4,505,687
Gasoline and diesel	101,861	81,200	78,804	87,277
Tools and shop equipment	85,485	83,300	70,964	83,680
Outage accrual	(10,397,526)	-	-	-
Total operations and maintenance	(3,136,519)	4,602,339	4,131,600	4,892,955
Contractual services				
Contracted services	17,416,483	8,411,783	8,909,634	11,302,279
Insurance	1,318,576	1,400,667	1,322,706	1,241,985
Travel and training	315,283	394,831	401,613	480,000
Telephone services	19,696	2,004	2,180	2,004
Utilities	309,125	520,173	627,931	545,758
Dues, memberships and fees	31,932	33,400	30,683	37,200
Total contractual services	19,411,095	10,762,858	11,294,747	13,609,226
Windy Gap				
Contracted services	-	35,000	-	-
Pooled financing expenses	3,452,186	5,900,453	5,865,135	6,963,507
Leases and rents	963,780	1,165,068	1,493,766	1,498,620
Total Windy Gap	4,415,966	7,100,521	7,358,901	8,462,127
Total Rawhide Unit 1	41,426,411	42,060,433	41,228,667	45,224,657
Craig units 1 and 2				
Operating expenses	8,433,496	7,541,965	8,120,776	8,452,412
Contracted services	-	-	572,946	250,000
Fiscal impact payment	23,209	23,209	23,209	23,209
Total Craig units 1 and 2	8,456,705	7,565,174	8,716,931	8,725,621
Total thermal	49,883,116	49,625,607	49,945,598	53,950,278

Production (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Rawhide units A, B, C, D and F (frame combustion turbines)				
Personnel expenses				
Regular wages	\$ 458,886	\$ 947,568	\$ 758,211	\$ 914,389
Overtime wages	174,650	168,657	168,498	175,583
Benefits allocation	269,083	538,082	455,558	510,680
Stores allocation	29,383	21,260	63,468	132,674
Total personnel expenses	932,002	1,675,567	1,445,735	1,733,326
O&M materials and supplies	458,695	640,283	737,185	2,447,840
Contracted services	609,109	642,752	880,582	1,770,021
Insurance	240,688	273,862	245,125	283,678
Travel and training	12,340	31,450	43,361	70,055
Telephone services	597	700	656	660
Utilities	1,672	1,500	1,462	1,500
Dues, memberships and fees	8,766	49,500	15,845	51,000
Total Rawhide units A, B, C, D and F (frame combustion turbines)	2,263,869	3,315,614	3,369,951	6,358,080
Power operations				
Personnel expenses				
Regular wages	2,662,506	2,732,958	3,034,947	3,712,885
Overtime wages	57,763	56,669	80,110	57,380
Benefits allocation	1,126,182	1,429,866	1,503,280	1,832,079
Total personnel expenses	3,846,451	4,219,493	4,618,337	5,602,344
Local business expense	4,219	3,500	2,639	3,500
Craig units 1 and 2 operating expenses	65,263	41,626	51,575	44,952
Contracted services	606,839	773,755	480,213	607,422
Travel and training	42,508	75,546	50,780	85,600
Telephone services	9,859	7,200	8,337	5,400
Dues, memberships and fees	27,250	36,592	33,612	36,460
Total power operations	4,602,389	5,157,712	5,245,493	6,385,678
Total production	\$ 56,749,374	\$ 58,098,933	\$ 58,561,042	\$ 66,694,036

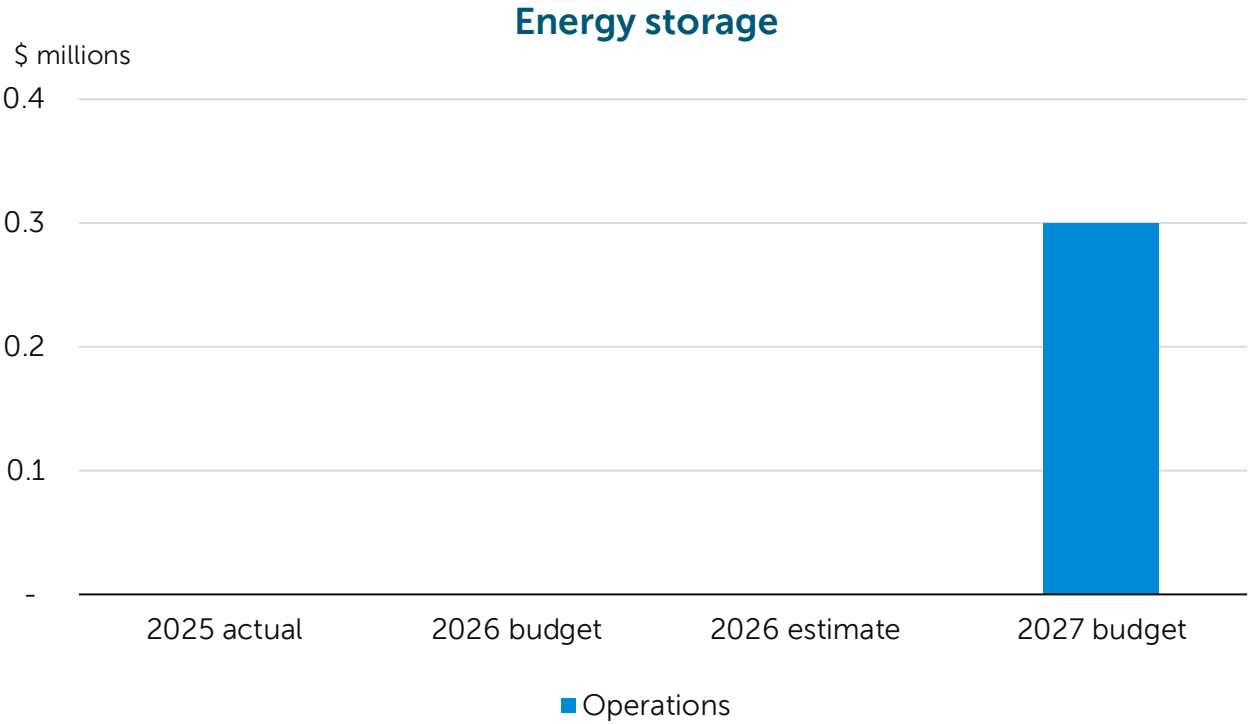


Transmission	2025 actual	2026 budget	2026 estimate	2027 budget
Platte River				
Personnel expenses				
Regular wages	\$ 8,301,600	\$ 8,614,061	\$ 8,584,022	\$ 10,065,390
Overtime wages	523,119	546,883	544,365	554,255
Benefits allocation	3,660,940	4,260,026	4,556,629	4,751,320
Stores allocation	<u>27,384</u>	<u>65,386</u>	<u>65,411</u>	<u>126,672</u>
Total personnel expenses	12,513,043	13,486,356	13,750,427	15,497,637
Materials and other expenses				
Office expenses	1,293	-	-	-
Safety expenses	11,820	18,350	12,119	24,300
Local business expense	13,886	14,750	17,434	16,750
Postage and deliveries	-	500	209	500
O&M materials and supplies	214,189	568,367	487,397	355,706
Gasoline and diesel	29,022	39,405	34,996	39,455
Tools and shop equipment	17,625	16,012	15,013	22,012
Computer equipment	<u>57,134</u>	<u>35,000</u>	<u>23,193</u>	<u>40,000</u>
Total materials and other expenses	344,969	692,384	590,361	498,723
Contractual services				
Contracted services	4,163,138	2,946,016	2,692,354	2,504,868
Insurance	207,319	228,978	206,135	654,691
Travel and training	113,160	136,006	45,333	180,606
Telephone services	17,029	2,558	1,828	4,850
Utilities	14,219	4,788	11,101	16,620
Dues, memberships and fees	427,673	2,207,173	2,143,647	2,742,223
Leases and rents	<u>154,020</u>	<u>133,880</u>	<u>130,833</u>	<u>137,500</u>
Total contractual services	<u>5,096,558</u>	<u>5,659,399</u>	<u>5,231,231</u>	<u>6,241,358</u>
Total Platte River	17,954,570	19,838,139	19,572,019	22,237,718
Craig Generating Station				
Operating expenses	72,820	82,937	90,734	115,979
Contracted services	<u>11,437</u>	<u>1,786</u>	<u>1,786</u>	-
Total Craig Generating Station	84,257	84,723	92,520	115,979
Transmission by others				
Wheeling expense	<u>3,823,996</u>	<u>1,771,253</u>	<u>2,435,096</u>	<u>549,996</u>
Total transmission	<u>\$ 21,862,823</u>	<u>\$ 21,694,115</u>	<u>\$ 22,099,635</u>	<u>\$ 22,903,693</u>

Transmission



	2025 actual	2026 budget	2026 estimate	2027 budget
Energy storage				
Operations				
Contracted services	\$ -	\$ -	\$ -	\$ 300,000
Total energy storage operations	-	-	-	300,000
Total energy storage	\$ -	\$ -	\$ -	\$ 300,000

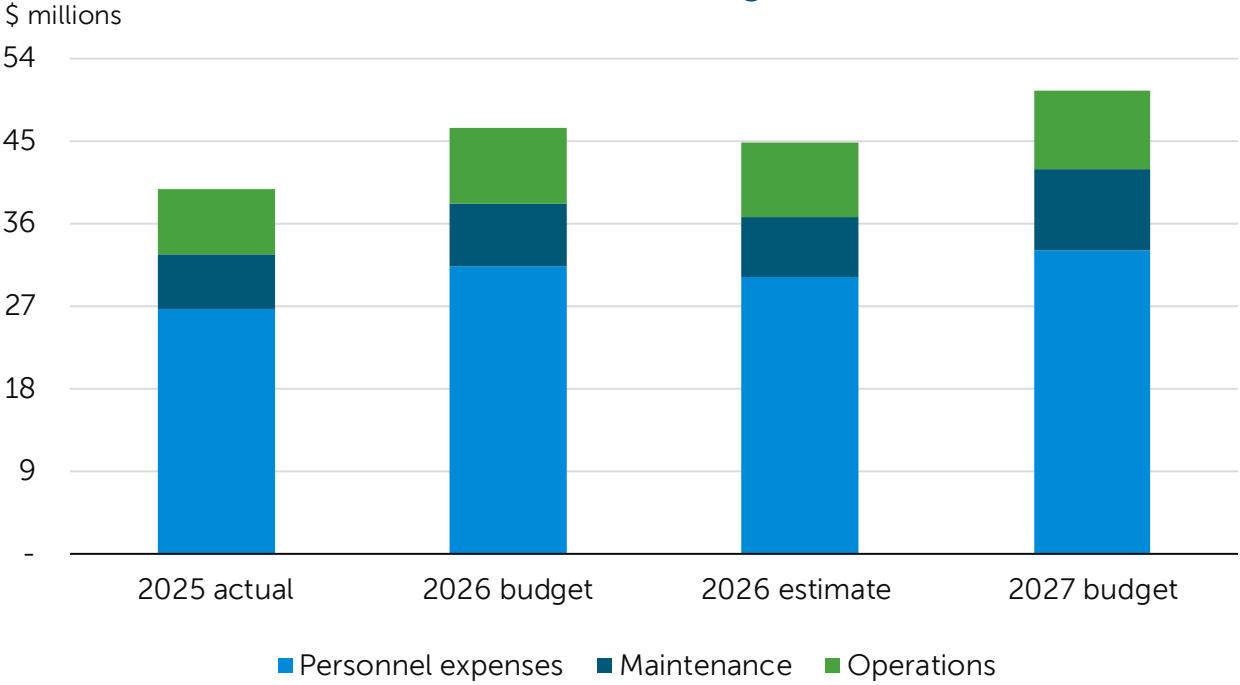


Administrative and general	2025 actual	2026 budget	2026 estimate	2027 budget
Operations				
Personnel expenses				
Regular wages	\$ 18,674,840	\$ 20,590,494	\$ 19,871,758	\$ 22,200,705
Overtime wages	97,508	83,133	75,645	87,317
Benefits allocation	7,832,022	10,449,703	10,037,645	10,673,632
Stores allocation	59,860	172,907	112,082	117,469
Total personnel expenses	26,664,230	31,296,237	30,097,130	33,079,123
Office operations				
Office expenses	(29,596)	2,000	(7,341)	(4,500)
Furniture and equipment	31,132	12,500	13,344	12,500
Local business expense	148,969	308,632	246,320	274,311
Postage and deliveries	12,306	10,829	10,301	15,450
Gasoline and diesel	25,209	30,000	25,755	31,500
Computer equipment	380,141	560,248	583,880	621,569
Contracted services	378,252	862,412	930,598	960,468
Travel and training	125,263	1,111,645	1,097,694	1,395,990
Telephone services	68,274	88,008	81,266	84,408
Utilities	259,791	270,012	238,887	280,788
Dues, memberships and fees	471,722	367,317	380,377	396,860
Other financing expenses	32,883	43,900	44,982	86,840
Total office operations	1,904,346	3,667,503	3,646,063	4,156,184
Safety				
Safety expenses	3,144	8,951	6,989	8,741
Local business expense	6,276	4,500	2,516	4,500
Contracted services	77,869	35,450	27,577	41,300
Travel and training	625,200	25,000	29,596	20,000
Dues, memberships and fees	220	700	292	700
Total safety	712,709	74,601	66,970	75,241
Wellness incentive				
Safety expenses	95,219	99,550	105,607	105,250
Local business expense	54,050	41,900	37,348	41,670
Furniture and equipment	1,473	5,000	2,083	5,000
Contracted services	20,449	27,800	28,405	23,000
Total wellness incentive	171,191	174,250	173,443	174,920
Insurance	1,462,575	1,631,923	1,589,900	1,462,076
Board and enterprise expenses				
Local business expense	14,591	14,000	13,907	16,200
Contracted services	3,995	20,500	20,500	20,500
Travel and training	26,241	34,000	32,067	34,000

Administrative and general (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Operations (continued)				
Board and enterprise expenses (continued)				
Dues, memberships and fees	\$ 142,303	\$ 145,915	\$ 152,871	\$ 294,250
Trustees fees	18,000	18,000	12,000	23,000
Direct community support	120,000	120,000	120,000	120,000
Total board and enterprise expenses	325,130	352,415	351,345	507,950
Reporting and promotional expenses				
Local business expense	120,217	96,800	97,784	98,150
Contracted services	531,094	594,000	506,649	598,000
Total reporting and promotional expenses	651,311	690,800	604,433	696,150
Community engagement expenses				
Local business expense	231,460	275,300	257,777	266,815
Dues, memberships and fees	38,806	51,700	43,629	55,000
Total community engagement expenses	270,266	327,000	301,406	321,815
Planning and customer service expenses				
Contracted services	644,501	1,172,610	1,074,025	856,410
Dues, memberships and fees	182,017	191,675	185,499	197,425
Leases and rents	675,000	-	-	-
Total planning and customer service expenses	1,501,518	1,364,285	1,259,524	1,053,835
Compliance expenses				
Local business expense	3,639	5,000	3,302	6,900
O&M materials and supplies	26,716	-	-	-
Contracted services	12,001	10,000	31,405	15,500
Travel and training	41,803	47,850	37,721	72,000
Total compliance expenses	84,159	62,850	72,428	94,400
Total administrative and general operations	33,747,435	39,641,864	38,162,642	41,621,694
Maintenance				
Building and grounds maintenance				
O&M materials and supplies	151,965	156,750	189,486	155,451
Tools and shop equipment	3,839	19,500	244	19,500
Contracted services	601,789	663,659	592,561	983,600
Total building and grounds maintenance	757,593	839,909	782,291	1,158,551

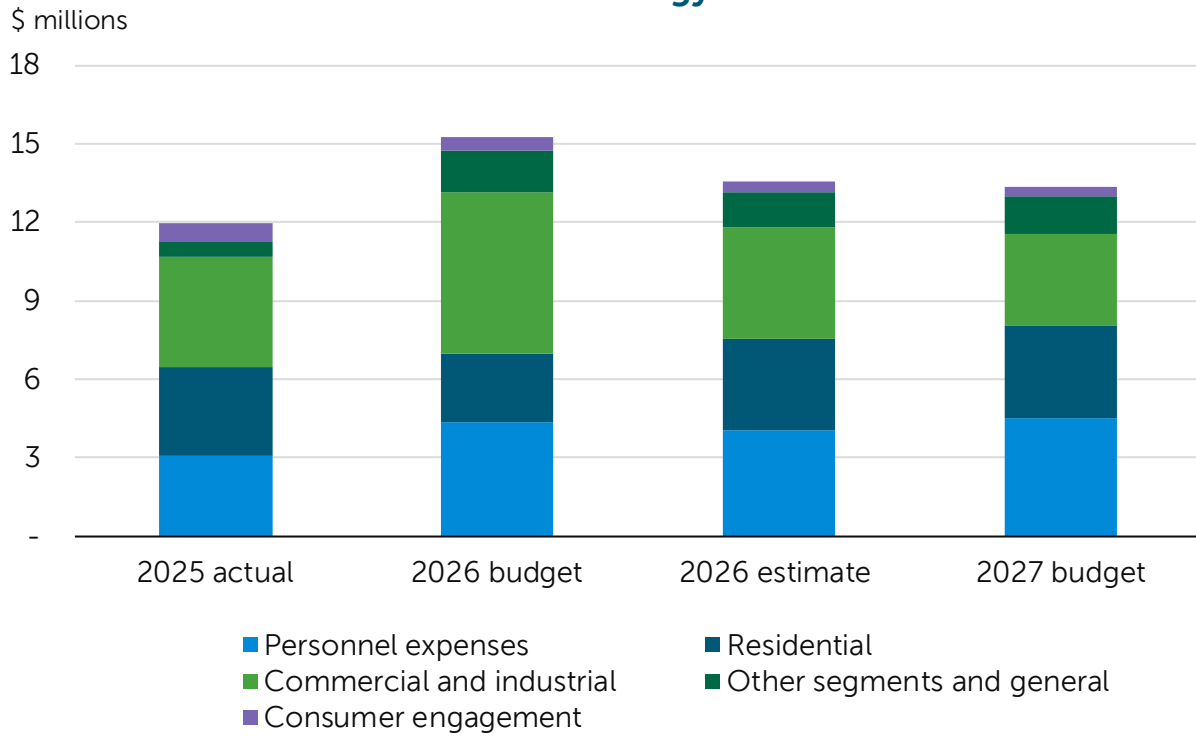
Administrative and general (continued)	2025 actual	2026 budget	2026 estimate	2027 budget
Maintenance (continued)				
Computer maintenance				
Contracted services	\$ 4,525,384	\$ 5,241,279	\$ 5,078,249	\$ 6,573,147
Total computer maintenance	4,525,384	5,241,279	5,078,249	6,573,147
Office equipment maintenance				
Postage and deliveries	1,437	3,300	2,054	3,000
Telephone services	36,861	53,672	53,672	53,671
Total office equipment maintenance	38,298	56,972	55,726	56,671
Vehicle maintenance				
O&M materials and supplies	28,150	27,105	35,282	27,500
Tools and shop equipment	10,237	12,600	12,733	13,230
Contracted services	26,529	11,224	13,093	384,012
Total vehicle maintenance	64,916	50,929	61,108	424,742
Security maintenance				
O&M materials and supplies	54,958	82,286	137,003	113,292
Tools and shop equipment	6,684	4,400	4,702	7,427
Contracted services	493,937	504,042	476,874	568,706
Total security maintenance	555,579	590,728	618,579	689,425
Total administrative and general maintenance	5,941,770	6,779,817	6,595,953	8,902,536
Total administrative and general	\$ 39,689,205	\$ 46,421,681	\$ 44,758,595	\$ 50,524,230

Administrative and general



Distributed energy resources	2025 actual	2026 budget	2026 estimate	2027 budget
Personnel expenses				
Regular wages	\$ 2,150,114	\$ 2,885,962	\$ 2,663,209	\$ 3,014,964
Overtime wages	2,820	-	105	-
Benefits allocation	896,225	1,492,336	1,381,771	1,478,326
Total personnel expenses	3,049,159	4,378,298	4,045,085	4,493,290
Commercial and industrial				
Contracted services	752,988	1,038,800	762,813	1,159,000
Rebates/incentives for retail customers: non-controlled	2,641,806	3,792,000	2,617,764	1,331,000
Audits/assessments for retail customers	826,761	1,357,800	879,183	959,000
Rebates/incentives for retail customers: controlled	-	22,725	-	43,089
Total commercial and industrial	4,221,555	6,211,325	4,259,760	3,492,089
Residential				
Contracted services	328,483	351,710	258,386	288,420
Rebates/incentives for retail customers: non-controlled	2,714,590	1,597,400	2,728,995	2,474,300
Audits/assessments for retail customers	384,624	495,800	399,176	462,240
Rebates/incentives for retail customers: controlled	-	128,775	108,270	349,600
Total residential	3,427,697	2,573,685	3,494,827	3,574,560
Consumer engagement				
Contracted services	478,593	225,800	195,737	179,500
Rebates/incentives for retail customers: non-controlled	254,317	299,750	204,865	200,550
Total consumer engagement	732,910	525,550	400,602	380,050
Other segments and general				
Contracted services	230,091	1,252,300	993,601	1,230,552
Telephone services	188	-	-	-
Dues, memberships and fees	163,425	173,825	210,550	182,000
Rebates/incentives to owner communities: controlled	125,459	132,000	149,158	-
Total other segments and general	519,163	1,558,125	1,353,309	1,412,552
Total distributed energy resources	\$ 11,950,484	\$ 15,246,983	\$ 13,553,583	\$ 13,352,541

Distributed energy resources



Capital additions

Capital projects reflect a long-term outlook to support Platte River’s strategic initiatives, core operations and mission 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.

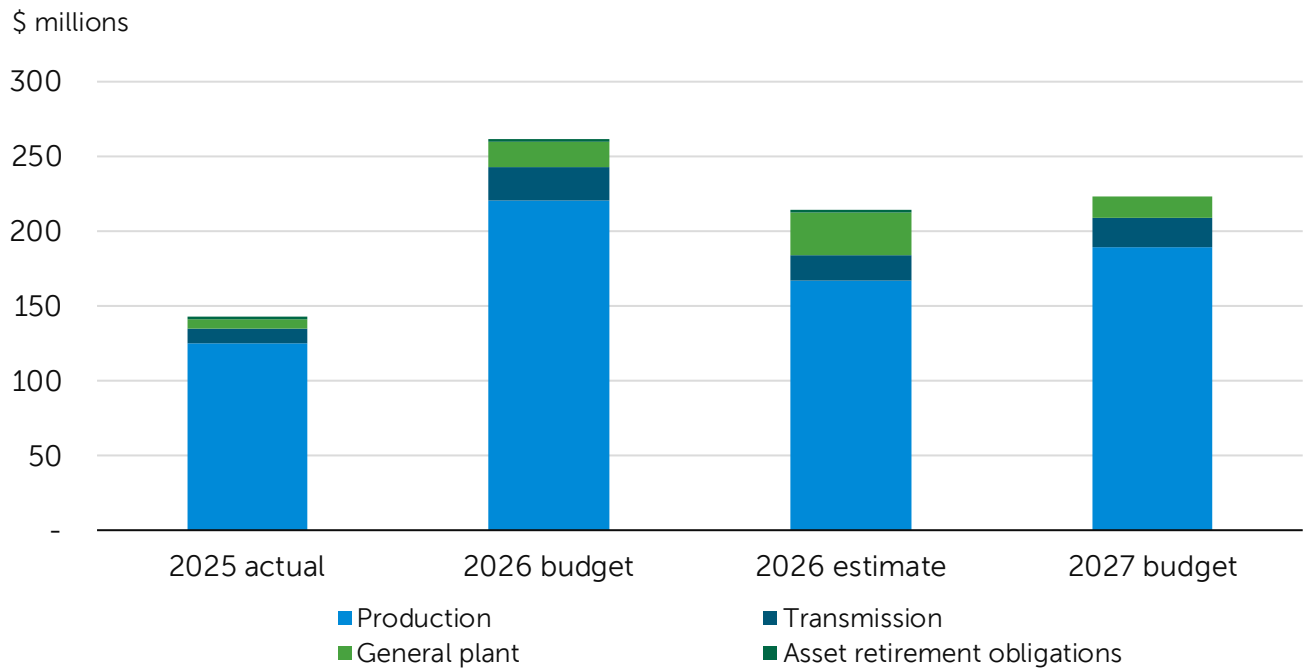
Production capital additions include the aeroderivative units and supporting projects, power plant upgrades, a new control building and equipment replacements at the Rawhide Energy Station. Transmission capital additions include substations and supporting equipment and transmission line upgrades and modifications. Projects are based on consultation, transmission studies and infrastructure assessments 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. General plant capital additions include new buildings for technology infrastructure and storage, implementation costs for subscription-based information technology arrangements, fiber expansion, IT hardware and software replacements, security improvements and other general plant equipment purchases.

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 and foster operational excellence. Projects often experience schedule changes for various reasons. Staff will therefore request a portion of unspent 2026 budget capital additions be carried over into the 2027 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, resource constraints and expected impacts of tariffs have been considered in the 2027 budget, but evolving economic conditions create uncertainty.

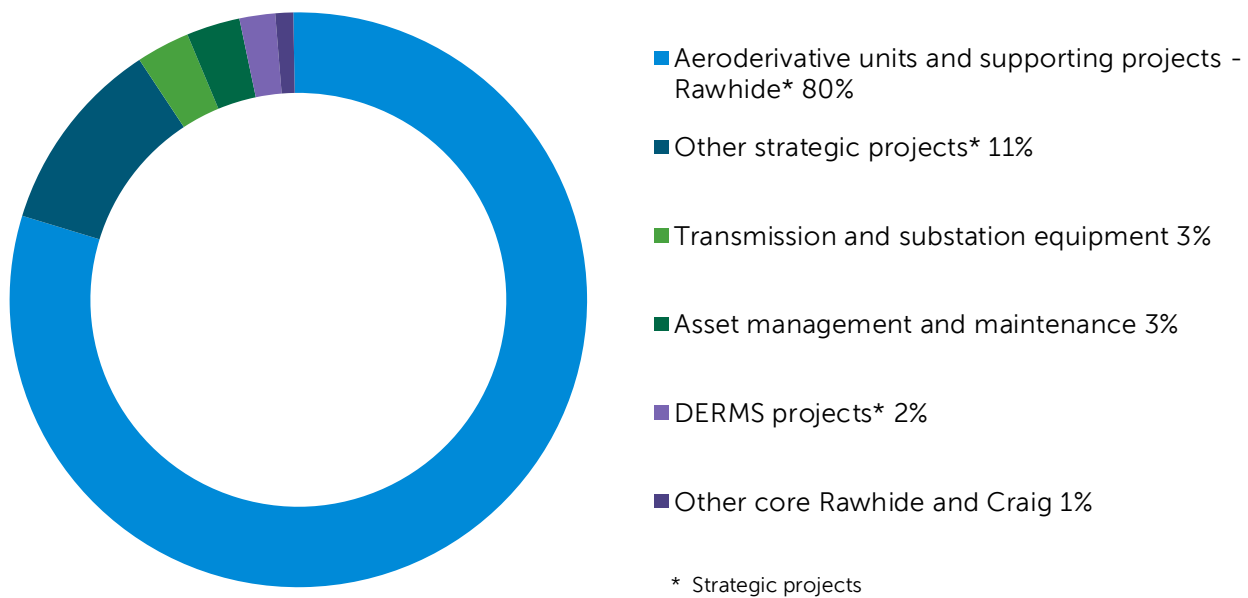
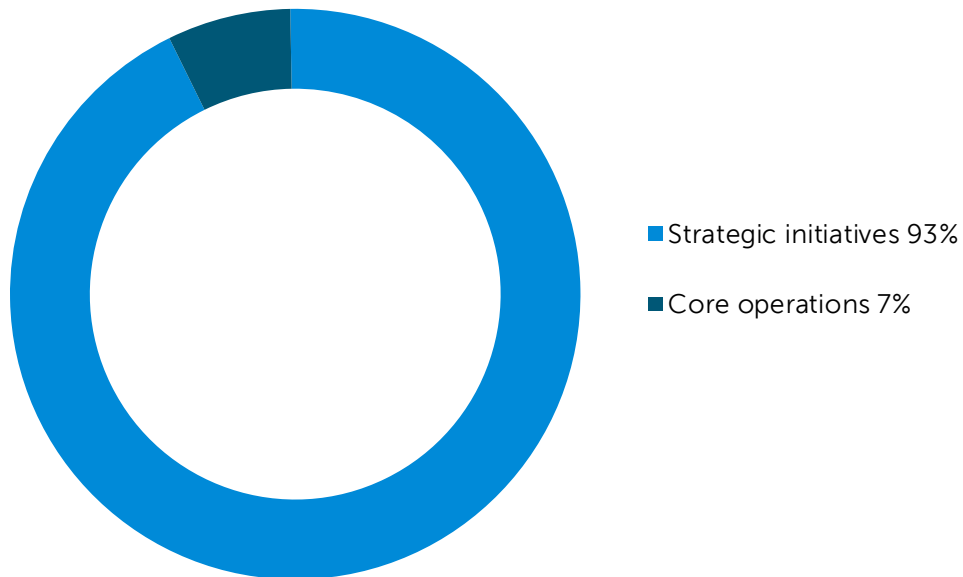
The next pages include project descriptions, as well as estimated project cost and carryover amounts, noting which projects support strategic initiatives.

Capital additions (\$000)	2025 actual	2026 budget	2026 estimate	2027 budget
Production	\$ 125,241	\$ 220,985	\$ 167,360	\$ 189,643
Transmission	9,446	21,958	17,149	19,210
General plant	6,455	17,049	28,046	14,652
Asset retirement obligations	1,652	2,239	2,039	-
Total capital additions	<u>\$ 142,794</u>	<u>\$ 262,231</u>	<u>\$ 214,594</u>	<u>\$ 223,505</u>

Capital additions



2027 capital additions: \$223.5 million



Production capital additions	2027 budget	Total cost estimate⁽¹⁾
Rawhide projects		
• Aeroderivative combustion turbines - Rawhide ⁽²⁾	\$ 164,052,311	\$ 638,059,000
• Gas infrastructure upgrades - Owl Creek gas yard	10,798,253	24,166,000
• Combustion component upgrade - frame combustion turbine	6,352,334	
• 12.47-kilovolt switchgear replacement - Rawhide	2,930,767	8,667,000
• Control building - Rawhide	1,531,276	16,531,000
Exhaust silencer replacement - combustion turbine Unit F	1,117,782	1,237,000
• Control room upgrades - Rawhide	1,012,527	2,042,000
• Wet compression - frame combustion turbine	752,283	1,353,000
Cooling pump upgrade - combustion turbine Unit F	293,418	
Check and isolation valve upgrade - Rawhide Pump Station	190,767	
Roof replacement - rotary car dumper building	174,000	
Cranking motor transformer replacement - combustion turbine Unit B	151,123	189,000
Continuous emission monitoring system uninterruptible power supply upgrade - Rawhide Unit 1	90,893	
Motor bearing cooling water system upgrade - Rawhide Pump Station	76,076	
• Water infrastructure - aeroderivative units ⁽²⁾	52,507	10,110,000
Transformer replacement Warehouse 1 - Rawhide	35,254	177,000
Total Rawhide projects	189,611,571	
Other production projects		
Craig Generating Station projects	31,307	
Total production capital additions	\$ 189,642,878	

Transmission capital additions	2027 budget	Total cost estimate⁽¹⁾
Transmission projects		
• Substation expansion and reliability upgrade - Rawhide Substation	\$ 11,011,599	\$ 26,461,000
Substation - Midtown	1,916,476	13,802,000
Transformer T3 and control enclosure addition - Valley Substation	1,896,911	6,186,000
Relay panel replacement - Meadow Substation ⁽²⁾	776,479	996,000
Oil circuit breaker replacement 2182 and 2186 - Ault Substation WAPA	776,000	
Transmission line structure replacements - Loveland ⁽²⁾	701,011	1,317,000
Transformer T3 addition - Fordham Substation	395,000	
Transformer T3 addition - Crossroads Substation	354,673	1,516,000
Circuit switcher (T1, T2) addition - Rogers Road Substation ⁽²⁾	325,000	1,390,000
Transformer T3 replacement - Timberline Substation	300,000	6,625,000
Metering unit addition - Severance Substation	263,381	
Station service - Dixon Creek Substation	211,200	361,000
Battery bank replacements - substations	125,106	
Transmission line foundation upgrades - LaPorte Rawhide	62,582	232,000

Transmission capital additions (continued)

	2027 budget	Total cost estimate ⁽¹⁾
HVAC unit replacements - substations	\$ 45,657	
Transmission digital fault information network - substations	31,593	
Substation decommissioning - Drake Substation	17,582	\$ 1,348,000
Total transmission capital additions	\$ 19,210,250	

General plant capital additions

	2027 budget	Total cost estimate ⁽¹⁾
General plant projects		
• Technology infrastructure building - headquarters	\$ 5,000,000	\$ 5,350,000
Storage outbuilding - headquarters	3,474,260	7,681,000
• Distributed energy resources management system	2,042,688	5,228,000
• Distributed energy resources management system - distribution management foundation	1,588,500	3,497,000
Fiber optic expansion - Long-Haul West (Loveland to Longmont)	889,559	4,772,000
Firewall replacement	400,000	
• Gas valve security	252,762	
Energy management system and Rawhide controls server replacement	170,198	1,035,000
Automated control gate addition - Rawhide	142,363	
Remote terminal unit replacements - substations	80,563	
Human resources neighborhood reconfiguration and remodel - headquarters	60,657	
Gunshot detection system - Boyd Substation	60,235	
Gunshot detection system - Severance Substation	49,136	
Audio and video equipment replacement - conference rooms	22,000	
Fiber optic monitoring tool - headquarters	20,793	
Total general plant projects	14,253,714	
General plant purchases		
Vehicle fleet replacements	373,074	
Pressure washer - headquarters	11,000	
Telecom battery tester	7,500	
Copier replacements	7,000	
Total general plant purchases	398,574	
Total general plant capital additions	\$ 14,652,288	
Total capital additions	\$ 223,505,416	

- Project supports strategic initiative.

(1) If no amount is shown, the 2027 budget amount represents the total project cost estimate.

(2) Projects with estimated unspent 2026 funds that will be requested to be carried over to the 2027 budget.

Production capital additions

Rawhide projects

Aeroderivative combustion turbines - Rawhide	\$164,052,311
Project time frame: 2024-2029 Total cost estimate: \$638,059,000 Carryover estimate: \$54,343,000 Construct flexible, high-efficiency, low-carbon aeroderivative combustion turbines at the Rawhide Energy Station to help reliably transition to a noncarbon energy portfolio. Aeroderivative units will support reliability and financial sustainability as Platte River increases investment in renewable resources to allow 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 integrate 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 (synchronized to the grid but not consuming fuel or producing energy). This resource will provide needed capacity as other firm, noncarbon technologies, such as long-duration storage and green hydrogen, develop and reach maturity. Funds budgeted in 2027 will be used for milestone payments on long-lead-time equipment, procurement, site preparation earthwork and foundations.	
Gas infrastructure upgrades - Owl Creek gas yard	10,798,253
Project time frame: 2026-2029 Total cost estimate: \$24,166,000 Upgrade existing gas infrastructure and establish pipeline connections for new gas suppliers to guarantee proper performance and reliability of the aeroderivative units. The aeroderivative units require higher pressure than the frame units. Interconnections with other gas suppliers will be constructed to diversify gas supply and add redundancy to the gas delivery system. A new fuel flow meter will also be installed for accuracy of monthly gas purchases. Funds budgeted in 2027 will be used to continue design for infrastructure modifications.	
Combustion component upgrade - frame combustion turbine	6,352,334
Upgrade the 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 upgraded hardware reduces nitrogen oxide and carbon monoxide emissions when running at baseload and minimum load and will be modified to add sequential fuel injection that will allow the unit to operate at a lower load range. The autotune lite system will also be upgraded for continuous monitoring of combustion dynamics through the entire load range.	

● 12.47-kilovolt switchgear replacement - Rawhide	\$ 2,930,767
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Project time frame: 2025-2028

Total cost estimate: \$8,667,000

Replace the existing 12.47-kilovolt switchgear located in the substation control building to use 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-kilovolt 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 2027 will be used for civil work and site construction.

● Control building - Rawhide	1,531,276
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Project time frame: 2027-2028

Total cost estimate: \$16,531,000

Construct a new critical operations facility at the Rawhide Energy Station to replace the existing transmission and power supply backup control centers and Rawhide control room, while providing a new IT and OT facility and evaluating future office space needs. The required space will be designed as a centralized, resilient platform to support long-term operational resiliency, business continuity, accessibility and technology infrastructure requirements. Existing backup control centers and control room facilities have significant limitations related to accessibility, resiliency and long-term functionality, while growing IT and OT demands require expanded and more secure data capacity. Funds budgeted in 2027 will be used for design.

Exhaust silencer replacement - combustion turbine Unit F	1,117,782
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Project time frame: 2026-2027

Total cost estimate: \$1,237,000

Replace the exhaust silencers on combustion turbine Unit F with silencers of an upgraded material. Exhaust silencers are used for sound deadening of the exhaust gases and are suspended in the exhaust stack. Due to the harsh operating environment, the structural components of the current exhaust silencers are beginning to fail, leading to an increased risk of parts falling in the exhaust stack. The falling debris could damage the stack or injure personnel entering the stack. The upgraded exhaust silencer material will minimize the likelihood of structure failure in the future.

● Control room upgrades - Rawhide	\$ 1,012,527
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Project time frame: 2026-2027

Total cost estimate: \$2,042,000

Upgrade the Rawhide control room layout to include the aeroderivative units and allow all distributed control system screens to be in the operators' forward view and in the same field of vision. Currently the frame combustion turbine screens are behind the operator workstations and cannot be viewed simultaneously with the Rawhide Unit 1 screens. The project includes potential structural modifications to accommodate a larger control room footprint, installation of a horseshoe console supporting more monitors and video walls, and the replacement and repositioning of both desks and wall-mounted display screens. Additionally, the project will involve network and control system cable redirection, reassessment of display assignments and the installation of new flooring systems to facilitate more effective cable routing and management.

● Wet compression - frame combustion turbine	752,283
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Project time frame: 2026-2027

Total cost estimate: \$1,353,000

Add wet compression on a frame combustion turbine 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.

Cooling pump upgrade - combustion turbine Unit F	293,418
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Upgrade and replace the cooling pumps on combustion turbine Unit F. The cooling pumps have frequent mechanical seal failures requiring pumps to be pulled from operation, repaired and reinstalled. The new pumps will have a better design to decrease maintenance costs, decrease pump downtime and support unit availability.

Check and isolation valve upgrade - Rawhide Pump Station	190,767
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Upgrade and replace the discharge isolation and check valve for the 24 inch pipeline at the Rawhide Pump Station. The current isolation valve is manually operated and along with the check valve, are used to prevent backflowing of water to the Rawhide Pump Station and the City of Fort Collins water treatment outlet. If either the isolation or check valves leak, this will allow water to mix with the City of Fort Collins outlet which is a permit violation. To maintain compliance, the isolation and check valves will be replaced. The isolation valve will be upgraded to an automatic motor operated valve, creating efficiency as personnel will not have to travel to Rawhide Pump Station to isolate the line.

Roof replacement - rotary car dumper building	174,000
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Replace the roofing system on the rotary car dumper building at Rawhide. The roofing system is at the end of its useful life and was damaged in recent wind storm events.

Cranking motor transformer replacement - combustion turbine Unit B	\$	151,123
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Project time frame: 2026-2027

Total cost estimate: \$189,000

Replace a transformer to ensure reliability of combustion turbine Unit B. Recent oil sampling indicates heating damage which could lead to transformer failure. The new transformer will have the same footprint and protection as the existing transformer. Funds budgeted in 2027 will be used for procurement of materials and installation.

Continuous emission monitoring system uninterruptible power supply upgrade - Rawhide Unit 1	90,893
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Upgrade the uninterruptible power supply to provide four hours of continuous emission monitoring system operation for Rawhide Unit 1. This includes the mercury and gaseous continuous emission monitoring systems which are critical for unit reliability. The uninterruptible power source will eliminate the risk of power disruption to the continuous emission monitoring systems maintaining compliance until power is restored.

Motor bearing cooling water system upgrade - Rawhide Pump Station	76,076
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Upgrade the water pumps motor bearing cooling system on the 24 inch pipeline at the Rawhide Pump Station. The current cooling system for the bearings use the effluent water that flows through the pipeline. The water quality is variable and the upstream filters and cooling passages within the system can become clogged which can lead to pump failure. A closed cooling water system with higher quality water will be installed to prevent pump failure.

• Water infrastructure - aeroderivative units	52,507
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Project time frame: 2026-2029

Total cost estimate: \$10,110,000

Carryover estimate: \$800,000

Design, procure and construct a new service and potable water treatment system, additional demineralized water treatment infrastructure and additional demineralized water storage. The current service and potable water treatment system does not have the operational flexibility and capacity to meet future demands of the aeroderivative and frame units. The water treatment system is anticipated to use direct filtration technology with multimedia filters or equivalent. The system will operate both in parallel or in place of the current water treatment system. The additional demineralized water infrastructure is anticipated to consist of forwarding pumps, carbon filters and piping infrastructure to allow connection to demineralized water treatment portable trailer-mounted units. The portable demineralized water treatment trailers will greatly reduce on-site waste production. The additional demineralized water storage infrastructure is anticipated to be a 500,000 gallon storage tank. The project will also include all piping tie ins to current water infrastructure.

Transformer replacement Warehouse 1 - Rawhide	\$	35,254
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Project time frame: 2027-2028

Total cost estimate: \$177,000

Replace a transformer in Warehouse 1. Recent oil sampling indicates heating damage which could lead to transformer failure. The new transformer will have the same footprint and protection as the existing transformer. Funds budgeted in 2027 will be used for procurement of materials.

Total Rawhide projects	\$	189,611,571
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Other production projects

Craig Generating Station projects	\$	31,307
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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	\$	189,642,878
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Transmission capital additions

Transmission projects

● Substation expansion and reliability upgrade - Rawhide Substation	\$ 11,011,599
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Project time frame: 2024-2028

Total cost estimate: \$26,461,000

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 installation of new 230-kilovolt bus, 230-kilovolt breakers, 230-kilovolt switches, capacitor coupled transformers, relaying and control enclosures inside the existing Rawhide Substation site, existing combustion turbine site and new expansion substation site. Funds budgeted for 2027 will be used for major construction and material procurement. Final construction is scheduled to complete in 2028.

Substation - Midtown	1,916,476
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Project time frame: 2026-2029

Total cost estimate: \$13,802,000

Construct a new substation in Fort Collins located on a property east of the existing Drake Substation. The new substation will be constructed to provide the City of Fort Collins four new delivery points. The substation design includes a 115-kilovolt high voltage ring-bus configuration including six 115-kilovolt breakers and associated equipment, in addition to communication and control systems. After the new substation is constructed and energized the existing Drake Substation will be decommissioned. The City of Fort Collins will be responsible for portions of the project including site development and security perimeter fencing. Platte River will be responsible for site construction of the transmission lines and substation including installation of the high voltage systems, equipment, foundations and control systems.

Transformer T3 and control enclosure addition - Valley Substation	1,896,911
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Project time frame: 2026-2028

Total cost estimate: \$6,186,000

Install a new 115-12.47-kilovolt transformer to provide an additional delivery point for the City of Loveland. This project includes relay upgrades and installation of new control systems and high voltage equipment necessary to interconnect the new transformer. A new control enclosure will also be installed as the existing building is occupied by both Platte River and the City of Loveland's equipment. Platte River's protection and control equipment will be moved from the existing building to the new control enclosure. The project will require installing new control cables, foundation, conduits and cable trench. In addition, this project requires expanding the substation with an additional 115-kilovolt breaker, high voltage bus, disconnect switches and associated relays and control equipment. Funds budgeted for 2027 will be used for detailed engineering, material procurement and construction.

Relay panel replacement - Meadow Substation**\$ 776,479**

Project time frame: 2026-2027

Total cost estimate: \$996,000

Carryover estimate: \$150,000

Design, procure and replace relay panels at Meadow Substation. The new relay panels are designed with more space and with removal panels to accommodate future relay replacement projects. In addition, the new modern relays have the latest hardware providing processing power and storage necessary to capture high resolution system data. The data is used to analyze and improve the transmission system's operation.

Oil circuit breaker replacement 2182 and 2186 - Ault Substation WAPA**776,000**

Replace two 230-kilovolt oil circuit breakers at the Ault Substation with sulfur hexafluoride breakers. This project includes replacing the foundations, disconnect switches, control panel, power and control cables, current transformers and coupling capacitor voltage transformers. Platte River is a party to contract 87-LAO-285 which states Platte River's financial obligation to the Ault facilities. Platte River is responsible for 40% of the total project cost.

Transmission line structure replacements - Loveland**701,011**

Project time frame: 2025-2028

Total cost estimate: \$1,317,000

Carryover estimate: \$190,000

Replace three transmission structures on the Gateway to Longs Peak 230-kilovolt transmission line. A loading assessment analysis in 2025 identified structures that do not meet the Platte River ice loading standard that is consistent with utility best practices. In addition, two transmission structures will be replaced for optical ground wire fiber cable installation on the Foothills-Horseshoe 115-kilovolt line and Foothills-Valley/Flatiron 115-kilovolt line. The structures will be replaced to address safety concerns and to maintain reliable operation of the system.

Transformer T3 addition - Fordham Substation**395,000**

Add an additional delivery point to the substation per request by the City of Longmont. This addition requires a new revenue meter, 115-kilovolt high voltage bus connections and relaying work. The City of Longmont is adding a transformer to increase capacity in order to reliably serve load in the area.

Transformer T3 addition – Crossroads Substation**354,673**

Project time frame: 2027-2028

Total cost estimate: \$1,516,000

Add an additional delivery point at the substation per request by the City of Loveland. This addition requires a new 115-kilovolt breaker, 115-kilovolt circuit breaker, relaying, metering, foundations, high voltage bus work, cabling and conduit work to accommodate the new connection. The City of Loveland is adding a transformer to serve new development in the area.

Circuit switcher (T1, T2) addition - Rogers Road Substation	\$ 325,000
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Project time frame: 2025-2028

Total cost estimate: \$1,390,000

Carryover estimate: \$740,000

Replace the existing T1 and T2 motor operated disconnect switches with circuit switchers. 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.

Transformer T3 replacement - Timberline Substation	300,000
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Project time frame: 2021-2027

Total cost estimate: \$6,625,000

Replace the existing three single-phase 230-115-kilovolt transformers with a single three-phase 230-115-kilovolt autotransformer at Timberline Substation. In addition, a new 230-kilovolt circuit switcher and 115-kilovolt circuit switcher will be installed, and three 115-kilovolt disconnect switches will be replaced. The disconnect switches have higher than normal test measurements. The manufacturer has discontinued production of the switches making replacement parts difficult to find. The scope of the project also 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.

Metering unit addition - Severance Substation	263,381
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Install a new 230-kilovolt metering unit, revenue meter and necessary wiring to provide revenue class metering at the point of interconnection for the existing solar facility. The data collected with this equipment will be used to validate data collected by the developer-owned and maintained metering equipment. This equipment will also provide Platte River the ability to install future phase monitoring units at this location, which is becoming a best utility practice at inverter-based resource interconnect locations. The data is used to evaluate how transmission system disturbances impact inverter-based resources.

Station service - Dixon Creek Substation	211,200
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Project time frame: 2026-2027

Total cost estimate: \$361,000

Install electric equipment required to provide a new source of station service power originating from the Platte River owned autotransformer. The new equipment includes 15-kilovolt cabling, a distribution transformer, steel cable support structures, new foundations and service voltage disconnect switches. The new source of station service power will be connected into the existing station service system and will be designated as the preferred source of station service power. The existing source of station service power served by the City of Fort Collins distribution system will be used as the alternate source. This new station service power is a more reliable source as it contains fewer electrical components than the existing source.

Battery bank replacements - substations	\$ 125,106
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Replace three substation backup battery banks. These replacements are part of a multiyear initiative to establish a reasonable rate of replacement of substation battery banks to meet expected supply and labor availability and equalize costs. Battery banks have an expected life of 20 years according to the manufacturer guidelines and their condition is a mandatory PRC 005-6 NERC requirement. Replacing the battery banks according to this schedule ensures compliance and reliability of the system.

Transmission line foundation upgrades - LaPorte Rawhide	62,582
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Project time frame: 2027-2028

Total cost estimate: \$232,000

Upgrade or replace transmission structure foundations that developed surface cracks. These upgrades and replacements are required to maintain the safe and reliable operation of the transmission line. Initial assessment results are expected in 2026 and will determine the final scope of work required for this project.

HVAC unit replacements - substations	45,657
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Replace HVAC units at Airport 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.

Transmission digital fault information network - substations	31,593
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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 immediate data collection will shorten restoration times and eliminate the need to dispatch a substation technician to manually retrieve the data.

Substation decommissioning - Drake Substation	17,582
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Project time frame: 2027-2029

Total cost estimate: \$1,348,000

Decommission the Drake Substation after Midtown Substation in Fort Collins is energized. A new substation designated as the Midtown Substation will be located on a property east of the existing Drake Substation and will provide the City of Fort Collins capacity beyond the capabilities of the existing Drake Substation. The decommissioning project includes 115-kilovolt transmission line modifications necessary to disconnect the existing Drake Substation from the transmission network. This project scope includes new transmission poles and removal of existing transmission line structures.

Total transmission capital additions	\$ 19,210,250
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General plant capital additions

General plant projects

● Technology infrastructure building - headquarters	\$ 5,000,000
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Project time frame: 2026-2027

Total cost estimate: \$5,350,000

Design and construct a new building at headquarters campus to further support the organization's growing IT and OT infrastructure needs. The new facility will provide the capacity, security and redundancy to host Platte River's core business systems as well as GIS, DERMS and VPP systems for Platte River and its owner communities. Platte River is making a fundamental shift from cloud-hosted IT and OT systems to an on-premises hosting model for critical business and utility applications. This building will include rack space, a staging area with secured storage, mechanical and electrical rooms and room for an office or communications space.

Storage outbuilding - headquarters	3,474,260
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Project time frame: 2025-2027

Total cost estimate: \$7,681,000

Design and construct a new building on the northwest corner of the headquarters campus to address storage needs. The warehouse is quickly approaching capacity and departmental storage is consistently overflowing. Currently, there are no available fleet spaces for parking and off-site space is being rented to meet storage needs. Platte River has exceeded the current storage capacity at the headquarters campus and the additional storage building will achieve current department storage needs as well as anticipated future needs.

● Distributed energy resources management system	2,042,688
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Project time frame: 2025-2027

Total cost estimate: \$5,228,000

Develop and launch a DERMS to enable the management of DER to provide customer and electric system benefits. The first phase of the DERMS project will include management of the four distribution-scale batteries in development by Platte River and the owner communities. The first phase may also include monitoring and forecasting capabilities (without dispatch) for interconnected distributed solar when owner community interconnection data is available in a consistent and common format. Additionally, DERMS will provide a scalable foundation for integrating additional DER technologies and VPPs while expanding the grid services these resources can provide as DER adoption increases.

● Distributed energy resources management system - distribution management foundation	\$ 1,588,500
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Project time frame: 2027-2030

Total cost estimate: \$3,497,000

Develop and launch a distribution operating model platform for use with DERMS. The distribution operating model platform provides a real-time as-operated model of the owner communities distribution systems, informed by their GIS and SCADA systems. The operating model will allow DER operators at Platte River and distribution system operators to identify where DER might be managed to provide distribution benefits and to minimize potential negative impacts of DER. Additionally, the potential to establish an integration between DERMS and VPP will be evaluated during this project.

Fiber optic expansion - Long-Haul West (Loveland to Longmont)	889,559
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Project time frame: 2025-2027

Total cost estimate: \$4,772,000

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 and high attenuation was identified causing performance problems along with delays when requesting access, splicing and testing. Building and owning this complete span will create redundancy and reliability of the bulk electric system network, access for some owner communities and third party leases.

Firewall replacement	400,000
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Replace the current firewall equipment. The current firewall equipment will reach the end of its useful life and support in 2028. Firewall equipment needs to be replaced approximately every five years for compatibility, security, reliability and supportability reasons. After five years, reliability of equipment decreases, annual maintenance costs from the vendor increase and the availability of security patches becomes uncertain. The new equipment will have additional resources to continue supporting Platte River's cybersecurity initiative. These devices will allow Platte River to increase the security footprint at the internet edge and enhance protection from external threats.

● Gas valve security	252,762
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Implement physical security measures at a critical gas valve site to protect essential infrastructure and reduce vulnerability to unauthorized access or tampering. Strengthening the site's defenses directly supports system reliability, reducing the likelihood that external interference could disrupt gas flow or impact operational continuity. Improved access control and protective features also support safety by lowering the risks that could lead to equipment damage or hazardous situations.

Energy management system and Rawhide controls server replacement	\$	170,198
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Project time frame: 2026-2027

Total cost estimate: \$1,035,000

Replace the OT servers that support the energy management system and Rawhide's controls network. The existing servers have reached the end of their useful life. This project is required to maintain Platte River's electric operation, generation reliability and security posture. OT infrastructure supports Platte River's critical operations and is used to monitor and control the bulk electric system and generation.

Automated control gate addition - Rawhide	142,363
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Install an automated access control gate located east of the guard shack separating the solar fields from the Rawhide Energy Station. In preparation for the new generation assets and the retirement of Rawhide Unit 1, the gate is designed to independently manage and monitor access to the solar fields. This enhances safety by improving the accuracy of plant occupancy records and strengthens security through automated access control.

Remote terminal unit replacements - substations	80,563
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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.

Human resources neighborhood reconfiguration and remodel - headquarters	60,657
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Reconfigure and remodel the human resources neighborhood at the headquarters building. This remodel and reconfiguration will create a collaborative environment for the team and promote a more welcoming environment for others outside of the department.

Gunshot detection system - Boyd Substation	60,235
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Install a gunshot detection system at Boyd Substation enhancing and supporting Platte River's NERC and critical infrastructure protection compliance, physical security protections and personnel safety. The system is designed to detect gunshots, identify the location of a shooter, integrate current surveillance cameras to verify threats, issue alarms and alerts and decrease law enforcement response time. This project will support a defense-in-depth approach, meet industry best practices and strengthen security controls.

Gunshot detection system - Severance Substation	49,136
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Install a gunshot detection system at Severance Substation enhancing and supporting Platte River's NERC and critical infrastructure protection compliance, physical security protections and personnel safety. The system is designed to detect gunshots, identify the location of a shooter, integrate current surveillance cameras to verify threats, issue alarms and alerts and decrease law enforcement response time. This project will support a defense-in-depth approach, meet industry best practices and strengthen security controls.

Audio and video equipment replacement - conference rooms	\$ 22,000
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Replace audio-video equipment that has reached the end of its useful life in conference rooms. The current equipment is unreliable and is experiencing instances of hardware failure. This hardware includes displays, microphones, speakers, cameras and audiovisual control devices. These devices facilitate collaboration in meetings for staff and external users.

Fiber optic monitoring tool - headquarters	20,793
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Purchase and install an additional fiber optic monitoring tool used to continuously monitor and record the health and connectivity of individual fiber strands on multiple fiber cables. Currently, there is no way to monitor, record and report on the degradation of or damage to a portion of Platte River's fiber optic cables located to the north and east of headquarters. This device will be installed at headquarters on multiple fiber optic cables to help determine the health and integrity of the cables and will also assist in forecasting cable replacement needs as degradation over time will be measured.

Total general plant projects	\$ 14,253,714
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General plant purchases

Vehicle fleet replacements	\$ 373,074
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Replace four vehicles which meet or exceed Platte River's vehicle replacement criteria of 12 years or 100,000 miles. In addition, one new vehicle will be purchased for the security department. Platte River's fleet team regularly reviews fleet replacement processes and criteria. Platte River's vehicles are maintained through average to long replacement cycles compared to other utilities. Replacement of these vehicles will bring the fleet up to standards.

Pressure washer - headquarters	11,000
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Purchase a pressure washer to assist with various facility clean up operations. A pressure washer will allow Platte River to clean public and private areas of the campus including garage spaces, patios and walkways.

Telecom battery tester	7,500
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Purchase a battery test tool for testing individual and strings of batteries. Platte River routinely tests the telecom battery strings to ensure proper health and operation of the telecommunications direct current power systems. These systems provide battery backup power for the bulk electric and transport network equipment at over 30 locations. This battery test tool is a backup in the event the primary fails or malfunctions during a time when a test is needed.

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 improves software security, toner and parts availability and reduces repairs.

Total general plant purchases	\$	398,574
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Total general plant capital additions	\$	14,652,288
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Total 2027 capital additions	\$	223,505,416
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Capital five-year forecast

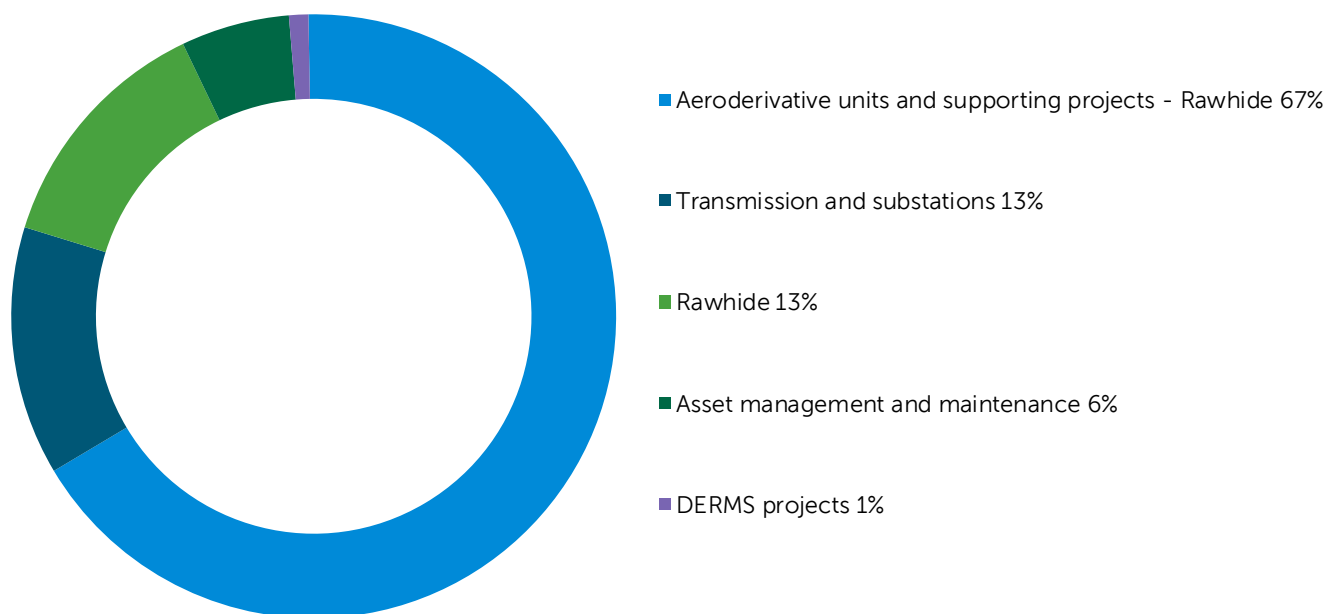
The five-year capital forecast outlines future investment in capital projects. Capital planning is an ongoing effort as needs change, so Platte River reviews and updates the plan three times annually, along with financial projections. The plan is the basis for each budget year. Platte River plans to fund the capital investments for the resource transition through a combination of cash and debt financings. Debt is discussed in the debt service expenditures and debt-like obligations section.

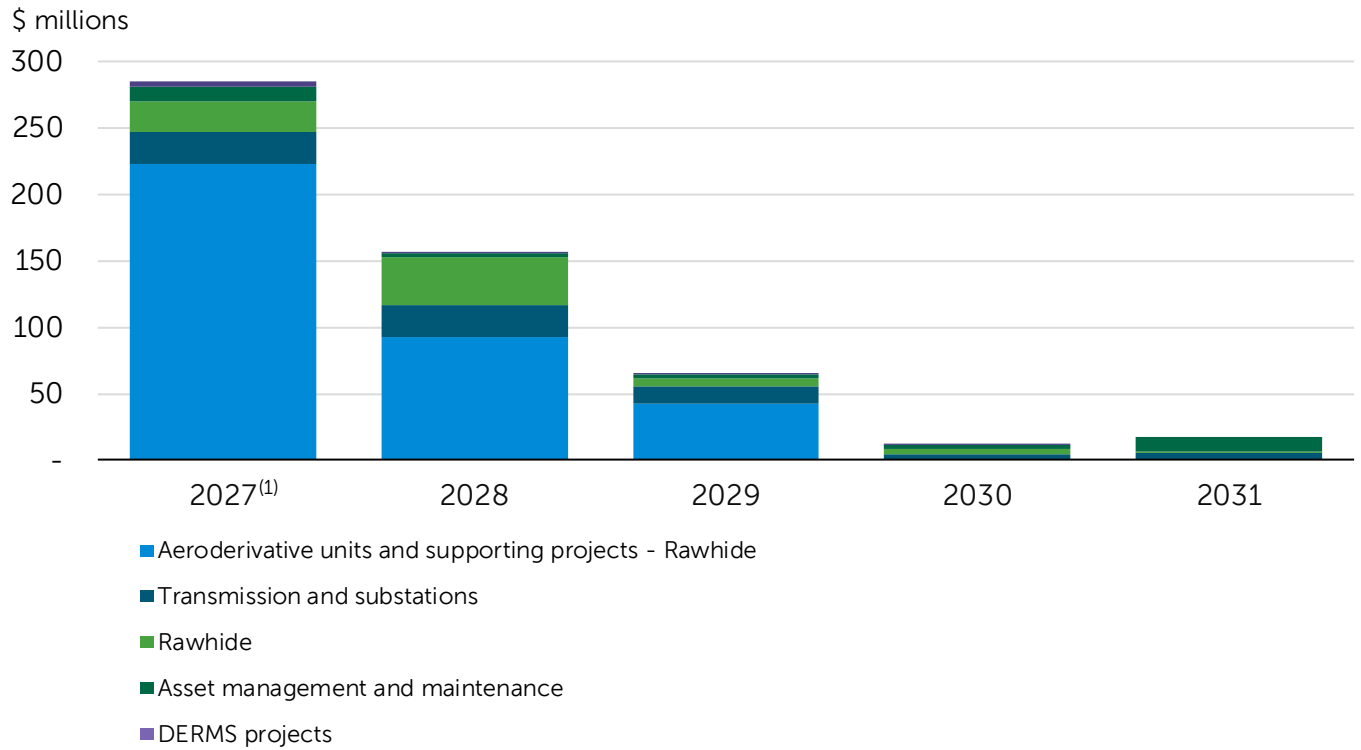
Production projects focus on plant equipment replacements and upgrades, gas infrastructure upgrades, a new control building, combustion component upgrades, gas control valve replacements, wet compression upgrades, the aeroderivative units and supporting projects.

Transmission projects focus on a substation expansion for the aeroderivative units, new owner community substations, transformer additions and replacements and transmission line modifications. The transmission team also coordinates and plans owner community requests for substation additions.

Future general plant projects focus on replacing IT equipment (including fiber optic cable and equipment), implementing strategic software solutions (including DERMS projects), technology infrastructure and storage buildings, security improvements and other general plant equipment purchases.

Capital five-year forecast 2027-2031 \$536.9 million





(1) Includes \$62.0 million in estimated carryover funds from 2026 budget to 2027 budget.

Debt service expenditures and debt-like obligations

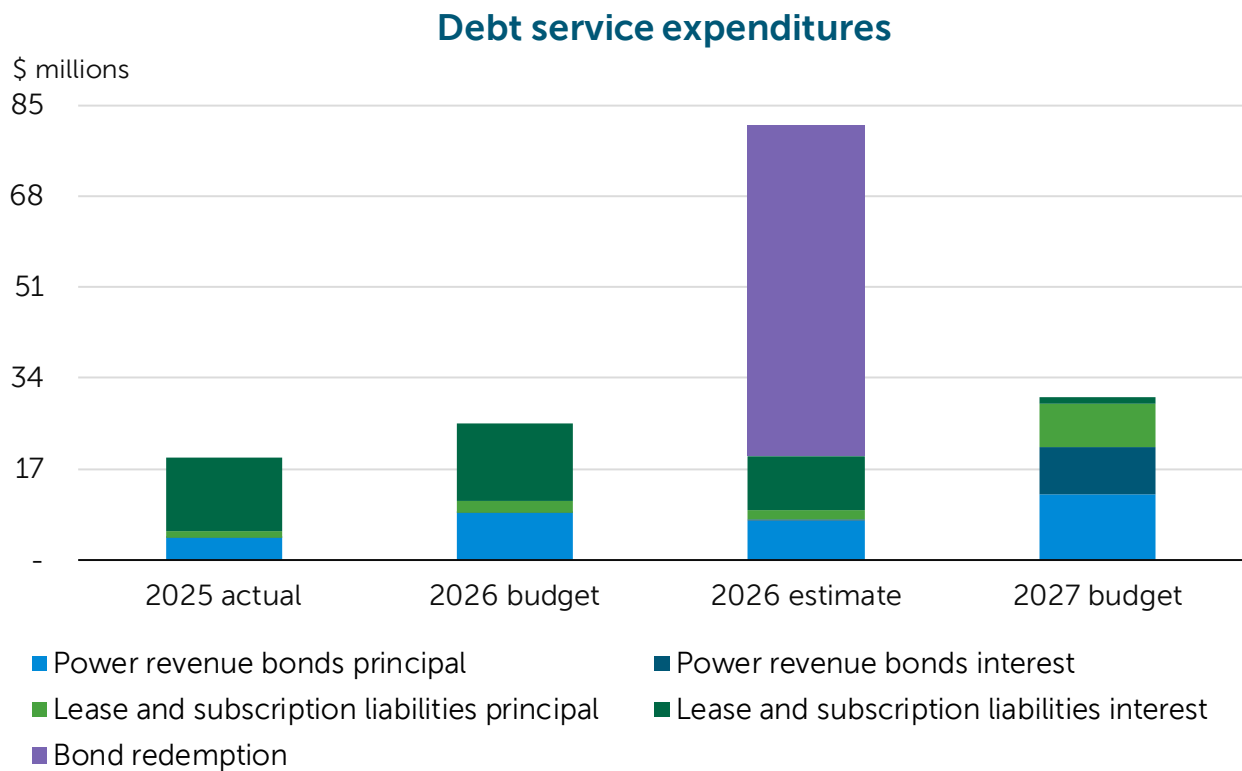
Long-term financial projections combined with Strategic Financial Plan metrics determine the need for and timing of debt financings. Platte River's adjusted debt ratio in 2027 is expected to be 38%, meeting its Strategic Financial Plan adjusted debt ratio target of less than 50%. Debt proceeds have historically been used to finance production and transmission assets. Platte River is not legally restricted on the amount of debt it can issue. The adjusted debt ratio includes the below debt and debt-like obligations from Platte River's statement of net position:

- **Outstanding long-term debt:** fixed-rate debt issued under Platte River's General Power Bond Resolution
- **Net pension liability:** Platte River's net unfunded obligation towards its defined-benefit, single-employer pension plan
- **Other long-term obligations:** amounts Platte River owes under a pooled financing arrangement
- **Lease and subscription liabilities:** amounts recognized from accounting pronouncements requiring Platte River to treat certain contracts as financing arrangements

Debt service expenditures include principal repayments and interest expense for 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 minimum 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. A minimum 1.50 times fixed obligation charge coverage ratio provides sufficient annual cash flows to meet the minimum 1.10 times bond service coverage ratio and partially fund future capital additions. 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. Platte River's 2027 fixed obligation charge coverage ratio is expected to be 1.76 times.

Debt service expenditures (\$000)	2025 actual	2026 budget	2026 estimate	2027 budget
Bond redemption				
Early redemption of Series JJ	\$ -	\$ -	\$ 62,033	\$ -
Principal				
Power revenue bonds	13,729	14,412	9,829	1,119
Lease and subscription liabilities	1,203	2,080	1,876	8,227
Total principal	14,932	16,492	11,705	9,346
Interest expense				
Power revenue bonds	4,023	8,812	7,452	12,233
Lease and subscription liabilities	100	85	90	8,811
Total interest expense	4,123	8,897	7,542	21,044
Total debt service expenditures	\$ 19,055	\$ 25,389	\$ 81,280	\$ 30,390



	2025 actual	2026 budget	2026 estimate	2027 budget
Bond service coverage				
Net revenues				
Operating revenues	\$ 321,830,069	\$ 339,868,585	\$ 395,345,255	\$ 394,859,367
Operating expenses, excluding depreciation, amortization and accretion	(244,455,484)	(264,885,160)	(293,558,968)	(286,130,486)
Net operating revenues	77,374,585	74,983,425	101,786,287	108,728,881
Plus interest and other income	14,265,430	10,282,578	12,768,662	7,655,776
Net revenues before rate stabilization	91,640,015	85,266,003	114,554,949	116,384,657
Rate stabilization				
Deposits	-	-	-	-
Withdrawals	-	-	-	-
Total net revenues	\$ 91,640,015	\$ 85,266,003	\$ 114,554,949	\$ 116,384,657
Bond service				
Power revenue bonds	\$ 17,752,098	\$ 23,223,726	\$ 17,280,940	\$ 13,351,779
Coverage				
Power revenue bond coverage ratio	5.16x	3.67x	6.63x	8.72x
Fixed obligation charge coverage ⁽¹⁾				
Total net revenues, above	\$ 91,640,015	\$ 85,266,003	\$ 114,554,949	\$ 116,384,657
Deferred revenues	(46,360,632)	(29,396,685)	(61,707,289)	(38,337,909)
Fixed obligation charges included in operating expenses	22,519,902	29,166,782	29,687,949	32,354,243
Adjusted net revenues before fixed obligation charges	\$ 67,799,285	\$ 85,036,100	\$ 82,535,609	\$ 110,400,991
Fixed obligation charges				
Power revenue bonds, above	\$ 17,752,098	\$ 23,223,726	\$ 17,280,940	\$ 13,351,779
Fixed obligation charges ⁽²⁾	23,822,967	32,026,719	32,348,434	49,392,116
Total fixed obligation charges	\$ 41,575,065	\$ 55,250,445	\$ 49,629,374	\$ 62,743,895
Coverage				
Fixed obligation charge coverage ratio	1.63x	1.54x	1.66x	1.76x

(1) Fixed obligation charges are debt-like obligation payments as defined in the Strategic Financial Plan.

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

Outstanding long-term debt

Platte River sold \$175.0 million of Series LL bonds in 2026. The bonds sold at a \$10.9 million premium, providing overall proceeds of \$185.9 million. The bonds have a true interest cost of 4.5% and an average life of 20.7 years. These bonds are the first of three planned debt issuances, projected to total \$445.0 million, to partially finance the aeroderivative units, which advance the three-pronged approach to dispatchable capacity for the energy transition. A new Series MM debt financing of approximately \$109.0 million is planned for 2027. While market conditions and other factors will influence actual debt service expenditures for this bond issuance, budgeted expenditures assume a 5.0% average cost for Series MM bonds. In 2026, Platte River cash redeemed Series JJ bonds maturing in 2027 through 2036 at par, making a one-time \$62.0 million payment to bondholders beyond regularly scheduled debt service.

Of the issued \$194.2 million power revenue bonds outstanding at the end of 2027 for Series KK - taxable bonds and Series LL bonds, approximately 90% and 10% relate to Rawhide Energy Station and transmission assets, respectively. The weighted average cost of this debt during 2027 is forecast to be approximately 4.4%.

Long-term debt outstanding	2025 actual	2026 budget	2026 estimate	2027 budget
Power revenue bonds				
Series JJ	\$ 78,270,000	\$ 65,395,000	\$ -	\$ -
Series KK - taxable	21,410,000	20,320,000	20,320,000	19,210,000 ⁽¹⁾
Series LL	-	143,000,000	175,000,000	175,000,000 ⁽²⁾
Series MM	-	-	-	109,000,000 ⁽³⁾
Total power revenue bonds	99,680,000	228,715,000	195,320,000	303,210,000
Unamortized bond premium	5,728,173	4,218,949	10,698,103	10,162,359
Total long-term debt	\$ 105,408,173	\$ 232,933,949	\$ 206,018,103	\$ 313,372,359

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

(2) Series LL remaining amount outstanding relates to Rawhide assets and matures each year beginning June 1, 2030 through June 1, 2056.

(3) Estimated amount of Series MM debt issuance planned for 2027.

The following bond service funding table includes requirements for Series KK – taxable bonds and Series LL bonds only. Series MM bonds funding requirements are not shown as they are uncertain until the debt financing is complete.

Bond service funding	Principal	Interest	Total
Deposits in 2026 for 2027 payment	\$ 647,500	\$ 755,298	\$ 1,402,798
2027	1,118,750	9,053,860	10,172,610
2028	1,125,000	9,040,360	10,165,360
2029	2,714,583	9,028,454	11,743,037
2030	3,940,416	8,936,277	12,876,693
2031	4,098,334	8,782,125	12,880,459
2032-2036	22,621,250	41,732,416	64,353,666
2037-2041	27,565,834	37,106,507	64,672,341
2042-2046	35,381,667	29,510,479	64,892,146
2047-2051	45,426,250	19,711,104	65,137,354
2052-2056	50,680,416	7,127,605	57,808,021
Total bond service funding	\$ 195,320,000	\$ 180,784,485	\$ 376,104,485

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 by two credit rating agencies: Moody's Investor Service (Moody's) and Fitch Ratings (Fitch). The key factors in determining these ratings are the diversity and economic strengths of the owner communities, the "all-requirements" obligations under Platte River's Amended Contracts for the Supply of Electric Power and Energy (Power Supply Agreements) with 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
Series KK - taxable	Aa2	AA
Series LL	Aa2	AA

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 financial statements 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.

Net pension liability	2025 actual	2026 budget	2026 estimate	2027 budget
Net pension liability	\$ 14,085,312	\$ 16,646,000	\$ 8,017,000	\$ 5,065,000

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 are 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 Platte River's adjusted debt ratio.

The original pooled financing arrangement was 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 its share of the existing pooled financing in 2025 through an amendment to the existing subordinate debt instrument. Consistent with the alternative accounting treatment of the original balances, this increase to payments for the additional pooled financing is included in operating expense and not accounted for as debt service. The final draw on the pooled financing arrangement occurred in 2026 and the subordinate debt transitioned to a 30-year fixed repayment schedule.

Other long-term obligations	2025 actual	2026 budget	2026 estimate	2027 budget
Windy Gap Firing Project obligations				
Pooled financing senior debt	\$ 61,046,133	\$ 58,898,360	\$ 58,898,360	\$ 56,641,840
Pooled financing subordinate debt	34,796,435	44,148,621	44,148,609	43,073,918
Total other long-term obligations	\$ 95,842,568	\$ 103,046,981	\$ 103,046,969	\$ 99,715,758

Pooled financing estimated funding	Estimated gross principal	Estimated interest	Total
2027	\$ 3,331,211	\$ 3,363,252	\$ 6,694,463
2028	3,464,578	3,563,729	7,028,307
2029	3,607,473	3,422,534	7,030,007
2030	3,753,107	3,274,861	7,027,968
2031	3,908,289	3,120,585	7,028,874
2032-2036	22,115,665	13,029,952	35,145,617
2037-2041	31,305,156	8,202,842	39,507,998
2042-2046	10,097,803	3,628,200	13,726,003
2047-2051	12,091,620	2,118,765	14,210,385
2052-2056	9,372,067	592,842	9,964,909
Total estimated funding	\$ 103,046,969	\$ 44,317,562	\$ 147,364,531

In addition to the estimated funding above, Platte River is required to contribute to debt service reserve funds. The senior debt reserve fund, approximately \$4.8 million, was established at the time senior bonds for the Windy Gap Firing Project were issued. The subordinate debt reserve fund, approximately \$2.0 million, will be established through 10 annual contributions beginning in 2027. These reserve funds are held on Platte River's statement of net position as other long-term assets until the funds are returned to Platte River or applied to debt service. All reserves are expected to be applied to debt service. The following table shows the estimated reserve balance and activity for the remaining duration of the pooled financing.

Pooled financing estimated debt service reserve funding	Estimated contributions	Estimated applications to debt service	Projected reserves in other long-term assets at end of period
2027	\$ 199,298	\$ -	\$ 5,045,668
2028	199,298	-	5,244,966
2029	199,298	-	5,444,264
2030	199,298	-	5,643,562
2031	199,298	-	5,842,860
2032-2036	996,492	-	6,839,352
2037-2041	-	4,361,643	2,477,709
2042-2046	-	-	2,477,709
2047-2051	-	484,727	1,992,982
2052-2056	-	1,992,982	-
Total estimated debt service reserve funding	\$ 1,992,982	\$ 6,839,352	

Lease and subscription liabilities

Platte River has adopted the principles of GASB Statement No. 87, Leases, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements. These 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. Following the pronouncements, Platte River budgets these types of payments for in-service projects as debt service, which are also considered fixed obligation charges, and the related liabilities are included in the adjusted debt ratio. While these liabilities have been minimal since adopting these standards, an increase is expected as the Weld Energy Storage project will qualify as a lease. Platte River will recognize the expected net present value of payments under the contract as a liability after the project is placed into service in 2026, although the first contractual payment is not expected until 2027.

Lease and subscription liabilities outstanding	2025 actual	2026 budget	2026 estimate	2027 budget
Lease liabilities	\$ 91,925	\$ 198,932,937	\$ 192,070,016	\$ 186,065,672
Subscription liabilities	2,712,913	3,605,515	3,904,468	3,207,091
Total lease and subscription liabilities	<u>\$ 2,804,838</u>	<u>\$ 202,538,452</u>	<u>\$ 195,974,484</u>	<u>\$ 189,272,763</u>

Lease and subscription liabilities estimated funding	Estimated principal	Estimated interest	Total
2027	\$ 8,226,746	\$ 8,811,127	\$ 17,037,873
2028	7,999,816	8,514,553	16,514,369
2029	7,386,407	8,173,573	15,559,980
2030	7,357,063	7,843,077	15,200,140
2031	7,436,615	7,505,619	14,942,234
2032-2036	41,441,429	32,085,451	73,526,880
2037-2041	52,103,188	21,396,812	73,500,000
2042-2046	65,548,245	7,951,755	73,500,000
Total lease and subscription liabilities estimated funding	<u>\$ 197,499,509</u>	<u>\$ 102,281,967</u>	<u>\$ 299,781,476</u>

Lease and subscription liabilities estimated funding above represents those contracts for which 2027 budget appropriations or year-end liabilities are expected. Additional or changes to lease and subscription contracts or assumptions relating to those contracts, such as exercise of renewal options or renegotiation of contracts, may change future funding requirements.

Additional information

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, and manage risk. Platte River's leadership also emphasizes project management, specifically reviewing resource availability as well as improving project planning and execution. This process will continue to evolve to support operational excellence. 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, electric vehicles and beneficial electrification are the primary contributors to the future load forecast adjustments. 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-approved Employee Total Compensation Policy. 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 Generating Station budget

Under the Yampa project participation agreement, Platte River owns 18% of the output from Craig Unit 2. Tri-State, as the operating agent for the Craig Generating Station, is responsible for the daily management, administration, operation and maintenance of the unit 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 unit's 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 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, project cash flows and estimate 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 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 energy markets.

Year	Contingency appropriation budget (\$000) ⁽¹⁾	Appropriated amount (\$000)	%	Purpose of transfer
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	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	\$43,021	77%	Additional capital expenditures for the aeroderivative units and Severance Substation projects. Additional debt service expenditures due to timing of an annual subscription liability payment under GASB Statement No. 96.
2025	\$75,000	\$21,136	28%	Additional capital expenditures for the aeroderivative units and superheat tube replacement at Rawhide Unit 1. Additional debt service expenditures due to timing of annual subscription liability payments under GASB Statement No. 96.
2026	\$102,000 ⁽²⁾	-	-	

(1) Before 2018, 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) A contingency transfer is projected, pending final 2026 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

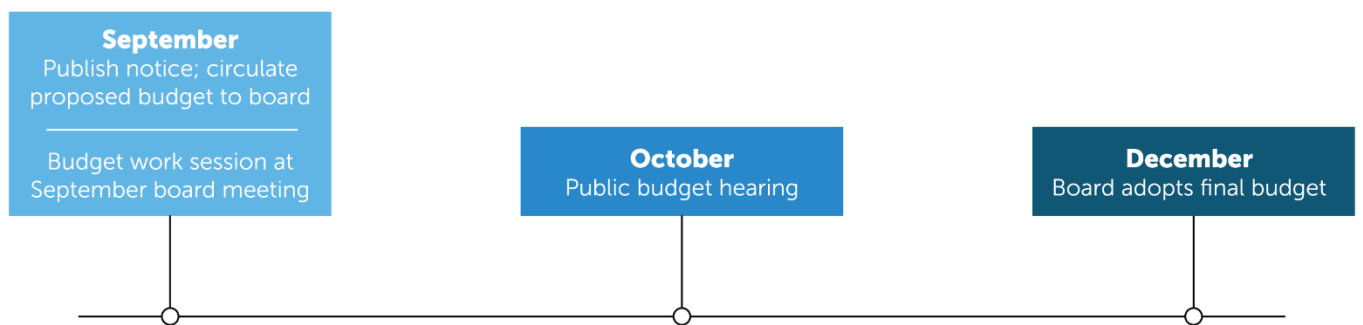
Platte River’s management uses the strategic budget for planning and to communicate with the board of directors and the public. The budget document complies with Colorado’s Local Government Budget Law. Platte River submits its budget to the state no later than 30 days after the start of the budgeted 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 market assumptions, fuel costs, personnel costs, various other departmental expenses, timing or scope of capital projects and any other change needed for the board to adopt a more accurate and complete budget.

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 2026 Strategic Budget for the fiscal year beginning Jan. 1, 2026. 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 seventh 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**

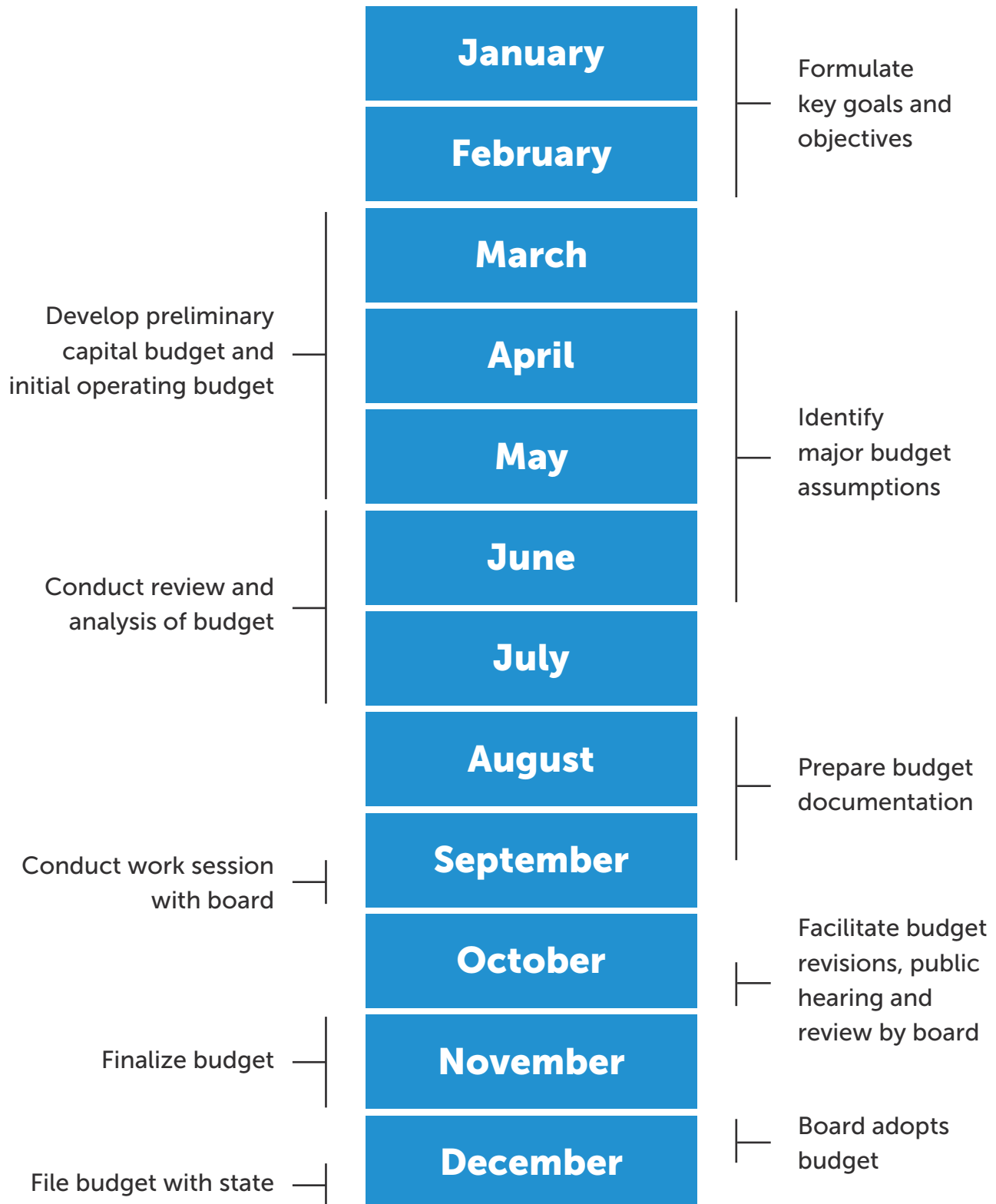
For the Fiscal Year Beginning

January 01, 2026

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 mission to provide reliable, environmentally responsible and financially sustainable energy and services, and Platte River's 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 a "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 and 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. Multiyear 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 a "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 approximately \$21 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 and operationally feasible, Platte River sells generation surplus to owner community needs to other regional utilities on a short- or long-term basis. Margin from these sales reduces 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 a "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 multiyear 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 GASB Statement No. 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.

Multiyear rate analysis

The board prefers to use a multiyear 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 that includes Platte River's unique resources, available technologies and specific constraints, all studied by industry experts using best practices to develop supply portfolio options over a 20-year planning period. The resource portfolio model includes capital, operational, fuel and other costs. Community engagement is a significant part of the IRP development process, and Platte River engages with the owner communities to provide education, respond to questions and gather feedback regarding 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 to WAPA in 2024, one year early, and covering the planning period from 2024 to 2043. Completing the 2024 and 2028 IRPs ahead of the standard five-year schedule allows Platte River to reflect the most up-to-date assumptions and consider latest technologies. Platte River will complete three IRPs 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.

Platte River will begin to prepare its next IRP in 2027 and finalize it in 2028. Key considerations for the next IRP include modeling how Platte River's generation and DER resources integrate into the SPP RTO.

Financial projections and cost of service

Platte River's financial model, updated three times annually, 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 20 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 govern how Platte River delivers power to the owner communities and are amended and extended at routine intervals, most recently in 2025, and run through 2075.

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 holders 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, which is 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 to accept, avoid, 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, assess, treat, monitor, communicate and report enterprise risks. Platte River has also established an energy risk management framework, as a subset of enterprise risk management, to manage energy-related risks. The enterprise risk management program is continually evolving to incorporate industry best 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 Firming 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 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 into service. 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. The Craig Generating Station 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.

Capital projects can be delayed for various reasons. Unexpended amounts may be due to construction delays, change in scope or payment timing differences. This 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's 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 called the carryover process and is preferred over re-budgeting the funds. 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 overbudget 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, evaluating both direct and indirect impacts. 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. Because of project variability and uncertainty, 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, 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 2026, 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.

Asset retirement obligations	Estimated liability as of Dec. 31, 2026	Estimated unamortized deferred outflow of resources as of Dec. 31, 2026	2027 budget amortization	Amortization period end date
Rawhide Unit 1 impoundment - phosphorous removal ponds	\$ 6,180,201	\$ 2,133,432	\$ 711,144	2029
Rawhide Energy Station decommissioning	29,096,823	24,531,933	743,388	2059
Craig Generating Station impoundments	4,627,860	1,661,752	949,572	2028
Trapper Mine post-mining reclamation	9,100,621	-	-	2028 ⁽¹⁾
Total asset retirement obligations	<u>\$ 49,005,505</u>	<u>\$ 28,327,117</u>	<u>\$ 2,404,104</u>	

(1) Deferred outflows of resources were fully amortized with the previous coal contract expiration in 2025. During 2026, the coal contract was extended into 2028, however, no additions to deferred outflow of resources are expected.

Acronyms and terms

2026 estimate	Current estimate of revenues and expenditures to reflect actual revenues and expenditures (January through July) and budget revenues and expenditures (August through 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 originally designed for aviation use to create thrust but 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 actual output of a generator for a given period of time to the nameplate 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.

Change in net position	Revenues less operating costs, depreciation, amortization, accretion and interest expense.
CIP	Critical infrastructure protection.
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).
DERMS	Distributed energy resources management system, a platform that integrates DER into electric systems with a goal of making them more visible, manageable and responsive to electric system needs.
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 specifically designed 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.
GE	General Electric.
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.
GIS	Geographic information system.
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.
IT	Information technology.
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.
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.
MTCO ₂ e	Metric tons of carbon dioxide equivalent is a standardized unit of measure to report and compare the impact of different greenhouse gases in terms of the amount of carbon dioxide that would have the same global warming potential over a specific timeframe.
MW	Megawatt; one thousand kilowatts.
MWh	Megawatt-hour; 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 and ancillary services as commodities. Using pricing signals and operational capabilities to leverage the lowest-cost resources to serve load while managing risk and congestion, market operators efficiently dispatch resources across participating utilities, reducing fuel and maintenance costs while enhancing reliability and integration of renewable resources.
OT	Operational technology.
Owner communities	Town of Estes Park, City of Fort Collins, City of Longmont and City of Loveland are the owner communities of Platte River.
Power Supply Agreements	Platte River's Amended Contracts for the Supply of Electric Power and Energy with each of the owner communities. These agreements govern how Platte River delivers power to the owner communities and are amended and extended at routine intervals, most recently in 2025, and run through 2075.
PPA	Power purchase agreement.
Rate stabilization fund	An account established by Platte River's General Power Bond Resolution used to achieve net revenues toward 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	The SPP Regional Transmission Organization, which is a centralized, financially binding day-ahead and real-time market, as well as regional transmission planning mechanism. Participation in the SPP RTO can help improve dispatch efficiency, reliability and regional transmission planning to reduce congestion for the benefit of the overall footprint.
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.