Board of directors meeting
February 28, 2019
Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Annual meeting
February 28, 2019
2018 year in review

Senior leadership team
Agenda

• Organizational changes, Jason Frisbie
• Operations, Andy Butcher
• Finance, IT and HQ campus, Dave Smalley
• Business strategies, Alyssa Clemsen Roberts
• Legal, Joe Wilson
• Wrap up and looking forward, Jason Frisbie
Operations

Andy Butcher
# Year-end operational results

<table>
<thead>
<tr>
<th>Category</th>
<th>YTD variance</th>
<th>Variance Key</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal demand</td>
<td>0.8%</td>
<td>◆</td>
</tr>
<tr>
<td>Municipal energy</td>
<td>(1.1%)</td>
<td>◆</td>
</tr>
<tr>
<td>Baseload generation</td>
<td>(15.6%)</td>
<td>■</td>
</tr>
<tr>
<td>Wind generation</td>
<td>(2.4%)</td>
<td>■</td>
</tr>
<tr>
<td>Solar generation</td>
<td>(0.8%)</td>
<td>◆</td>
</tr>
<tr>
<td>Surplus sales volume</td>
<td>(5.1%)</td>
<td>■</td>
</tr>
<tr>
<td>Surplus sales price</td>
<td>14.1%</td>
<td>●</td>
</tr>
<tr>
<td>Dispatch cost</td>
<td>(2.3%)</td>
<td>●</td>
</tr>
</tbody>
</table>

**Variance Key:** Favorable: ● >2%  |  Near budget: ◆ +/- 2%  |  Unfavorable: ■ <-2%
The market took an upwards turn, starting in mid-July, which continued through December and resulted in higher than anticipated surplus sales pricing in 2018.
Impact of joint dispatch

2018 total net Platte River benefits resulting from JDA

Total benefits for 2018: $1.5 million
Sales: $280 thousand
Purchases: $1.2 million
2018 events of significance

Fuels and water:

• 2018 marked the first full year of our new train delivery operations which used a 95-car train on a three-day cycle.
  • A total of 95 trains delivered 1,016,391 tons of coal.
  • Under previous operations, with a shorter train that was received every two days, it would have taken 130 trains to deliver the same amount of coal.

• The Windy Gap project pumped and delivered water for the first time in five years because:
  • storage space was available in Lake Granby, and
  • our water right was in priority and available, which minimized the amount of rental water needed during the year.

• Three separate transactions for the sale of 15 Windy Gap units were completed.
2018 events of significance

Fuels and water:

• Most of the year was spent on the design and mitigation of the Windy Gap Firming Project. The design phase should wrap up in early 2019.

Power production:

• 2018’s year-to-date CT production of 66,928 MWh was the fourth best year on record for the Rawhide CTs.

• July’s CT production of 28,183 MWh was the largest in almost 10 years and the fifth largest month in history, whereas August’s production of 21,526 MWh was the tenth best month on record for the Rawhide CTs.
2018 events of significance

Power production:

Gas yard

- Major upgrades were made to the fiber and controls in the gas yard that supply fuel to the five combustion turbines.
- Additional work completed on the CTs included natural gas filter replacements and first stage cut pressure regulating valve repairs.

Rawhide Unit 1

- Major outage scheduled for Sept. 24 - Nov. 12
- Work on the generator rewind revealed that the generator core iron was short and would require additional material to perform as designed
- The additional required work extended the outage by two weeks, unit returned to full service on Nov. 28.
2018 events of significance

Power production:

• Rawhide facilities completed metal siding replacements of corrosion and wind-damaged siding on the 10A conveyor, crusher building, and conveyor building atop the active silos.

Power delivery:

• 2018 Transmission Service Availability Factor (TSAF) was 99.999 percent. The deviation was the result of a trip which occurred on Dec. 18, 2018, when Platte River personnel caused a loss of load at the Richard Lake Substation.
2018 events of significance

Power delivery:

• Projects completed in 2018 included:
  • Relay upgrades at the Longs Peak Substation
  • Expansion of the Boyd Substation
  • Transfer of all fiber optic cables and end points from the EO building into the new fiber building
  • Installation of airflow spoilers on the two Rawhide 230 kV lines
  • 2018 vegetation management
  • Testing of all PRC-005 related relays for the City of Fort Collins
  • SONET software upgrade capital project
2018 events of significance

Power delivery projects completed (continued):

• SCADA programming for both the Richard Lake circuit switcher additions and scheduled meter replacements
• Richard Lake circuit switchers capital addition projects on transformers T1 and T2
• Revenue meter replacements at the Richard Lake, Linden and Dixon Creek substations

Headquarters facilities maintenance:

• Replacement of seven fleet vehicles
• DRC UPS replacement project at the Boyd Substation which included a new dual system for redundancy
• HVAC system replacements at two substations
2018 events of significance

Headquarters facilities projects completed in 2018 (continued):

- New DOT vehicle program which included the addition of new training activities
- Relocation of the warehouse, facilities and substation garages, in response to the new headquarters campus construction

Power supply:
- Executed the resale of Platte River’s Silver Sage wind output
2018 events of significance

Power supply:

• A request for proposals (RFP) was issued for 20 MW of solar and up to 5 MWh of energy storage. In February 2019, staff signed a final power purchase agreement (PPA) for the project.

• A final PPA was executed with Enyo to purchase 150 MW of new wind power capacity. The project was later bought by NextEra.

• IRP: kick-off meeting was conducted, in May, and IRP stakeholder outreach efforts were conducted in the four owner communities, during the months of October and November. In addition, Platte River planning staff provided an update on the IRP process to the Joint Technical Advisory Committee, in November, and met with WAPA to finalize IRP delivery.
2018 events of significance

Power supply:

• On July 10, 2018, at hour ending 1800, Platte River hit a new all-time municipal demand of 688 megawatts which was 28 megawatts above budget.

• Platte River’s system peak, which includes losses and station service, was 697 megawatts.

• During the peak hour, Platte River saw an instantaneous reading where the system hit 700 megawatts.
Questions
Financial, IT and HQ campus

Dave Smalley
Significant financial events

Strong financial results

- Above-budget operating revenues (0.7%) and below-budget operating expenses (4.4%)
- Surplus sales pricing above budget, energy below
- Interest income above budget – higher interest rates and additional cash
- $31.75M in proceeds from Windy Gap unit sales (delayed debt financing)
- Significant joint dispatch purchases replacing fuel expenses from Rawhide and the Craig units
- Rawhide Unit 1 scheduled maintenance outage (extended two weeks)
- Capital projects
  - 23 out-of-budget projects for $1.8M
  - 20 over budget projects for $7.1M
  - 29 projects carried over to 2019 for $8.9M
  - 78 projects completed
Rawhide Unit 1 maintenance outage

Results

7-week planned outage extended 2 weeks due to stator core rebuild project

$50.9M = 2018 expenses
- $11.5M O&M
  - $1.4M below – $0.9M contingency budgeted
- $5.7M replacement power
  - $3.5M above – 2-week extension, replacement power for Craig forced outages
- $33.7M capital
  - $1.1M below – does not represent total project costs, multi-year projects finishing in 2019

Significant projects
- Bottom ash conveying system and concrete tank
- Generator stator and rotor
- Automatic voltage regulator (AVR) upgrade to the latest Ovation series
- High voltage motor control center (HVMCC) switchgear upgrade
- Feed water heater 102 replacement with higher efficiency unit
- Air preheater basket replacements with ceramic coated lower end baskets
- Evergreen controls hardware upgrade

Platte River Power Authority
## 2018 financial results

<table>
<thead>
<tr>
<th>Category</th>
<th>Variance from budget (in millions)</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$10.7</td>
<td>●</td>
</tr>
<tr>
<td>Revenues</td>
<td>$2.1</td>
<td>●</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$7.6</td>
<td>●</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$9.1*</td>
<td>●</td>
</tr>
<tr>
<td>Debt expense</td>
<td>$0.8</td>
<td>●</td>
</tr>
</tbody>
</table>

* Capital carryover of $8.9M from 2018 budget into 2019 budget.

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 Budget</th>
<th>2018 Actual</th>
<th>Variance from 2018 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations &amp; maintenance</td>
<td>$62.4</td>
<td>$56.2</td>
<td>$7.6M</td>
</tr>
<tr>
<td>Fuel</td>
<td>$49.7</td>
<td>$42.2</td>
<td>$7.4M Fuel</td>
</tr>
<tr>
<td>Purchased power</td>
<td>$34.5</td>
<td>$41.2</td>
<td>$6.7M Purchased Power</td>
</tr>
<tr>
<td>A&amp;G</td>
<td>$25.4</td>
<td>$24.8</td>
<td>$0.6M</td>
</tr>
</tbody>
</table>

**Budget variances – below/(above)**

- $7.4M – Fuel
  - $5.1M – Craig (below budget due to less generation and lower coal price)
  - $4.8M – Rawhide (below budget due to less generation and lower coal and transportation costs)
  - ($2.5M) – CTs (above budget – two-thirds sold as surplus energy)
- $2.0M – RH (non-routine, WG water, chemicals & other)
- $1.6M – RH Unit 1 outage
- $1.5M – Personnel expenses (wages and benefits - more to capital)
- $0.9M – DSM/DER programs ($0.6M DSM contingency and DER program delays)
- $0.4M – Wheeling
- $0.4M – Craig units O&M
- ($6.6M) – Purchased Power
  - ($4.0M) – JDA (unbudgeted and Craig included in mix)
  - ($3.6M) – Other (above budget due to extended Rawhide outage, forced outages)
- $0.6M – Forced outage exchange (to Tri-State)
- $0.4M – Wind and solar
# 2018 financial summary

All strategic financial plan targets were exceeded

- AA credit rating

<table>
<thead>
<tr>
<th>Strategic financial plan</th>
<th>Target</th>
<th>3 yr avg</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (in millions)</td>
<td>&gt; 5.1-5.2</td>
<td>$21.8 ✓</td>
<td>$33.4 ✓</td>
<td>$14.1 ✓</td>
<td>$18.0 ✓</td>
</tr>
<tr>
<td>Debt service coverage</td>
<td>&gt; 1.5X</td>
<td>2.19 ✓</td>
<td>3.03 ✓</td>
<td>1.75 ✓</td>
<td>1.78 ✓</td>
</tr>
<tr>
<td>Days cash on hand</td>
<td>&gt; 200 days</td>
<td>294 ✓</td>
<td>362 ✓</td>
<td>298 ✓</td>
<td>221 ✓</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>&lt; 50%</td>
<td>29% ✓</td>
<td>26% ✓</td>
<td>29% ✓</td>
<td>33% ✓</td>
</tr>
</tbody>
</table>
2018 IT review

Completed creation of cybersecurity risk remediation program

• Five-year implementation plan of projects and tasks
• Addresses the 180+ security controls identified in the cybersecurity strategy presentation delivered to the board in August

Expanded engineering content management system

• Thousands of engineering documents and drawings added to the new ADEPT system as part of overall implementation

Rights of way documents

• Began the process of updating rights of way documents to support legal department project
2018 IT review

Implemented DocuSign

• More efficient routing/approval of policies and contracts

Deployed new IT service management software

• Deployed ServiceNow and implemented incident, problem and change modules
• Built and implemented workflows to automate routing/approval processes for numerous, previously manual tasks

Replaced internet facing infrastructure

• Replaced infrastructure that supports Platte River’s internet connection from CSU
• Added fully redundant internet connection from another provider
• Provides automatic failover/failback between providers in case of service outage (two unscheduled outages in 2018)
HQ campus project

2018 significant events

• Fort Collins entitlement process
• Groundbreaking ceremony
• Underground utilities
• Outbuildings at 50 percent of construction
• Headquarters building foundations poured and under-slab work progressing
Questions
# Human resources statistics

<table>
<thead>
<tr>
<th>Recruitment</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # of positions filled</td>
<td>40</td>
<td>50</td>
<td>54</td>
<td>41</td>
</tr>
<tr>
<td>% of positions filled internally</td>
<td>30%</td>
<td>30%</td>
<td>28%</td>
<td>29%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary</td>
<td>0.8%</td>
<td>2.9%</td>
<td>2.8%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Involuntary</td>
<td>1.3%</td>
<td>2.5%</td>
<td>0.8%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Retirements</td>
<td>3.5%</td>
<td>2.5%</td>
<td>4.9%</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>Total turnover</strong></td>
<td><strong>5.7%</strong></td>
<td><strong>7.9%</strong></td>
<td><strong>8.6%</strong></td>
<td><strong>8.8%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee demographics</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age</td>
<td>47</td>
<td>47</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>% eligible for retirement</td>
<td>38%</td>
<td>36%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>% of DB</td>
<td>66%</td>
<td>58%</td>
<td>51%</td>
<td>47%</td>
</tr>
<tr>
<td>% of DC</td>
<td>33%</td>
<td>41%</td>
<td>48%</td>
<td>52%</td>
</tr>
</tbody>
</table>
Safety

Significant events

• No lost time injuries in 2018
• 2018 Rawhide major outage safety success
  • 50,000 hours worked without an employee or contractor lost time incident
  • 171 orientations conducted for 587 contractors onsite
  • 383 confined space permits issued
  • 129 hot work permits issued
  • 1763 air checks completed
• HQ construction project without a recordable injury in 2018
## Safety statistics

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordable Incident Rate</td>
<td>2.19</td>
<td>3.15</td>
<td>0.87</td>
<td>1.67</td>
</tr>
<tr>
<td>Lost Time Case Rate</td>
<td>0.44</td>
<td>0.90</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>DART (Days away restricted)</td>
<td>0.87</td>
<td>0.90</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Efficiency Works program highlights

• Transitioned Efficiency Works Homes in-house to provide better, more cost-effective service to owner communities and their customers

• Launched a multifamily program that provides:
  • Efficiency assessments
  • Efficiency project advising
  • Direct installation of low-cost efficiency measures in multifamily dwelling units

• Implemented new online customer and service-provider engagement platforms
## EW program statistics

<table>
<thead>
<tr>
<th>Homes</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 627 home assessments</td>
<td>• 1,060 commercial rebate projects</td>
</tr>
<tr>
<td>• 799 home rebate projects</td>
<td>• 131 commercial assessments</td>
</tr>
<tr>
<td>• 48,000 rebates for energy-efficient products and appliances</td>
<td>• 3,300 multifamily units received efficiency improvements</td>
</tr>
</tbody>
</table>
Overall statistics

- 29,700 MWh saved
- Nearly 23,000 metric tons CO\textsubscript{2} avoided in the region
- Total program costs: $10.8 million
- Levelized cost of saved energy: $37/MWh
Communications

• Completion of the annual report, strategic plan and annual budget
• Expansion of communications tools
  • Social media
  • Internal communications tools
    • NewsFeed, In the News
• Efficiency Works collaboration
• Media relations
  • Brand value equivalent = $450,000
Collaboration and outreach

- Stakeholder outreach
- Community support
- IRP community listening sessions
- Community surveys
Legal
Joe Wilson
2018 legal accomplishments

Legal support for:

- Water transactions
- Windy Gap Firming Project
- Mountain West Transmission Group
- 2018 outage agreements
- HQ construction contracts
- Roundhouse Wind PPA
- Solar/battery PPA
2018 legal accomplishments

• IRS private letter ruling
• Policy and procedures repository/rescission of outdated resolutions
• Transfer of local loop fiber to owner communities
• Initiate organic contract and power supply agreements renewal process
2018 compliance accomplishments

- Environmental
  - Coal combustion residuals implementation
  - Bottom ash retrofit during 2018 outage
- Reliability
  - Successful 2018 WECC audit
  - Support owner communities’ reliability compliance efforts
2018 wrap up
2019 looking ahead

Jason Frisbie
2018

- 1 million hours safety milestone
- Headquarters campus
- Windy Gap
- New strategic plan
- Complete overhaul of budget
- New peak load of 688 MW

- RFP 20 MW solar + storage
- Resource diversification policy
- Roundhouse wind
- 2018 major outage
- Community outreach and engagement
- Reorganization
2019

- Organic contract
- Power supply agreements
- IRP
- 20 MW solar + battery storage
- Roundhouse 75 MW option
- “Green-line” transmission purchase

- Headquarters campus
- New rate structure
- Expansion of joint dispatch
- Markets
- Windy Gap
- DSM/DER strategy
- Internal development
Questions
Board of directors meeting
February 28, 2019
Organic contract and power supply agreements

February 28, 2019
Current agreements

Organic contract
- Contract between four owner communities that forms Platte River
- First executed in 1975
- Renewed in 2010 through 2050

Power supply agreements
- Agreements between Platte River and each of the owner communities
- First executed in 1973
- Security for bonds issued
- Renewed in 2010 through 2050
Purposes of renewal

Extend life of organization
  • Provide flexibility for future bond issuances
  • Provide flexibility for future renewable PPAs

Update content of power supply agreement relative to:
  • Distributed solar generation
  • Prepare for an organized market
  • Create mechanism for incremental changes to the PSAs
  • Conform transmission facilities descriptions
Efforts to date

• Memo to board July 18, 2018
• Preliminary discussion with bond counsel and municipal staff
• Presentation at the utility directors’ meetings
• Discussion at board meetings
• Redlines in board packet reflect input from owner communities
Proposed changes - organic contract

- Extend agreement through 2060
- Minor edits and clarifications
Proposed changes - power supply agreements

WHEREAS language:

• New language provides context introducing the Resource Diversification Policy
• Notes that intermittent resources present system management challenges/opportunities
• Describes how PSAs may be revised and modified in the future
• Introduces the possibility of future modification of bond covenants
Proposed changes - power supply agreements

Substantive changes:

• Extension of term through 2060
• Exception to the all-requirements obligation to authorize third party solar development if owner communities allow this business model
• Change metering point to high side of substation transformers
• Covenant to hold routine meetings with appropriate bodies in the owner communities to discuss new technologies and business models to meet community goals

Clean-up:

• Address changes in transmission/substation interface that have occurred since 2010
Next steps

**Loveland**
- LUC meetings on Jan. 16 and Mar. 20, 2019
- Council agenda item on Apr. 16, 2019

**Fort Collins**
- Council work session on Feb. 26, 2019

**Estes Park**
- TBD

**Longmont**
- TBD
Questions
Board of directors meeting
February 28, 2019
Rates framework discussion

- Initial new rate structure and cost of service model
  - Impact of new rate structure to each owner community ranges from approximately plus or minus 2 percent
  - Varying impact due to difference in load factors and tariff 7 energy allocations
    - Tariff 7 and all tariff 7 MWh commitments transitioned to intermittent energy charge; tariff 7 eliminated
    - All intermittent energy allocated based on load ratio among owner communities
  - Impact of preserving tariff 7 commitments analyzed
Intermittent energy allocation options

- Tariff—schedule 7: renewable energy service
  - 105,600 MWh of annual commitments
  - $25 per MWh premium for tariff 7 energy
  - 2027 expiration: Estes Park, Fort Collins, Loveland
  - 2030 expiration: Longmont
## Intermittent energy allocation options

<table>
<thead>
<tr>
<th>Option</th>
<th>Intermittent energy allocation</th>
<th>Billing</th>
<th>Tariff—schedule 7</th>
</tr>
</thead>
</table>
| 1      | • 105,600 MWh tariff 7 commitments preserved<sup>1</sup>  
• Load ratio allocation of remaining intermittent energy  
• Manually maintain intermittent allocations | • Bill adjustments (debit/credit) to preserve tariff 7 premium for tariff 7 kWh commitments | • Premium calculation maintained to determine adjustments  
• kWh allocation preserved |
| 2      | • Load ratio allocation of all intermittent energy | • New rate structure charges for all intermittent energy | • Eliminated; new cost of service fully implemented |

<sup>1</sup>Maintaining tariff 7 energy allocations until current commitment expiration or a revised and agreed upon termination date

- 2020: Option 1 is the preference of utility directors and Platte River staff
- 2021: To be determined
Intermittent energy allocation options

Tariff 7 commitments: 105,600 MWh

MWh commitment changes in 2025

Estes Park  Fort Collins  Longmont  Loveland

Tariff 7  Load ratio

Tariff 7 commitments: $2.64 million

Financial commitment based on $25/MWh premium

Estes Park  Fort Collins  Longmont  Loveland

Tariff 7  Load ratio
Intermittent energy allocation options

- Utility directors and Platte River staff, for 2020, prefer to maintain current tariff 7 MWh commitments and premium
  - Provides Fort Collins sufficient carbon free energy to achieve 2020 CAP goals
  - Minimizes the impact of overall transition to new tariff structure
- 2021 forward is not yet determined
  - Platte River’s preference for 2021 forward is to eliminate the tariff 7 premium and commitments
    - In 2021, the Roundhouse energy project provides sufficient energy to meet owner communities’ goals
    - Fully transition to new rate structure
The commercial operation of the Roundhouse energy project will create cost shifts in the 2021 rates relative to 2020

- 250% increase in intermittent kWh
- 20% decrease in intermittent $/kWh

*December 2020 projected Roundhouse commercial operation. Excluded from 2020 rates
Rates schedule and next steps

<table>
<thead>
<tr>
<th>Event</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow up and owner community support as needed</td>
<td>Feb</td>
</tr>
<tr>
<td>2020 average rate increase and long-term rate projections</td>
<td></td>
</tr>
<tr>
<td>2020 rate projections (model refresh)</td>
<td></td>
</tr>
<tr>
<td>2020 proposed rate structure and charges</td>
<td></td>
</tr>
<tr>
<td>2020 tariffs approved by the BOD</td>
<td></td>
</tr>
</tbody>
</table>

- Jan. 1, 2020 effective date for adopted tariffs
- Additional Platte River steps
  - Cost of service model refinements
  - Intermittent energy allocations
  - Long-term rate projections
Board of directors meeting
February 28, 2019
Agenda

• Current building status

• Issues
  • Boardroom size
  • Training rooms/conference room
  • Workstations and potential growth

• Questions
Current building status
Original board and training rooms

Board room – 30
Training rooms – 130 seated
Current board room and training rooms
4200 SQ FT
Table layout – 160
Seated – 350

Notes and Updates Board Room
a. New closet in Board Room Waiting
b. High top table and stools in Board Room Waiting
c. Large LCD flat screen display in Board Room Waiting
d. Revise wall, relocate Boardroom Door / Interior Glass to wall to be.
   i. electro-chromatic glass OR
   ii. slatted operable blinds
e. Relocated Board table, fabricated to be secured to floor
   with threaded cleats inset in floor
f. Base cabinet and coffee (for Board)
g. Base cabinet and coffee (for gallery)
h. Re-locate stone finish in base scope to east Board Room Wall
i. Skyfold assembly to be removed to enlarge Board Room
j. Skyfold assembly to remain in scope between Training Rooms
k. Operable folding partition glass wall (i.e. Nanawall) w/ open corner east training room

Expansion not to exceed $5 million
Energy Innovation and Learning Center

- Community engagement meetings
- Efficiency Works trainings
- Membership meetings
  - JTAC
  - LPPC
  - RMEL
  - HR 100
- Educational outreach
  - Tours
  - Career day
- Regional meetings
  - MTWG
  - Joint dispatch
  - Safety
- Platte River internal meetings
Workstations

- Current plan accommodates 16% growth
- Reconfiguration of layout and workstations to provide 30% growth potential
- Communicated to staff at February business meeting
HQ campus status

- Expanded the board room
- Reduced the workstations to facilitate future growth
- Seeking board agreement in support of Energy Innovation and Learning Center expansion
- Staff recommendation: expand now
  - Consistent with original intent of new building
  - Can accommodate changes now without major delays
  - More expensive later
  - Less disruptive now
Questions
## January operational results

<table>
<thead>
<tr>
<th>Category</th>
<th>January variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal demand</td>
<td>(7.8%)</td>
<td>(7.8%)</td>
</tr>
<tr>
<td>Municipal energy</td>
<td>(0.5%)</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>Baseload generation</td>
<td>(10.9%)</td>
<td>(10.9%)</td>
</tr>
<tr>
<td>Wind generation</td>
<td>(3.1%)</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Solar generation</td>
<td>8.8%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Surplus sales volume</td>
<td>21.7%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Surplus sales price</td>
<td>31.4%</td>
<td>31.4%</td>
</tr>
<tr>
<td>Dispatch cost</td>
<td>(2.7%)</td>
<td>(2.7%)</td>
</tr>
</tbody>
</table>

**Variance key:**  
- Favorable: ● >2%  
- Near budget: ◆ +/- 2%  
- Unfavorable: ■ < -2%
## Financial summary

<table>
<thead>
<tr>
<th>Category</th>
<th>January variance from budget (in millions)</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$1.9</td>
<td>![Favorable]1</td>
</tr>
<tr>
<td>Revenues</td>
<td>$1.0</td>
<td>![Favorable]1</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$0.9</td>
<td>![Favorable]1</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$1.0</td>
<td>![Favorable]1</td>
</tr>
<tr>
<td>Debt expense</td>
<td>$0.0</td>
<td>![At or near budget]1</td>
</tr>
</tbody>
</table>

> 2% ![Favorable]1 Favorable  | 2% to -2% ![At or near budget]1 At or near budget  | < -2% ![Unfavorable]1 Unfavorable
Board of directors meeting
February 28, 2019