



Platte River Power Authority

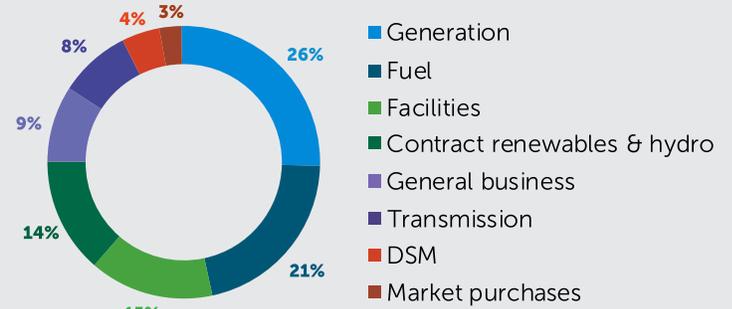
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2019 budget at a glance

The Platte River Power Authority Annual Budget is produced, under the direction of the organization’s leadership, to provide community leaders, stakeholders, and the public with a transparent roadmap of Platte River’s operational and capital plans for the coming year.

The foundation for Platte River’s 2019 budget is based upon the organization’s strategic plan and core operations. These are aligned with Platte River’s core pillars of system reliability, environmental responsibility, and financial sustainability. The pillars guide the decision-making process which have directed the resource allocations, revenues and expenses enumerated in the budget.

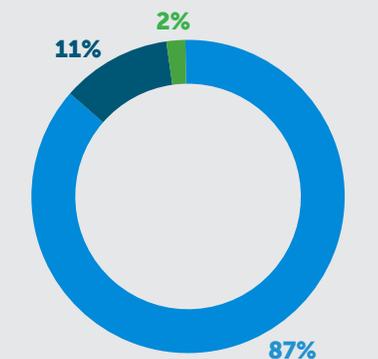
Operating and capital additions: \$226.4 million



Expenses are managed from a broad perspective with the goal of operating the system in a safe, compliant and reliable manner, while cost effectively optimizing resources and expanding environmental stewardship. Platte River communicates and collaborates with the owner communities to align processes and outcomes to the benefit of all customers.

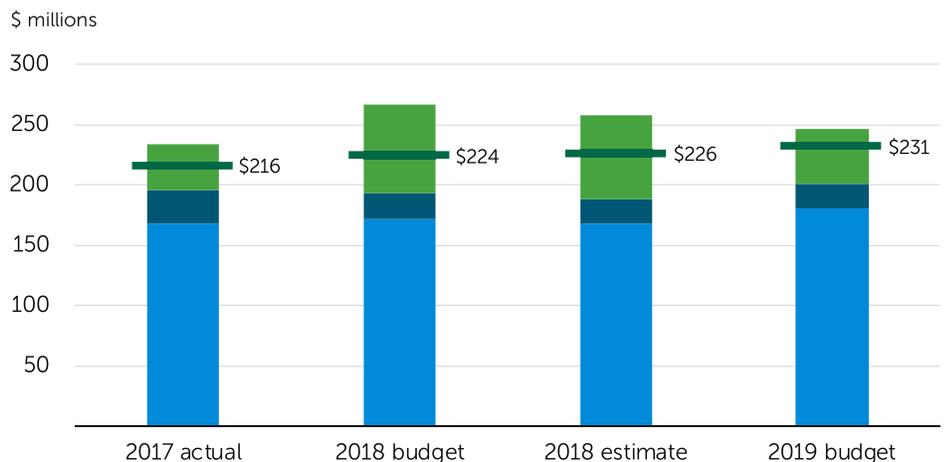
Platte River provides stable and competitive wholesale rates — currently the lowest wholesale rates in Colorado — and will continue with its plan to implement incremental increases to its owner communities to provide a more predictable path of smaller, more consistent annual rate increases. A 2 percent rate increase is included in the 2019 budget and will take effect Jan. 1, 2019.

Revenues: \$231.3 million



- Sales to owner communities
- Sales for resale and wheeling
- Interest and other income

Revenues and expenditures



- Operating expenses
- Debt service expenditures
- Capital additions
- Revenues

Core pillars

System reliability • Environmental responsibility • Financial sustainability

Strategic initiatives

\$54.4 million

24 percent of operating and capital

- Enhanced customer experience, \$11.4M, 5 percent
- Communications and community outreach, \$1.6M, 1 percent
- Resource diversification and alignment, \$2.5M, 1 percent
- Infrastructure advancement and technology development, \$38.9M, 17 percent

Activities

- The development of the 2020 integrated resource plan as well as ongoing planning efforts are underway in support of the resource diversification policy's goal to reach 100 percent non-carbon energy mix by 2030
- Energy efficiency expansion, electric vehicle charging stations, smart thermostats, demand response, wholesale rate redesign
- Public engagement, effective internal and external communications
- Resource planning for future wind and solar projects as well as energy market research
- Substation security and modifications, LED lighting, control systems, airflow spoilers, cybersecurity, fiber optics, Windy Gap Firing Project
- The new headquarters campus will provide an easily accessible amenity to owner communities and the public while providing employees with the resources needed to operate more effectively and efficiently in a rapidly changing industry. Significant construction activities will continue into 2019 including a distributed solar system that will provide up to 50 percent of its power needs

Core operations

\$172 million

76 percent of operating and capital

- Generation including fuel, \$113.8M, 50 percent
- Transmission, \$21.3M, 10 percent
- Purchases including hydropower, wind and solar energy, \$36.9M, 16 percent

Activities

- Predictive maintenance strategies – Craig Units 1 and 2 and combustion turbine Unit F scheduled maintenance outages, information technology investments, centralized fleet management system
- Proactive capital investments – monofill upgrades, protective relays, grading and drainage projects, oil breaker replacements, SONET replacement
- Staffing additions are included to support the changing environment and focus on strategic initiatives. Increased requirements are associated with information technology, accounting, facilities, engineering and legal

Operating expenses and capital additions:

