



Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

2020 wholesale rate structure at a glance

In 2020, Platte River will transition to a new rate structure.

Purpose

The rate restructure is a component of Platte River's strategic plan to provide an enhanced customer experience by creating a framework that improves transparency, flexibility and system benefits.

- Enable owner communities to meet customer needs and wants through flexible service offerings that integrate diverse technologies
- Align with Platte River's rate setting policy

Rates philosophy

In August 2018, the board of directors adopted Platte River's rate setting policy which established the following rate setting goals:

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

Owner community impacts

- No rate increase recommended in 2020 to mitigate impacts from rate structure change
- Varying impacts on the owner communities' wholesale purchase power expense due to their unique load factors

Rate structure change impact

Estes Park	Fort Collins	Longmont	Loveland
-0.1%	-1.0%	1.1%	0.9%

Visit www.prpa.org for additional wholesale rate information.

Rate structure

The recommended rate structure utilizes a design and employs cost of service methodologies that support Platte River's rates philosophy. The components of the new rate structure are summarized below.

Owner charge

Recovers fixed demand-side management program costs, including overhead costs

Owner allocation based on each owner community's ratio of total energy for the six most recent year-end values (owner community energy)

\$9,979 per percent owner community energy

Demand charges: Transmission and generation

Recovers fixed costs related to their respective functions of transmission and generation

- Transmission: non-seasonal demand charge (\$5.74/kW billable non-coincidental peak)
- Generation: seasonal demand charge \$6.24 (summer Jun – Sep) or \$4.35 per kW billable coincident peak (non-summer months)

Demand charges based on a demand ratchet, or minimum charge

- Minimum charge is based on the average three most recent year-end maximum annual non-coincident peaks (transmission) or three most recent year-end maximum summer season coincident peak (generation) multiplied by 75 percent
- Minimum charge emphasizes the efficient use of infrastructure to maximize short-term and long-term marginal cost savings, providing a system benefit

Greater owner community financial incentive to lower peaks during months with high demands, while lowering the financial incentives to lower peaks during non-peak months

Energy charges: Dispatchable fixed, dispatchable variable, intermittent variable, tariff 7 legacy

Recovers variable costs and a portion of fixed costs

Unbundled into non-seasonal fixed and variable components

Unbundled further into dispatchable (i.e. fossil fuels and hydro) and intermittent (i.e. renewable wind and solar) to increase transparency and allow for greater pricing flexibility at retail

Per kWh energy charges:

- \$0.01544 dispatchable fixed for all energy supplied
- \$0.01779 dispatchable variable energy supplied
- \$0.04122 intermittent variable energy supplied
- \$0.04279 tariff 7 committed energy supplied