



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

September 26, 2019



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Mission, vision and values

Alyssa Clemsen Roberts

Proposed changes

- Change the order
 - Mission, vision and values
 - **Vision, mission and values**
- Eliminated as much passive voice as possible
- Simplified language and shortened statements
- Edited mission to reflect language in resource diversification policy



Vision

Current vision

As a respected leader and responsible energy partner, improve the quality of life for the citizens served by our owner communities.

Proposed 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

Current mission

Provide safe, reliable, environmentally responsible and competitively priced energy and services.

Proposed 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



Current

Working safely to protect the public, our employees, contractors and the assets we manage.

Proposed

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



Values

Integrity

Current

Being ethical and holding ourselves and contractors accountable to conduct business in a fair, honest, transparent, compliant, and environmentally responsible manner.

Proposed

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



Values

Service

Current

Providing quality service at a competitive price while being responsive to our owners' needs.

Proposed

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



Values



Current

Encouraging constructive dialogue that promotes a culture of inclusiveness, recognizes our differences, and accepts differing viewpoints.

Proposed

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



Values



Operational excellence

Current

Engaging employees and contractors to strive for excellence and continuous improvement.

Proposed

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



Values

Sustainability

Current

Maintaining financial integrity, minimizing our environmental impact, and supporting responsible economic development in our owner communities.

Proposed

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



Values

Innovation

Current

Striving to be creative, pioneering and the best in class at solving tough challenges with resourcefulness and non-traditional approaches.

Proposed

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



Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

September 26, 2019



Wholesale rate strategy and design

Board of directors meeting

September 26, 2019



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Wholesale rate strategy and design

Purpose

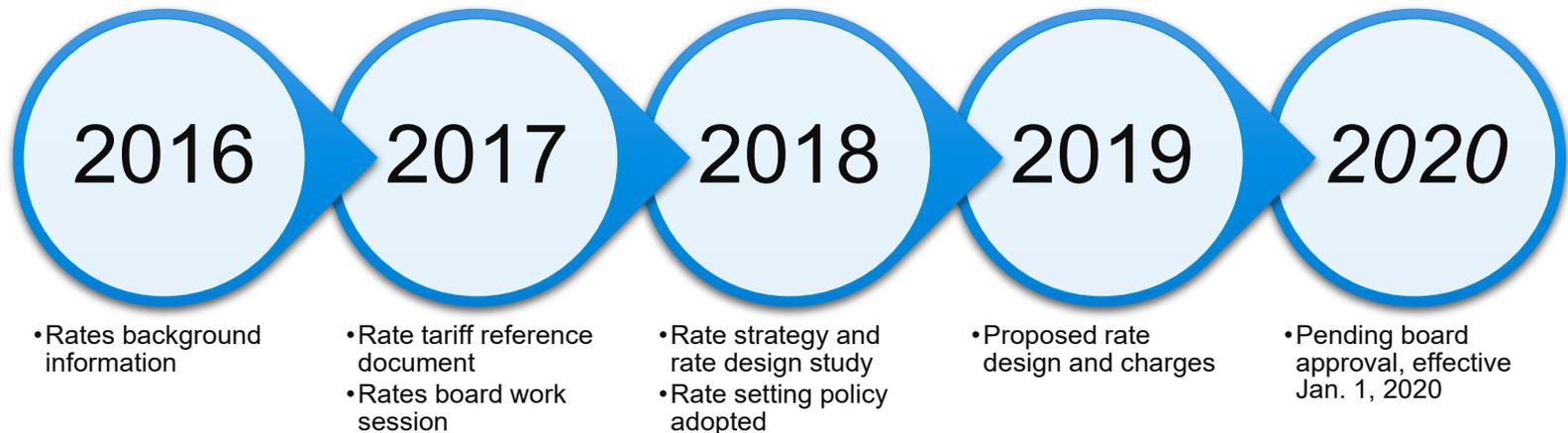
- Platte River is restructuring wholesale rates to provide an enhanced customer experience and to create a rates framework to improve transparency, flexibility and system benefits
- Critical first step to enable owner communities to meet customer needs and wants through flexible service offerings

Collaborative process



Process summary

- Rates background information and board engagement
- Rate strategy and rate design study
 - Phase 1: Rate setting philosophy
 - Phase 2: Cost of service study and rate design
- Board approval and implementation of rate design



Rate setting philosophy

Board adopted rate setting policy goals

- Improve value added 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

Rate setting guidelines

- Maintain financial strength
- Fixed cost recovery
- Fair, equitable, defensible
- Sound economic principles
- Long-term stability
- Flexible offerings
- High value to owners
- Effectively manage generation risk
- Improve pricing signals to owners and their customers



2020 proposed rate tariff schedules

The tariff proposal consolidates six current tariffs to four

Proposed	Current
Firm Power Service (Tariff FP-20)	Tariff—Schedule 1: Firm Resale Power Service Tariff—Schedule 7: Renewable Energy Service
Standard Offer Energy Purchase (Tariff SO-20)	Tariff—Schedule 3: Parallel Generation Tariff—Schedule 8: Standby Service
Wholesale Transmission Service (Tariff WT-20)	Tariff—Schedule 4: Wholesale Transmission Service
Large Customer Service (Tariff LC-20)	Tariff—Schedule 9: Large User Service



Proposed firm power service charges

Monthly charge	Recovery method	Period	Charge
Owner community charge	Per month per owner community allocation	Year-round	\$9,979
Demand charges			
Transmission	Per kW of non-coincident billing demand	Year-round	\$5.74
Generation	Per kW of coincident billing demand	Summer	\$6.24
		Non-summer	\$4.34
Energy charges			
Fixed cost	Per kWh for all energy supplied	Year-round	\$0.01544
Dispatchable variable cost	Per kWh for all dispatchable energy supplied, as well as the Roundhouse apportionment	Year-round	\$0.01779
Intermittent	Per kWh for owner community's allocated share of intermittent energy	Year-round	\$0.04122
Premium intermittent	Per kWh for owner community's allocated share of premium intermittent energy	Year-round	\$0.04279



2020 energy allocation adjustments

Events since development of 2020 rates

- Roundhouse anticipated to begin producing energy in mid 2020
- Platte River has agreed to sell Spring Canyon (60 MW) energy to a third party upon contract execution
 - Roundhouse capacity increased 60 MW to 225 MW

For 2020 rate consistency

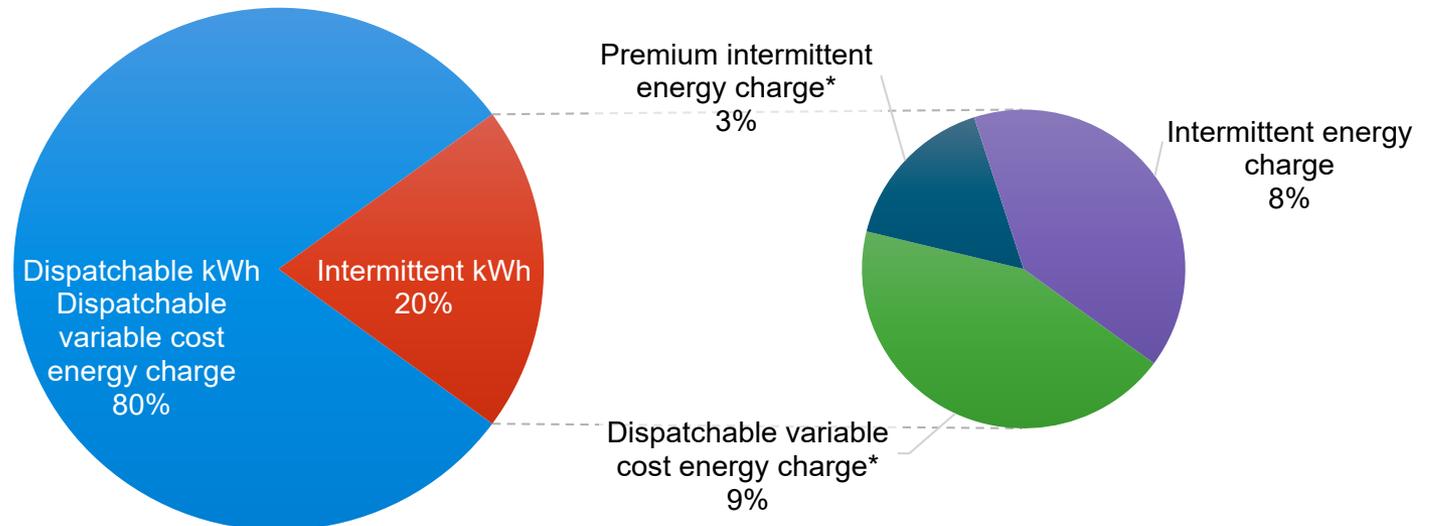
- An apportionment of Roundhouse equal to the Spring Canyon third party kWh sale priced at the intermittent energy charge
- All remaining Roundhouse kWh (Roundhouse apportionment) priced at the dispatchable variable cost energy charge



2020 intermittent energy allocations

Energy charge	Intermittent energy allocation
Dispatchable variable cost	Roundhouse kWh less equivalent Spring Canyon kWh sold to third party
Premium intermittent	Previous Tariff 7 requests
Intermittent	All remaining intermittent energy allocated monthly based on each owner community's pro rate share of the total kWh sold to all owner communities

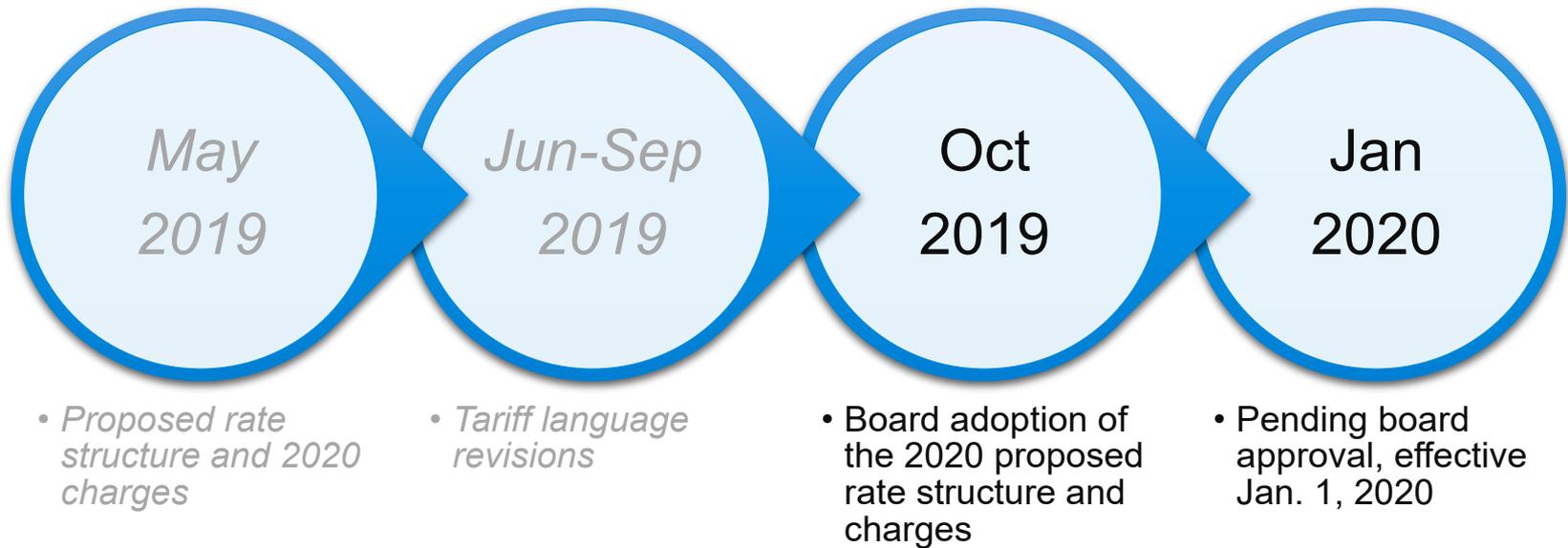
Owner community energy sales



*2020 intermittent energy allocation. All 2021 intermittent kWh will be charged at the intermittent energy charge

Platte River next steps

Platte River is available to support wholesale rate communications to stakeholders as requested by the owner communities



Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

September 26, 2019



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Energy efficiency update and distributed energy resource strategy

Efficiency Works overview



Efficiency Works™

Estes Park
Power &
Communications

Fort Collins
Utilities

Longmont
Power &
Communications

Loveland
Water and Power

Platte River
Power Authority

- A collaboration of common efficiency programs between Platte River Power Authority and its owner communities
- Efficiency Works was established in 2014
- Common programs existed since 2001 as separately branded initiatives
- A single brand provides consistency, mutual standards and greater customer recognition

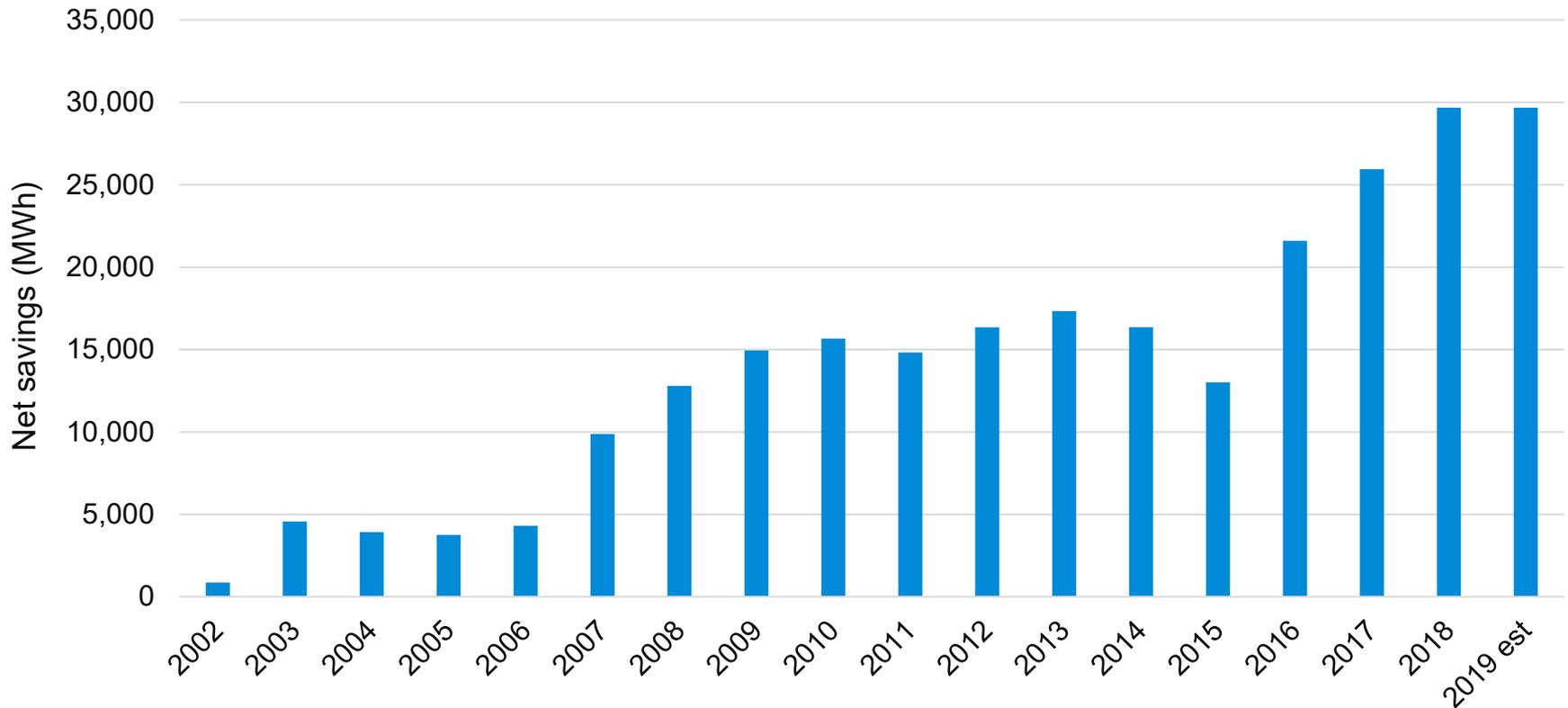
Efficiency Works programs

- Business: assessments, advising, specialized services, “direct installation” of select efficiency improvements and rebates
- Homes: assessments, advising, direct installation, rebates and income qualified programs
- Marketplace: Efficiency Works store, rebates and refrigerator/freezer pickup and recycling



Efficiency program energy savings

Historical energy savings in four owner communities

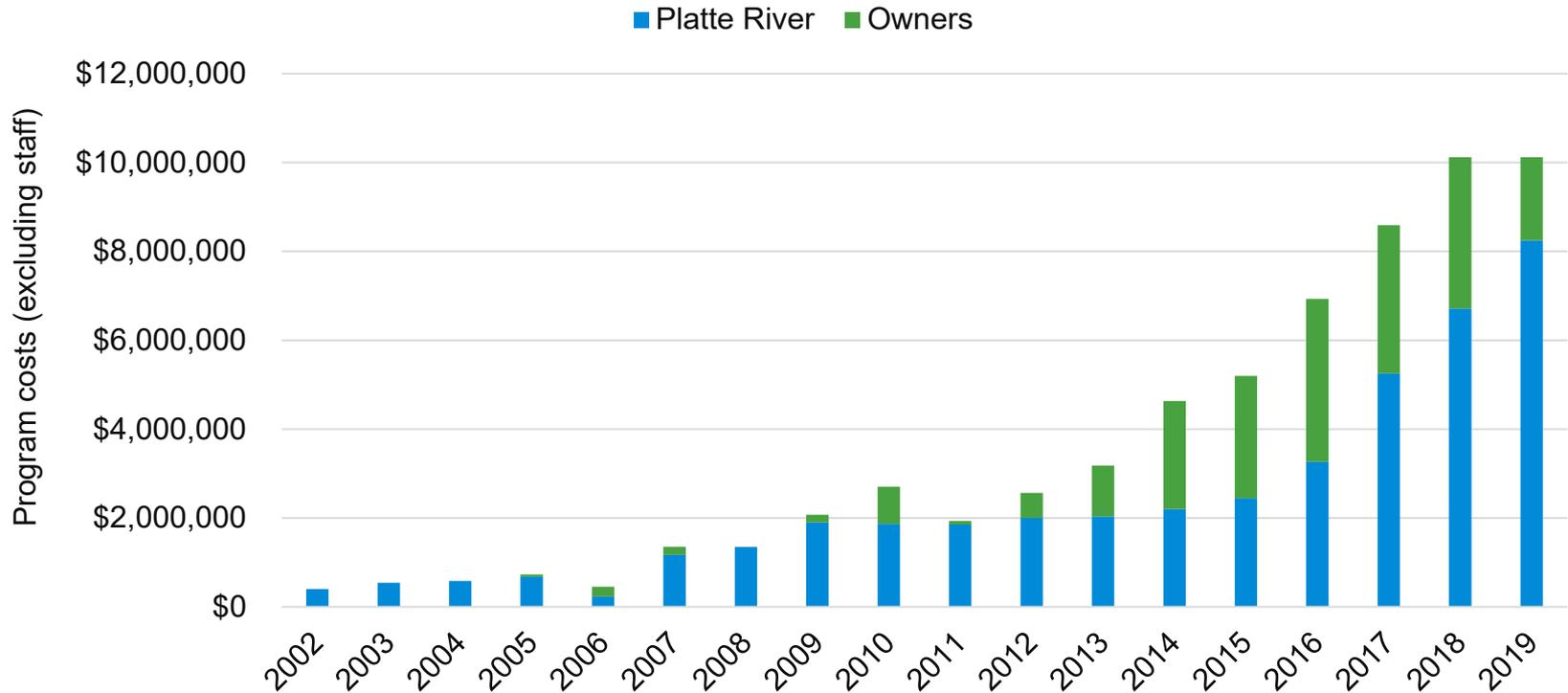


Platte River wholesale energy to owner communities is approximately 3,230,000 MWh/year



Efficiency program investment

Historical efficiency investment in four owner communities



Platte River 2018 operating revenue is \$222 million and owner community retail revenue is \$280 million.



Intergovernmental agreement

Intergovernmental agreement (IGA) for demand side management (DSM) and distributed generation (DER)

- Executed 2014, updated 2016

Updating IGA to:

- Include “non-electric sustainability services” if requested by and funded by the owner communities and accepted by Platte River
- Remove unused, obsolete language

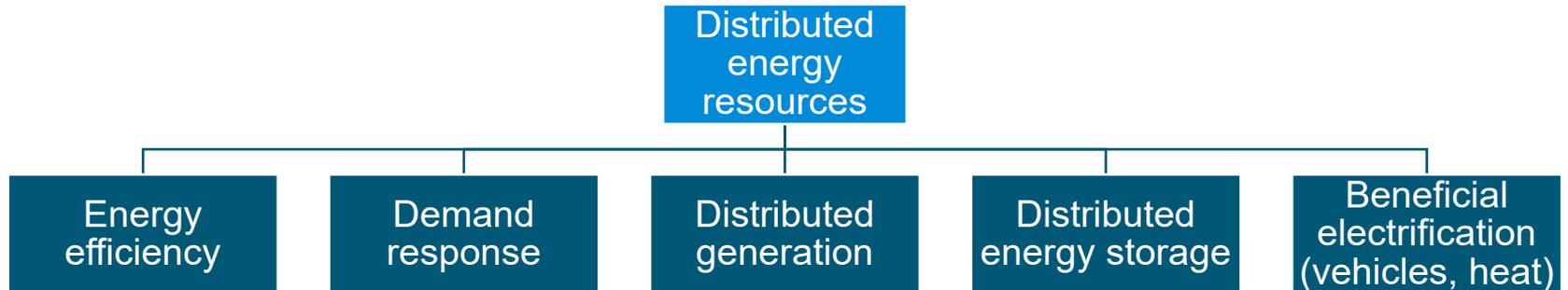


What do we do next?

Begin developing an integrated DER strategy



DER scope: what is included?



Why a DER strategy now?

- Policies and goals for renewables and noncarbon generation
- Customer interest
- Magnitude of DER opportunity
- DER has impact across our electric systems and utility functional areas, integration is key to success
- A DER strategy will lead to better integration of DER



What do we want to achieve?

- A vision for DER initiatives
- A holistic and integrated approach to evaluating benefits and costs of DER across the electric system
- Rate and incentive program designs that support DER in an equitable and sustainable manner
- Coordination on measurement, verification, monitoring and control required for DER reliability
- Coordinated approach to securing customer and system data



Timeline / next steps



Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

September 26, 2019



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

2020 proposed strategic budget work session

Agenda

- Budget
 - Schedule
 - Process
 - Budget document
 - Trends
 - 2020 overview
- Capital 5-year forecast

Budget schedule

September

- Board work session

October

- Updates and budget discussion
 - Model prices and resource updates (22 MW solar)
 - Wheeling and ancillary services rate adjustments
 - Medical expense decrease
 - Capital investments, depreciation and asset retirement obligations (HQ campus, Energy Engagement Center, other projects)
 - Other changes
- Public hearing

December

- Board adoption
- File with the State of Colorado

Budget process



Budget document

Enhancement: Division/department descriptions with 2020 objectives

2020 strategic budget summary

Financial review and budget schedules

Budget process

Financial governance

Trends

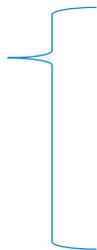
Revenues

- Low owner community load growth
- Lower and unpredictable short-term surplus sales market but improving

Expenses

- Infrastructure advancements – [increased capital requirements](#)
- Resource diversification – [noncarbon additions, distributed energy resources strategy](#)
- Increased customer solutions and products – [energy efficiency, demand response, electric vehicles](#)
- Expanded communications and community outreach – [trusted energy partner](#)
- **Focus on managing controllable expenses**

- 
- Lower surplus sales volumes at higher market prices – [selling during peak when wind is not available](#)
 - Increasing contract sales to accommodate noncarbon resources

- 
- Higher purchase power volumes at lower prices – [joint dispatch agreement](#)
 - Increasing noncarbon resource purchases
 - Increasing baseload flexibility
 - Lower baseload capacity factor needed to serve owner community load growth

Trends

Category	Five-year change (2015 – 2019*)
Total revenues	16%
Owner communities revenue	11%
Owner communities peak	3.6%
Owner communities energy	(0.8%)
Sales for resale revenue	42%
Total operating expenses	11%
Purchased power	14%
Fuel	6%
Production and transmission	1%
Administrative and general	60%
Demand-side management	209%

* 2019 estimate

Proposed budget

Revenue trends

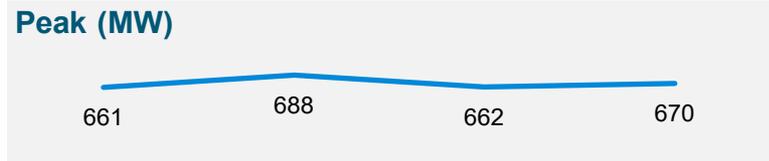
\$ millions



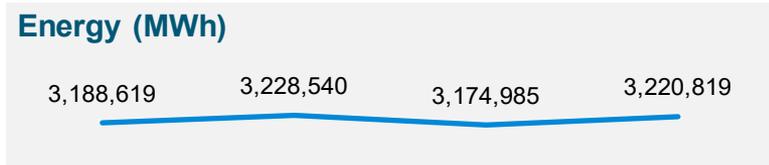
2020 budget vs. trend*

2.4%

- Flat loads
- Consistent rate increases due to rate smoothing are driving revenues



0.0%



0.7%



64%

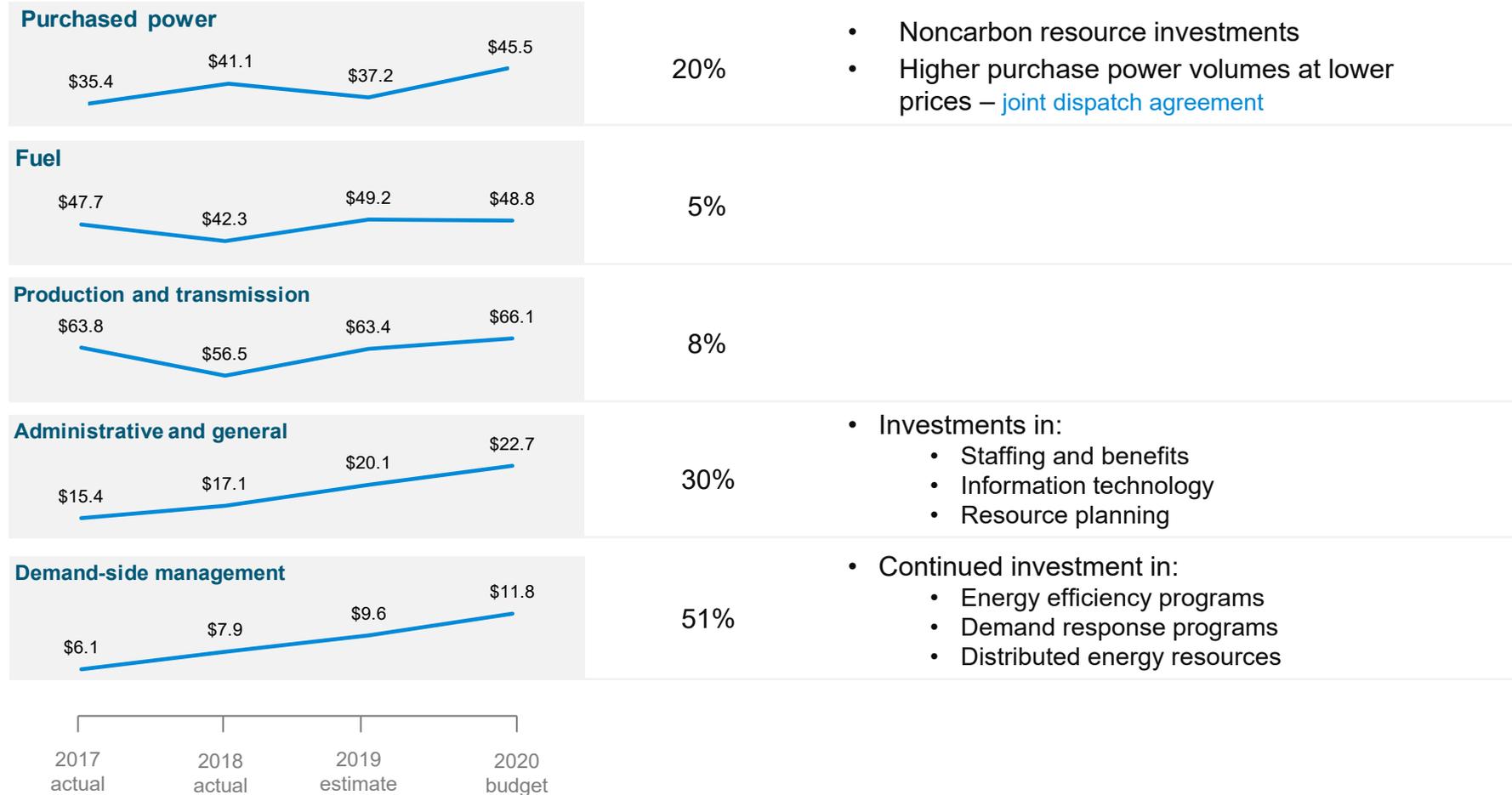
- Increasing contract sales to accommodate noncarbon resources
- Lower surplus sales volumes at higher market prices – selling during peak when wind is not available

2017 actual 2018 actual 2019 estimate 2020 budget

* Trend represents three-year average of 2017 and 2018 actuals and 2019 estimate.

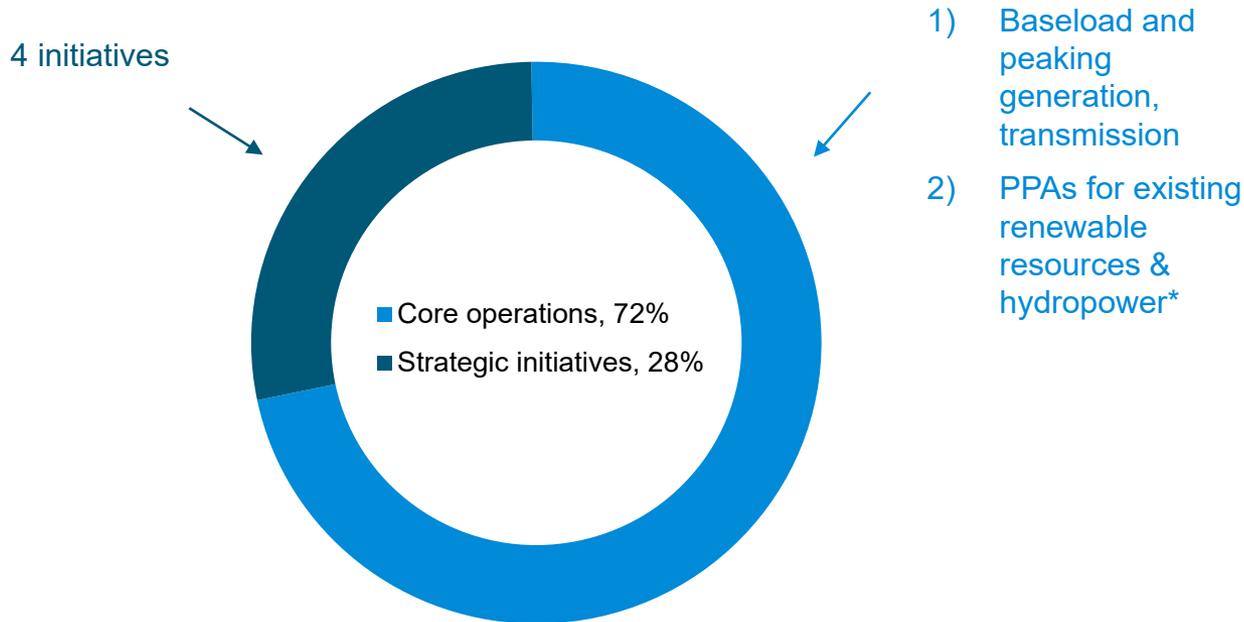
Expense trends

\$ millions



* Trend represents three-year average of 2017 and 2018 actuals and 2019 estimate.

2020 strategic budget focus



* Excludes first year generation of new wind and solar PPAs

Operating expenses & capital additions: \$258.9 million

2020 strategic budget focus

Operating and capital: \$258.9 million Strategic initiatives, 28%

Enhanced customer experience, \$12.9 million, 5%

- Energy efficiency business & consumer product expansion
- Distributed energy resources – electric vehicles
- Demand response continuation
- Wholesale rate redesign implementation

Communications and community outreach, \$2 million, 1%

- Public engagement and government affairs
- Effective communications – electronic tools, public & stakeholder materials, outreach, internal communications, and employee activities & recognition

Resource diversification and alignment, \$32.1 million, 12%

- Distributed energy resource strategy – system integration
- Resource planning – IRP
- Noncarbon generation – 225 MW wind & 20 MW solar projects with battery storage & sales contracts to accommodate, also potential additional solar
- Energy imbalance market – continue to pursue broader market

Infrastructure advancement and technology development, \$26 million, 10%

- Headquarters campus & Energy Engagement Center – meet growing and changing needs of workforce, technologies and facilities and promote public engagement, which includes a solar and battery system
- Windy Gap Firming Project – increase water resource reliability (debt financing)
- Physical security, cybersecurity, fiber and transmission projects, enterprise resource planning software

Revenues \$248.2M

- **Owner communities** – no rate increase, new rate structure
- **Sales for resale** – improvement in market prices and long-term contracts to accommodate additional noncarbon resources

Core operations, 72%

Rawhide Energy Station

- Predictive maintenance:
 - Rawhide Unit 1 outage (9 days)
 - Combustion turbine outages
- Rotary car dumper variable frequency drives
- Monofill upgrades (proactive environmental compliance)
- Fire protection – combustion turbines
- Operational flexibility monitoring

Craig Station

- Craig Unit 2 outage (2 weeks)

Transmission

- Generator step up/unit auxiliary transformers
- SONET equipment upgrade
- Oil breaker replacements

Other expenses

- Four new positions
- Benefits – comprehensive evaluation
- IT investments – upgrades, training, asset mgmt

Financial results

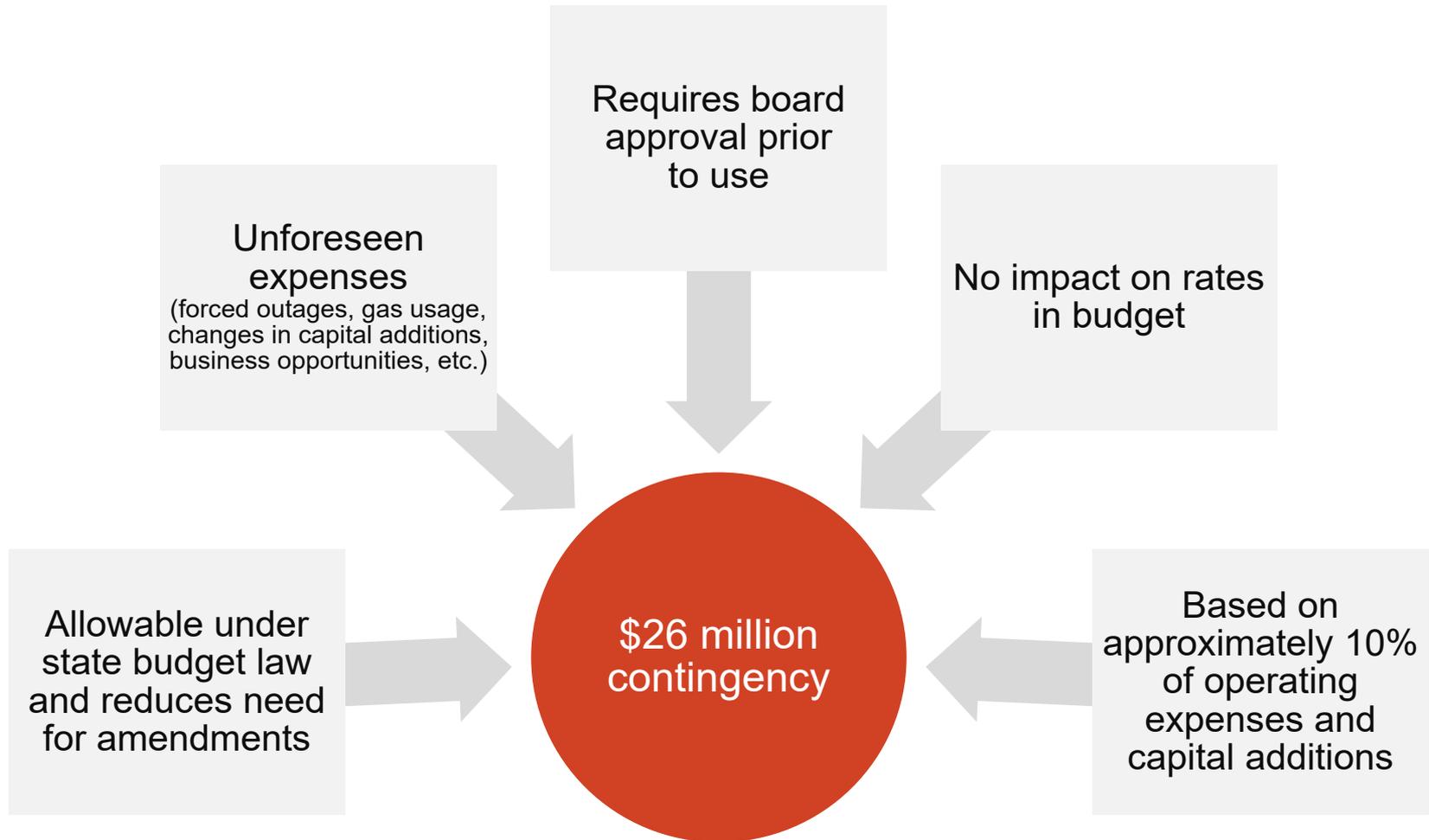
Strategic financial plan indicators	Target minimums	2019 budget	2020 budget	Increase (decrease)
Net income (\$ millions)	3% of projected operating expenses*	\$ 23.0	\$ 21.3	 (7.4%)
Fixed obligation charge coverage ratio	1.50x	2.60x	2.31x	 (11.2%)
Debt ratio	< 50%	36%	34%	 (5.6%)
Unrestricted days cash on hand	200	313	255	 (18.5%)

* 3% of projected operating expenses for 2019 and 2020 is \$5.4M and \$5.8M, respectively.

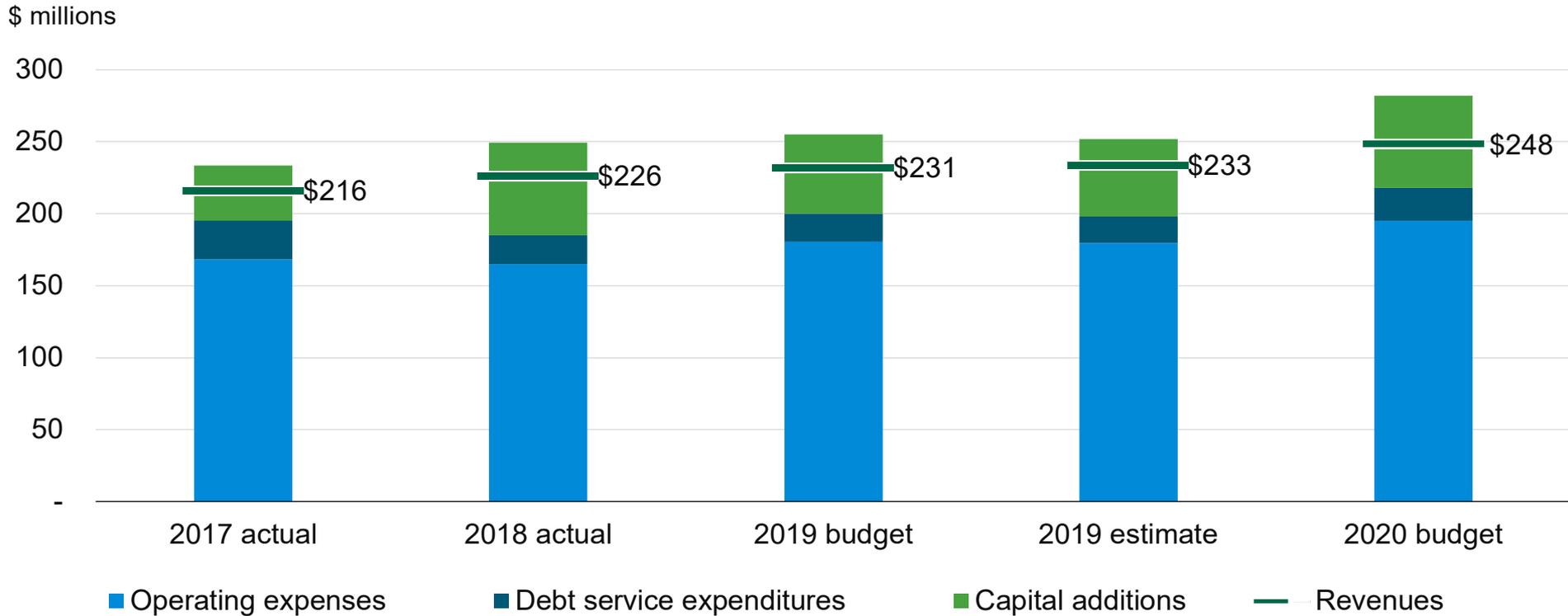
Budget results	2019 budget	2020 budget	Increase (decrease)
Total revenues (\$ millions)	\$ 231.3	\$ 248.2	 7.3%
Total expenditures (\$ millions)	\$ 254.8	\$ 282.0	 10.7%
Board contingency (\$ millions)	\$ 23.0**	\$ 26.0	 13.0%

** Contingency transfer required for 2019 capital additions. Amount to be determined later in the year.

Budget contingency *(reserved to the board)*



Revenues and expenditures

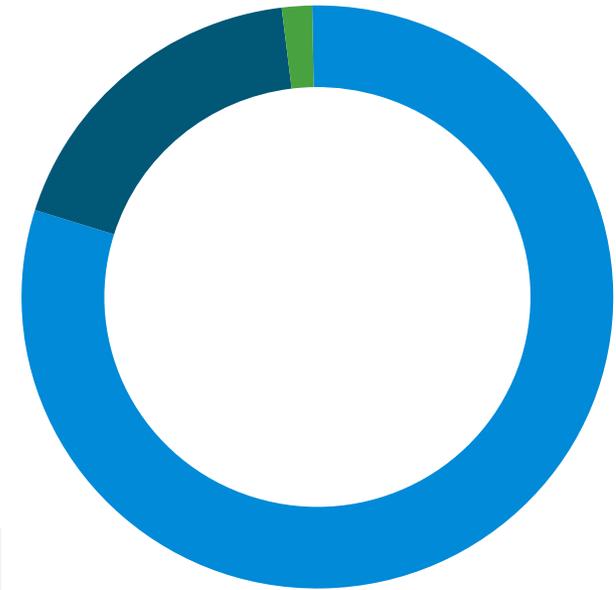


2020 expenditures in excess of revenues: \$33.8M

2020 revenues

Variance		
Owner communities	(\$1.9M)	↓
Sales for resale	\$18.9M	↑
Interest and other	(\$0.1M)	↓

Owner communities sales	<ul style="list-style-type: none"> • Loads developed on 10-year load forecast and energy changes from energy efficiency • New rate structure, no rate increase • Energy deliveries decrease 0.3% • Coincident demand decrease 1.5%
Sales for resale	<ul style="list-style-type: none"> • Energy and market prices – hourly model • Contracts • Wheeling revenues • 2020 variance due to long-term contract sales and increase in average price
Interest and other income	<ul style="list-style-type: none"> • Interest income and other miscellaneous revenue



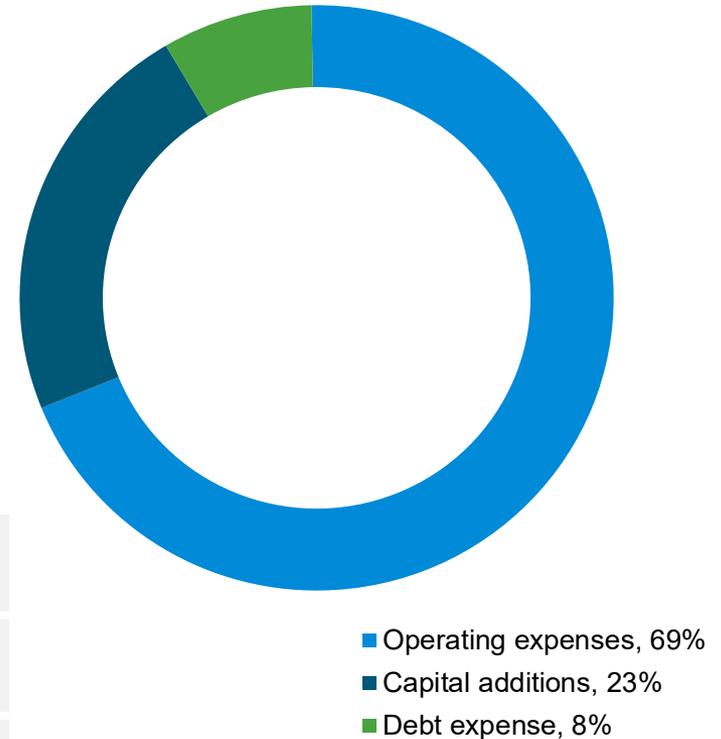
- Owner communities sales, 80%
- Sales for resale, 18%
- Interest and other income, 2%

\$248.2 million | variance from 2019 budget: \$16.9M ↑

2020 expenditures

Variance		
Operating	\$14.3M	↑
Capital	\$9.2M	↑
Debt	\$3.7M	↑

Purchased power	<ul style="list-style-type: none"> • Long-term contracts • Other purchases (price/qty) – hourly model
Fuel	<ul style="list-style-type: none"> • Generation – hourly model • Prices based on long-term contracts
Production	<ul style="list-style-type: none"> • O&M – Rawhide, Craig, CTs, power ops • Planned maintenance outages
Transmission	<ul style="list-style-type: none"> • O&M – lines, substations, SCADA, fiber, telecom
Administrative and general	<ul style="list-style-type: none"> • Support groups • O&M – HQ facilities
Demand-side management	<ul style="list-style-type: none"> • Energy efficiency • Distributed energy resources and strategy • Demand response



\$282 million | variance from 2019 budget: \$27.2M ↑

Salaries and benefits

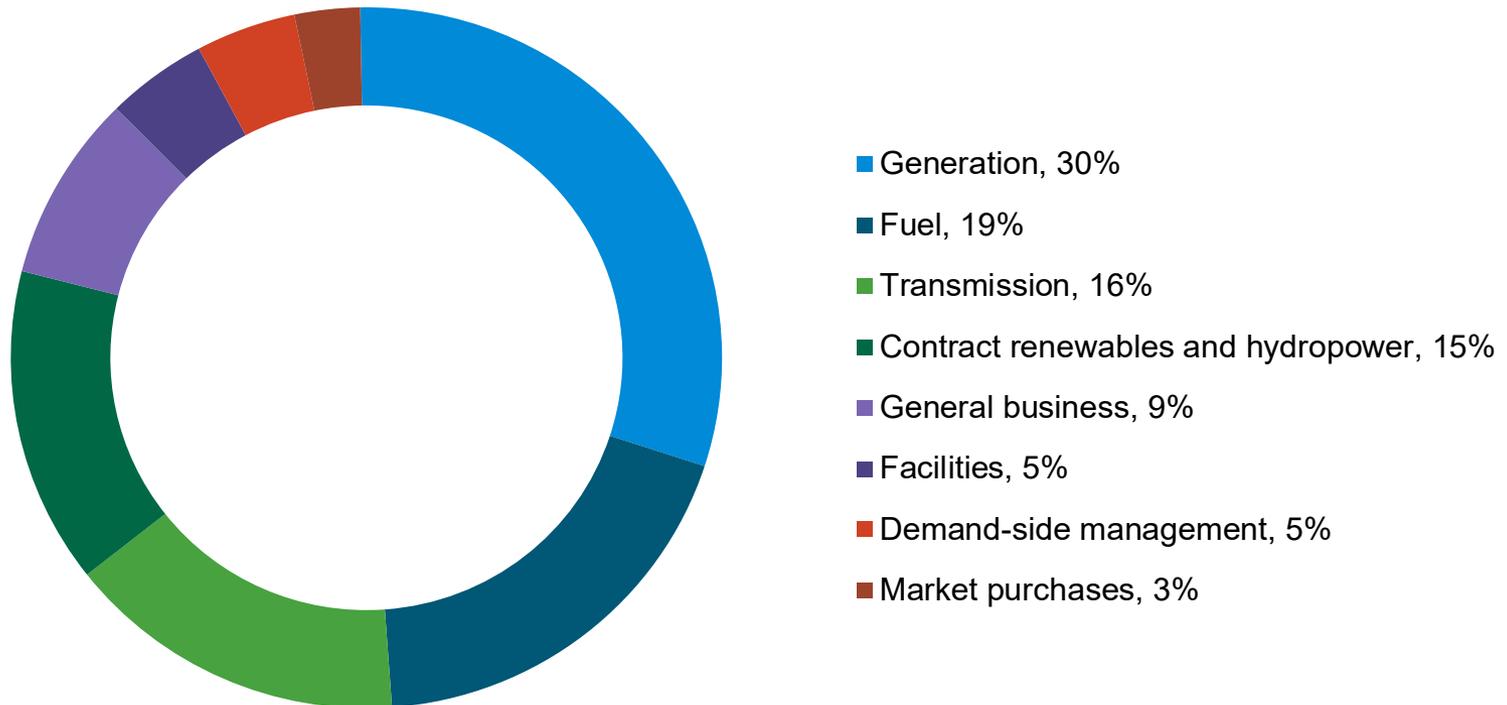
Salaries

- Regular wages increase \$1.8M
 - 3.2% salary adjustment \$0.9M
 - Four new positions \$0.7M
 - Step increases \$0.4M
 - Other adjustments (\$0.2M)
- Overtime increase \$0.2M
 - Scheduled maintenance outage

Benefits

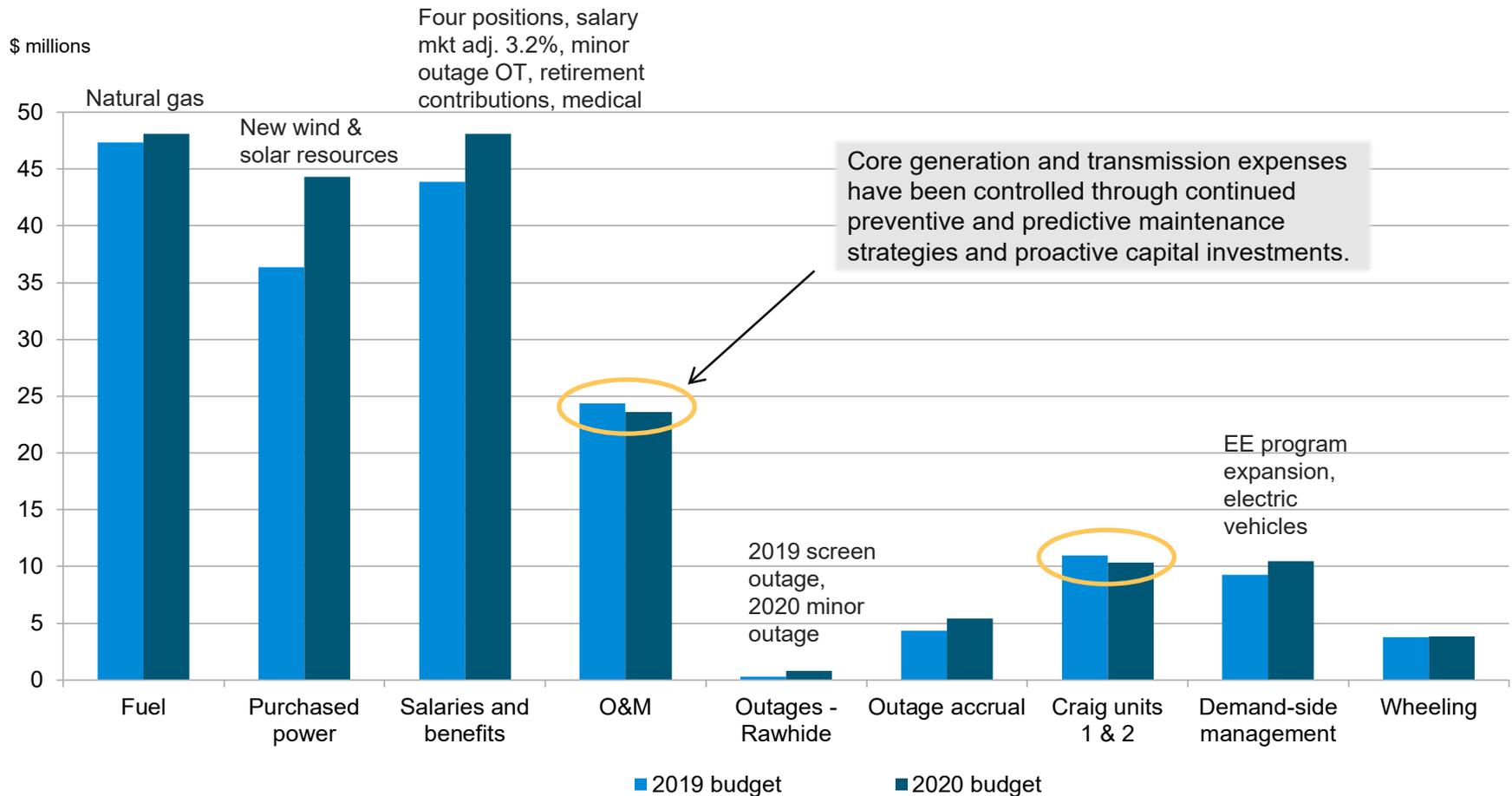
- Increase of \$1.7M from:
 - Defined benefit \$1.3M
 - Defined contribution \$0.2M
 - Medical/dental \$0.2M

Operating expenses and capital additions



\$258.9 million | variance from 2020 budget: \$23.5M 

Operating expenses



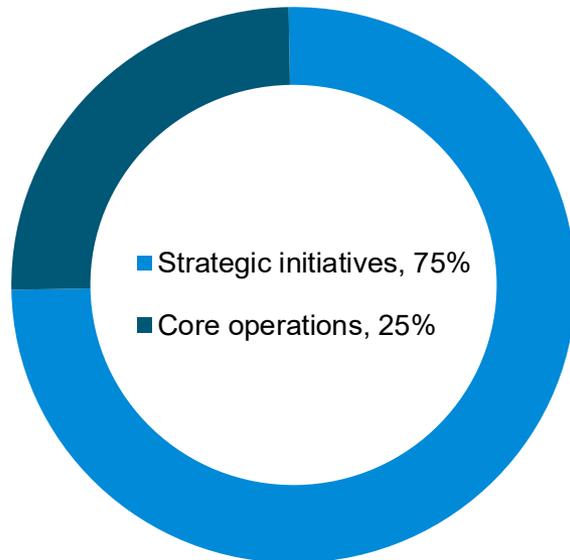
\$195 million | variance from 2019 budget: \$14.3M 

2020 capital additions

\$63.9 million

Core projects:

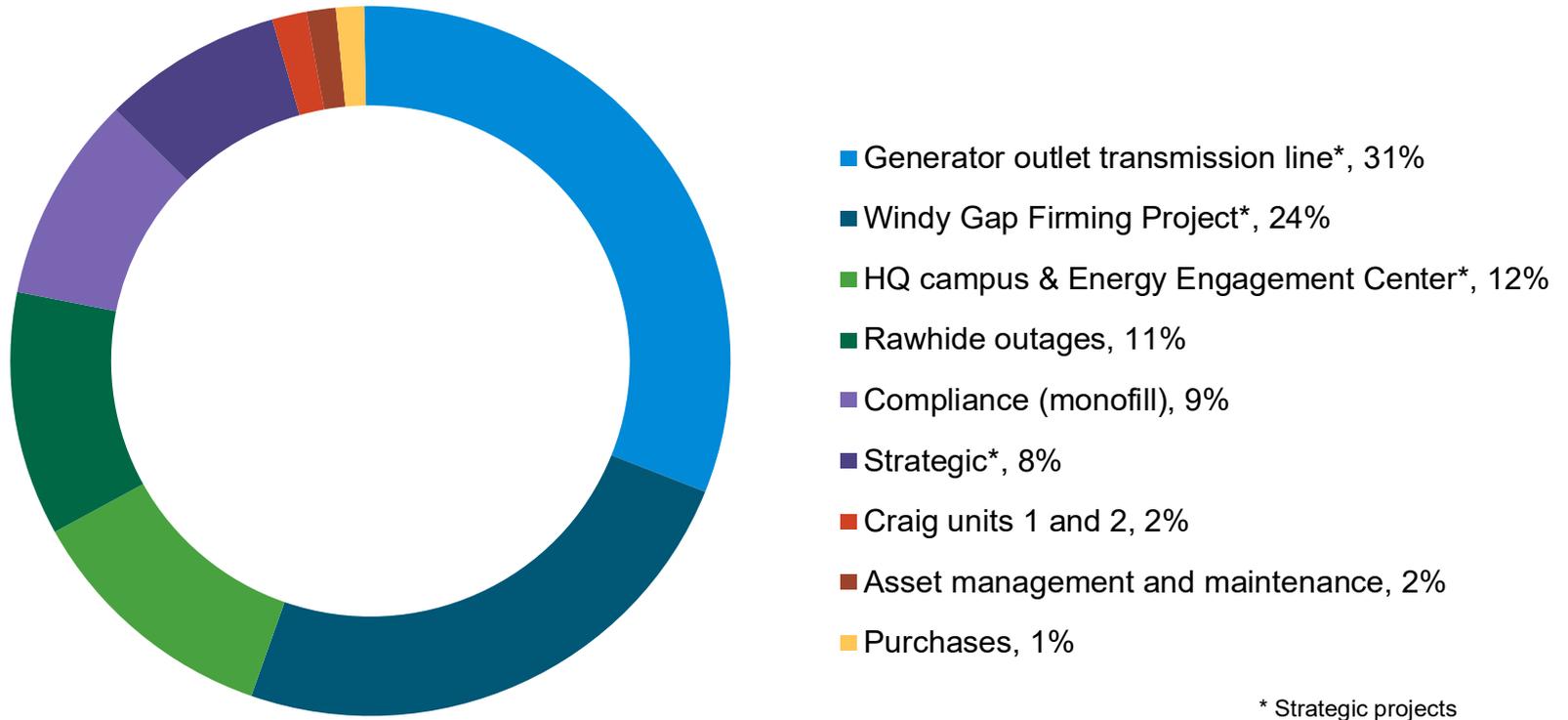
- Monofill (proactive environmental compliance)
- Rotary car dumper variable frequency drives
- Fire protection – combustion turbines
- SONET equipment
- Oil breakers
- Generator step up/unit auxiliary transformers



Strategic projects:

- Generator outlet transmission line
- Windy Gap Firing Project
- HQ campus and Energy Engagement Center
- Controls system
- Combustion upgrade
- Variable frequency drive - Rawhide Unit 1
- LED lighting
- Airflow spoilers
- Circuit switchers
- Security - substations
- Fiber optics
- IT cybersecurity projects
- Enterprise resource planning software (TBD)

2020 capital additions



\$63.9 million | variance from 2019 budget: \$9.2M 

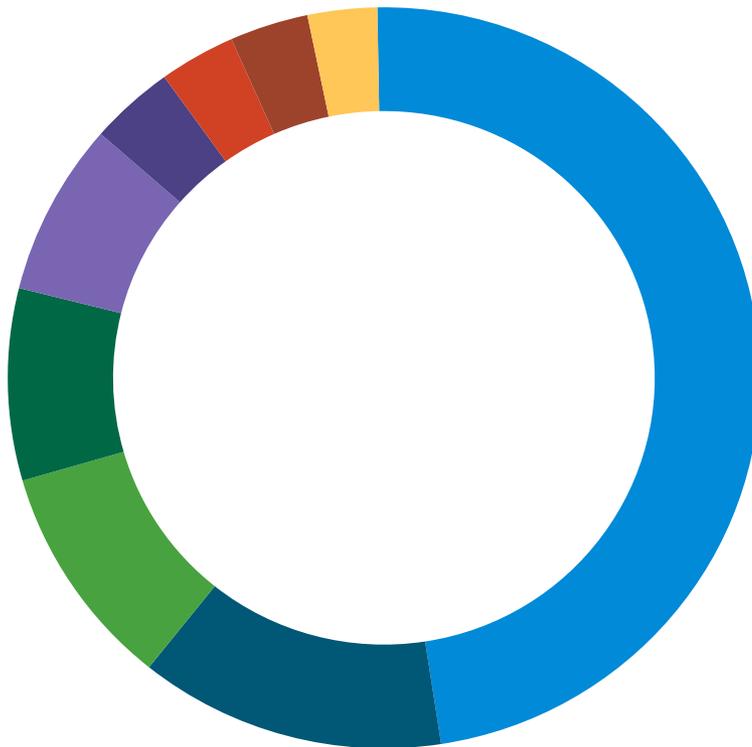
Excludes estimated 2019 capital carryovers of \$3.1 million

Proposed budget

Capital five-year forecast

Years 2020-2024

\$216 million

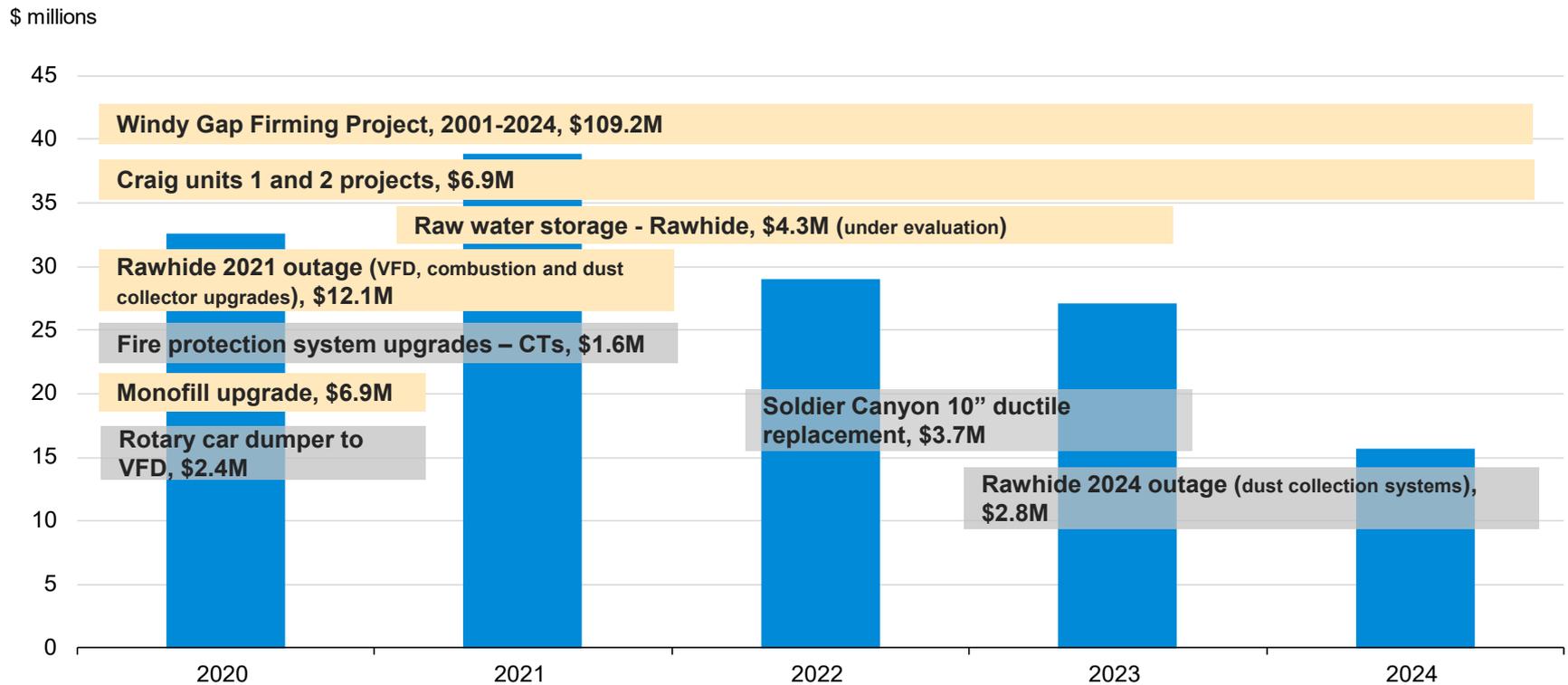


- Windy Gap Firing Project, 48%
- Transmission and substations, 13%
- Generator outlet transmission line, 10%
- Rawhide, 8%
- Rawhide outages, 8%
- HQ campus & Energy Engagement Center, 4%
- Asset management and maintenance, 3%
- Craig units 1 and 2, 3%
- Compliance (monofill), 3%

Capital five-year forecast

Production additions: \$143.3 million

Represents 88% of total



Amounts represent total project cost. May have had costs prior to 2020 or extend past 2024.

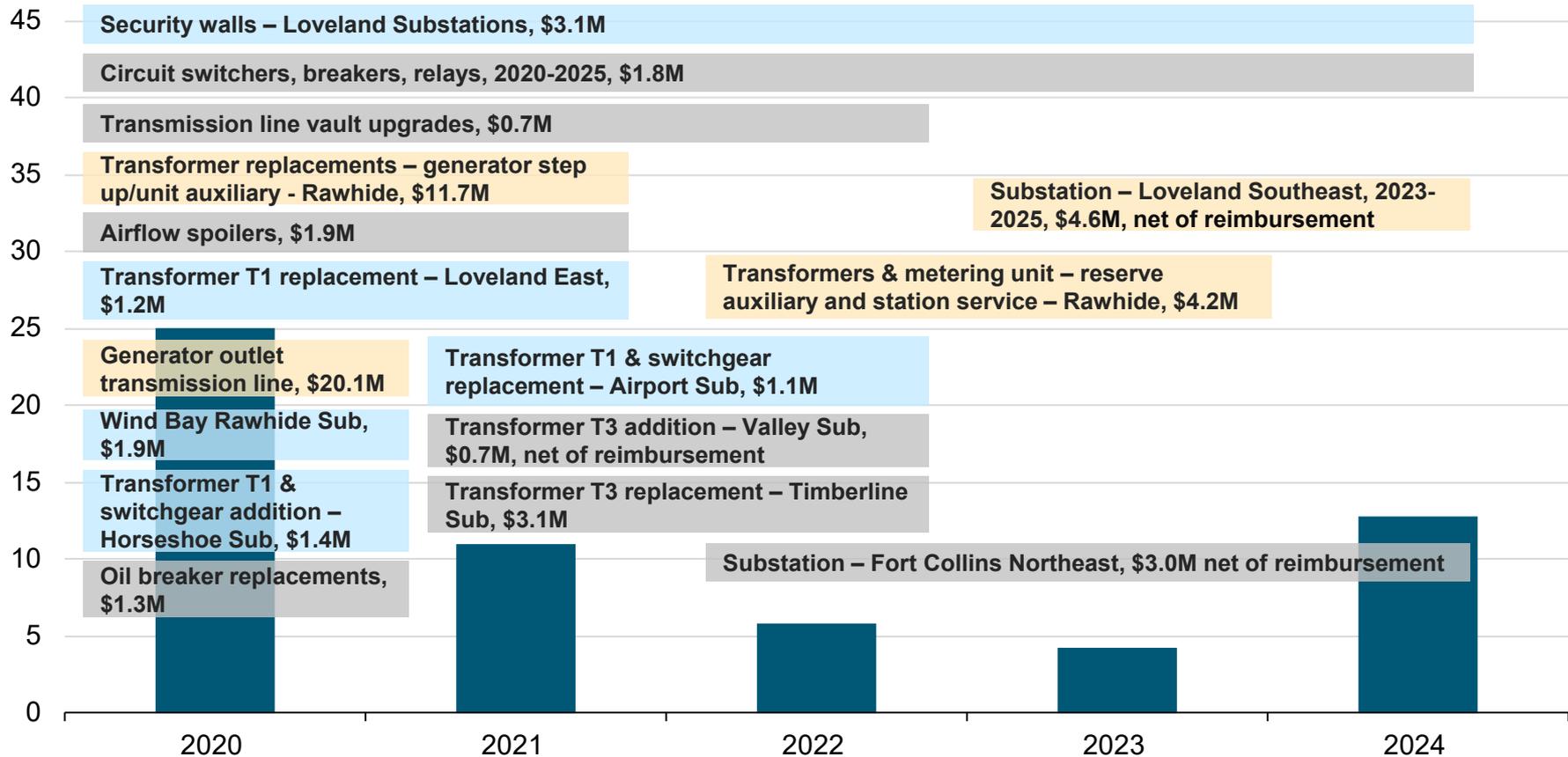
Capital five-year forecast

Transmission additions: \$58.9 million

100% reimbursable projects

Represents 69% of total

\$ millions



Amounts represent total project cost. May have had costs prior to 2020 or extend past 2024.

Proposed budget

Capital five-year forecast

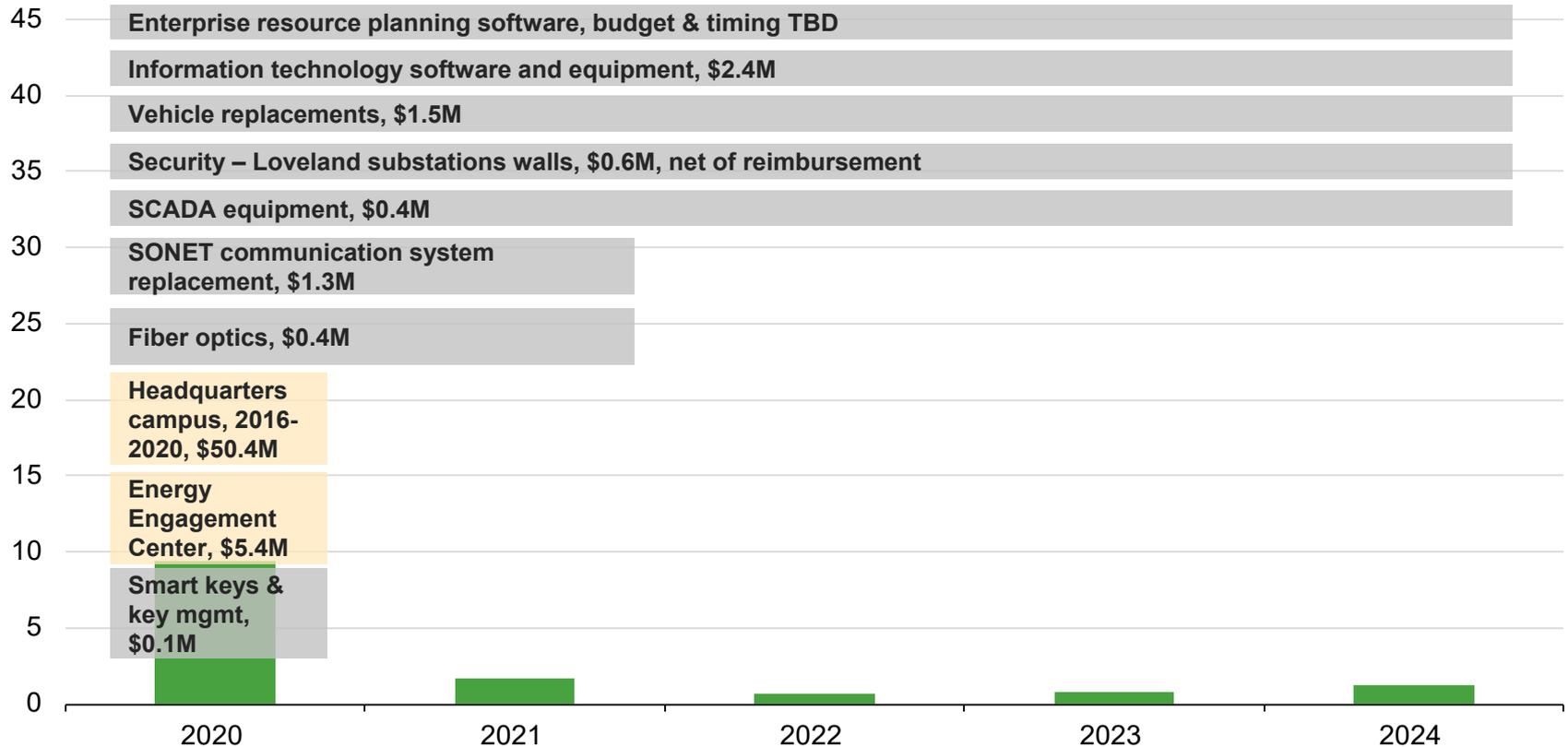
General additions: \$13.8 million

General additions include:

- Facilities upgrades
- Information technology equipment
- Communication equipment
- Vehicles

Represents 54% of total

\$ millions



Amounts represent total project cost. May have had costs prior to 2020 or extend past 2024.

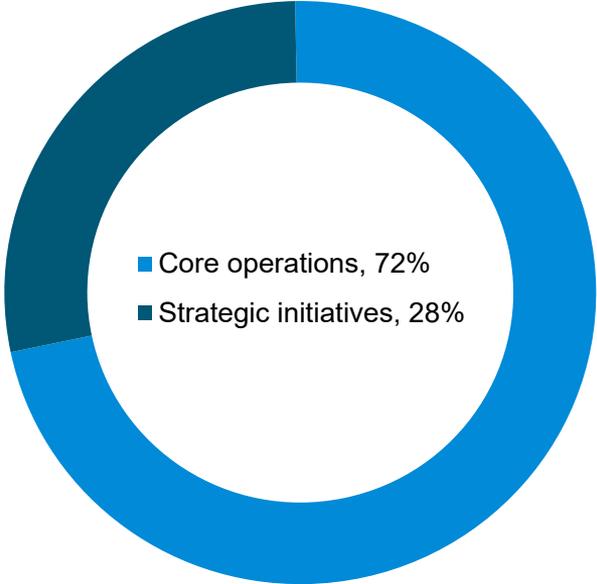
Proposed budget

Highlights – 2020 strategic budget



Operating expenses and capital additions: \$258.9 million

- **DSM** (EE, DR, DER)
- **Public engagement & communications**
- **Resource planning** (new resources and DER strategy)
- **Infrastructure advancement** (debt financing)
- **Headquarters campus and Energy Engagement Center**



- **Baseload and peaking generation, transmission**
- **PPAs for existing renewable resources & hydropower**
- **Predictive maintenance**
- **Proactive capital investments**

New rate structure, no rate increase, new long-term contract sales

2020 budget: \$308M

Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

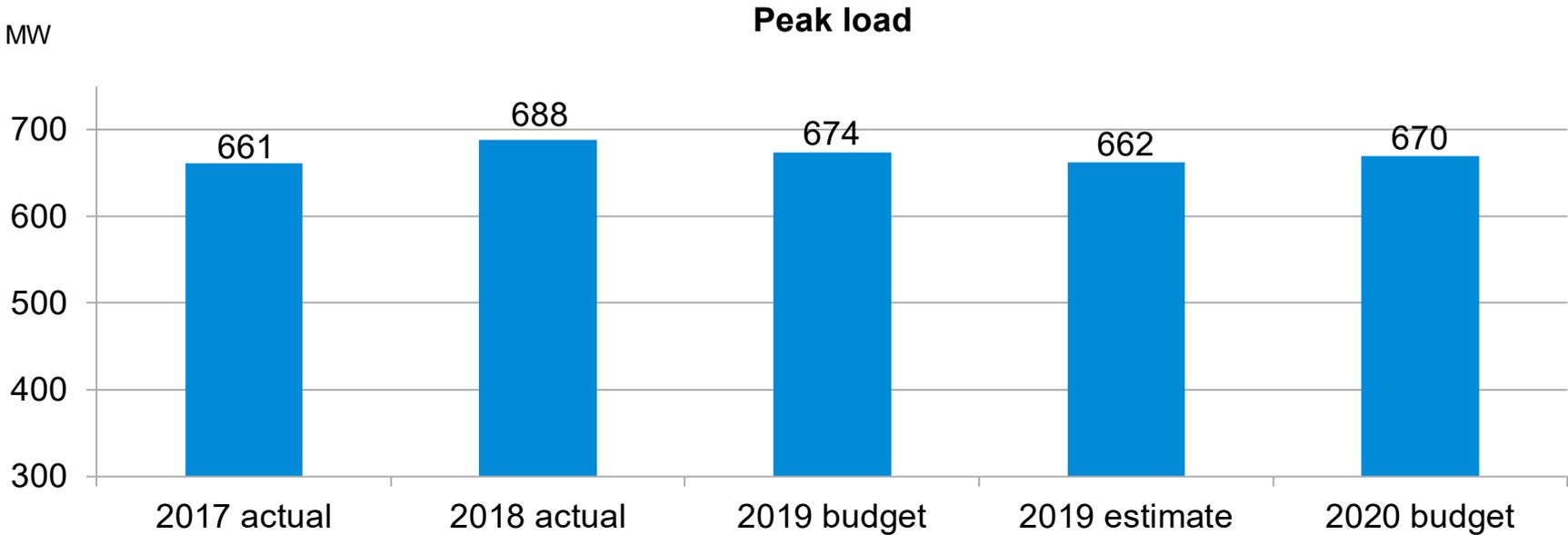


Budget details for your information

Not presented

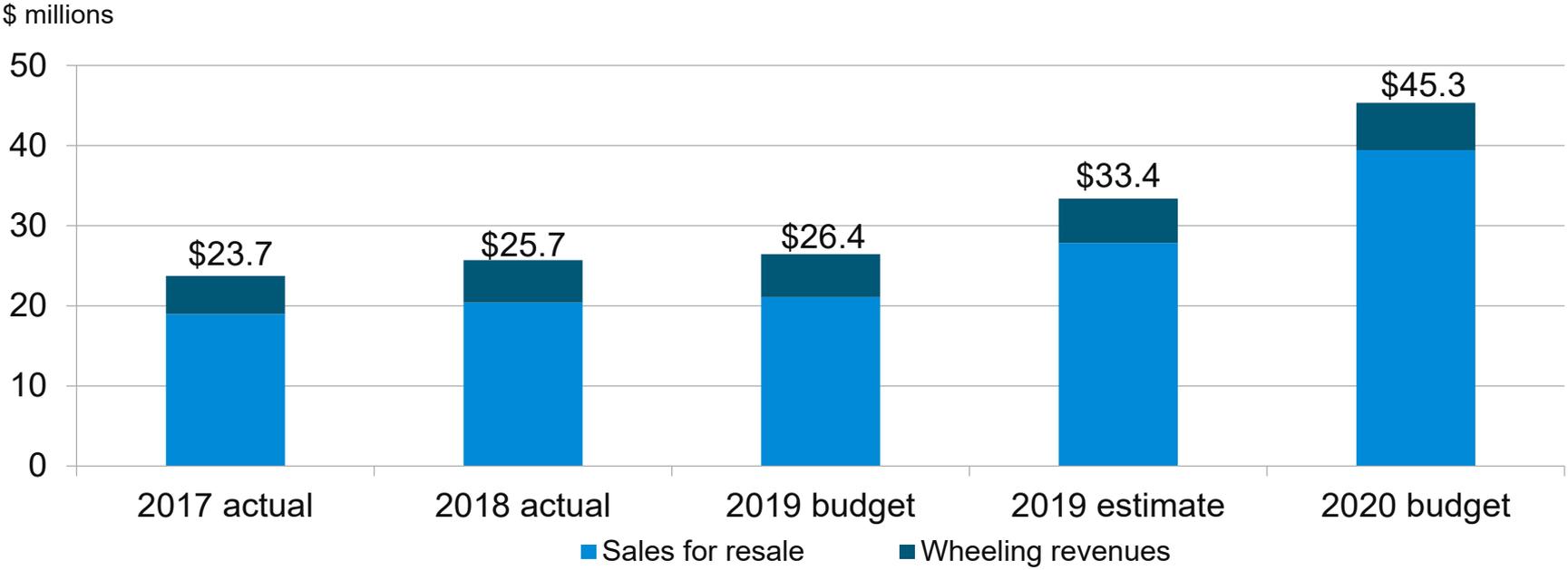
Owner communities sales

(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Owner communities revenues				New rate structure 2020, no rate increase
Owner community charge	\$ -	\$ 12.0	⬆️ \$ 12.0	
Demand	61.0	71.2	⬆️ 10.2	
Energy	139.6	115.6	⬆️ (24.0)	
Total	\$200.6	\$198.8	⬆️ \$ (1.8)	

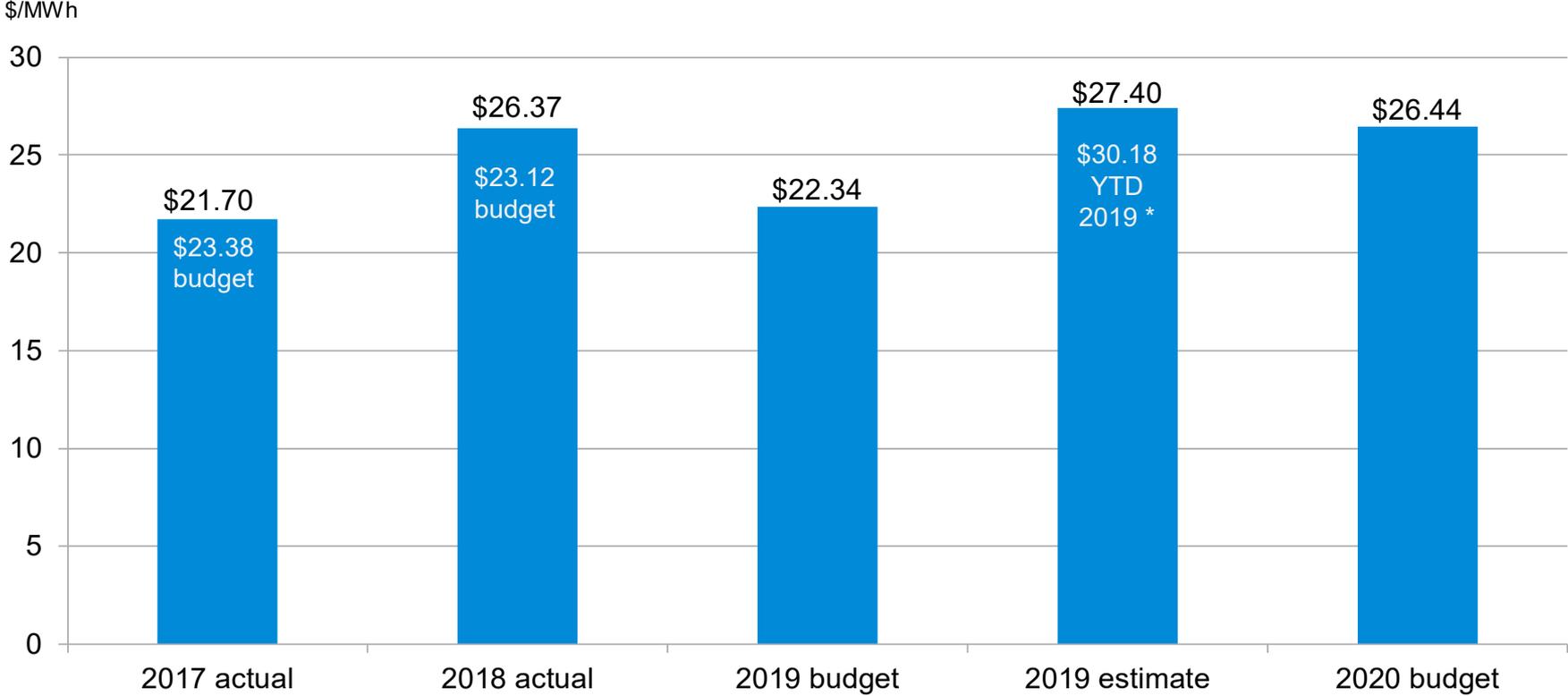


Sales for resale and wheeling

(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Sales for resale and wheeling				
Contract	\$ 0.7	\$ 14.4	⬆️ \$ 13.7	Long-term sales contracts to accommodate additional wind & solar
Short-term	20.3	25.0	⬆️ 4.7	Price increase 24% due to sales made from the combustion turbines and market data
Wheeling	5.4	5.9	⬆️ 0.5	Increase in tariff rate and third-party customer loads
Total	\$ 26.4	\$ 45.3	⬆️ \$ 18.9	



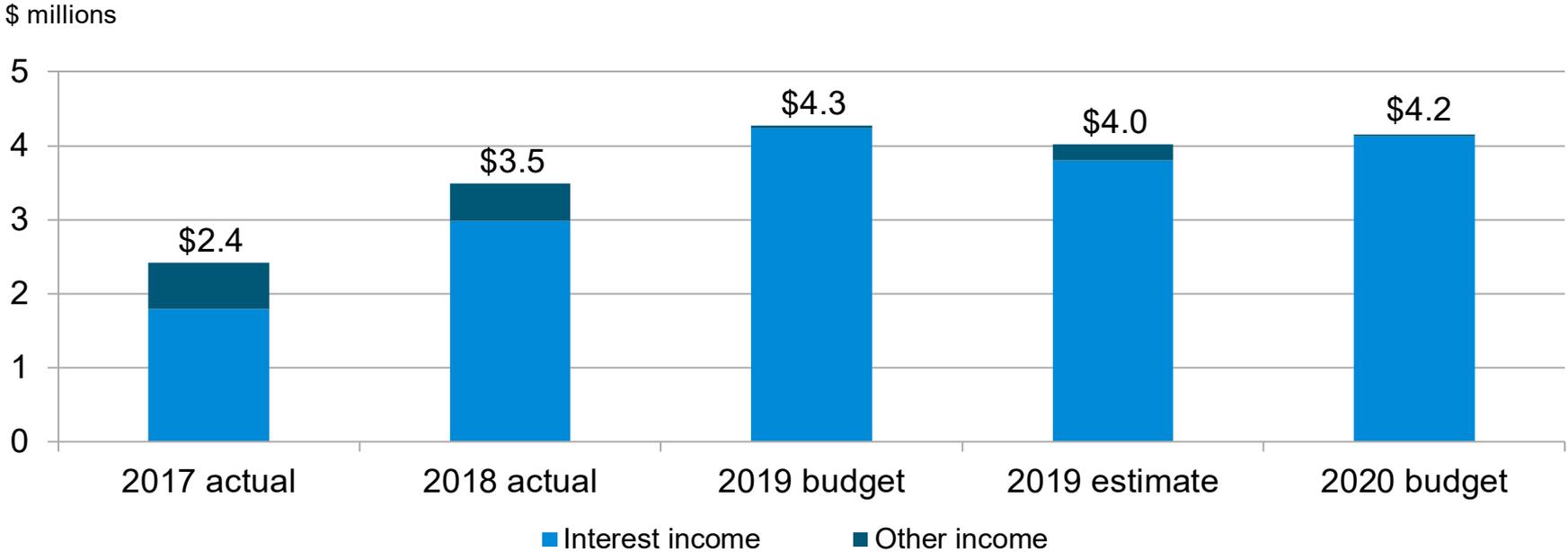
Sales for resale average prices



* Pricing was strong during the first half of 2019 due to short-term contract sales, higher temperatures and selling energy from the combustion turbines.

Other revenues

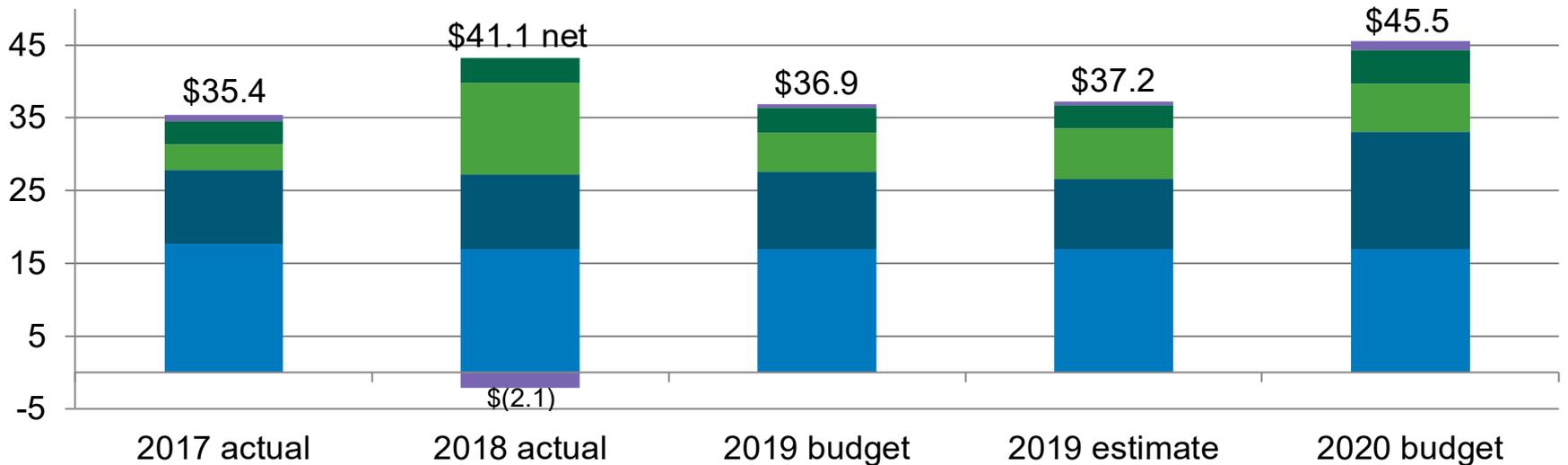
(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Other revenues				
Interest income	\$ 4.2	\$ 4.1	⬇️ \$ (0.1)	Projected decrease in cash balances
Other income	0.1	0.1		- Includes miscellaneous leases
Total	\$ 4.3	\$ 4.2	⬇️ \$ (0.1)	



Purchased power

(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Purchased power				
Hydropower	\$ 16.9	\$ 16.9	\$ -	
Wind and RECs	10.7	16.2	↑ 5.5	Additional wind resource (partial year) and contract rate escalations
Solar and battery storage	3.4	4.7	↑ 1.3	Additional solar resource (partial year)
Other purchases	5.4	6.5	↑ 1.1	Lower market prices and lower reserve purchases
Outage accrual	0.5	1.2	↑ 0.7	2021 replacement power during Rawhide Unit 1 outage increased due to available resources
Total	\$ 36.9	\$ 45.5	↑ \$ 8.6	

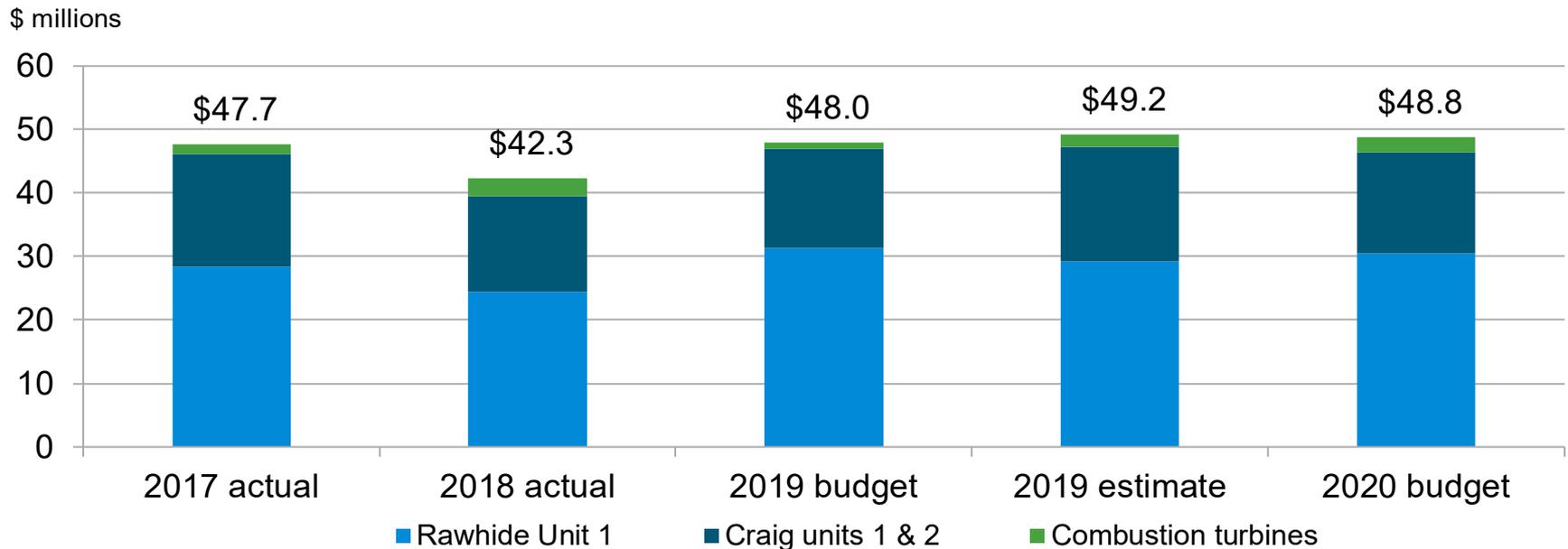
\$ millions



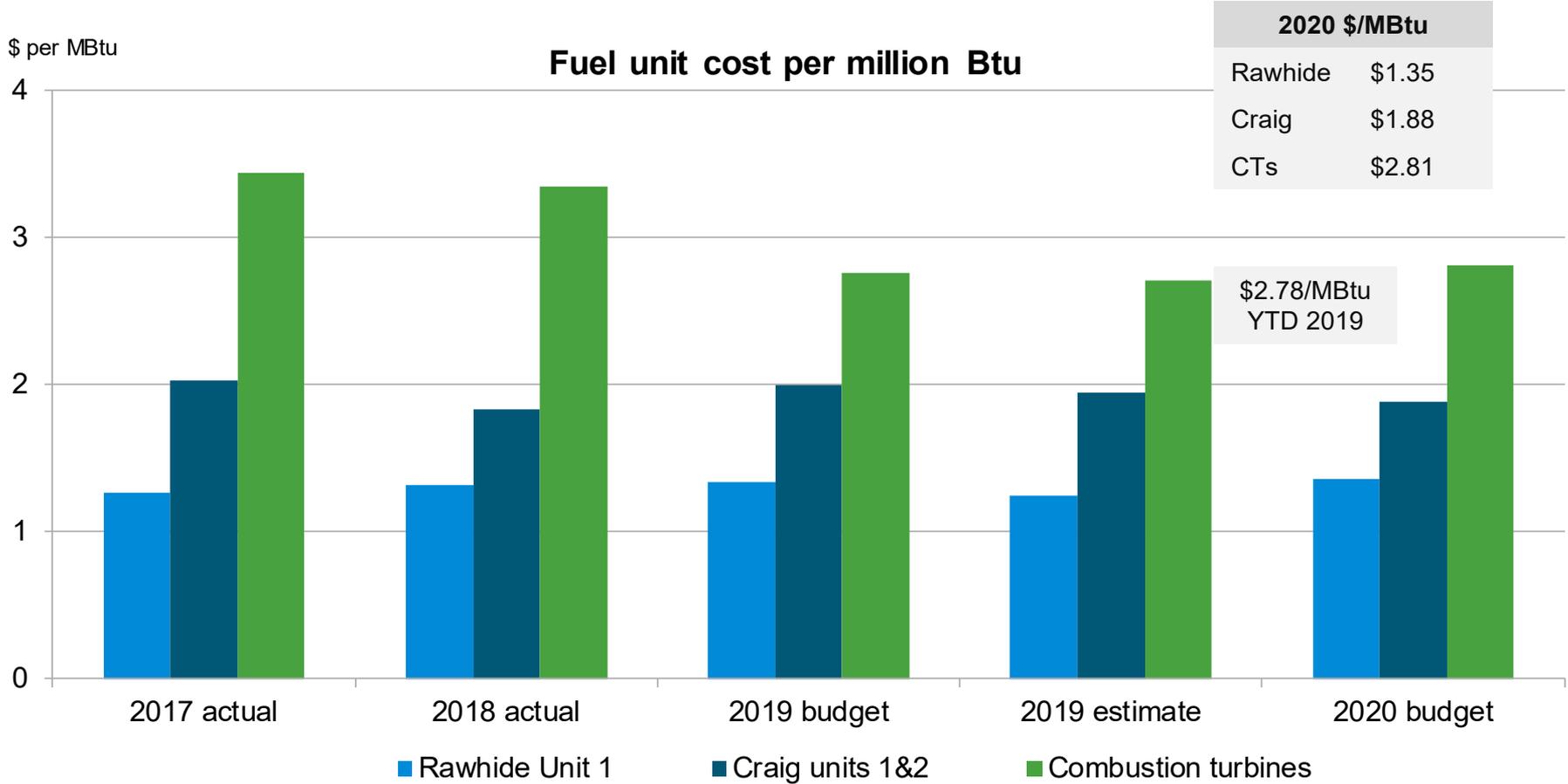
■ Hydropower ■ Wind & REC ■ Other purchases ■ Solar and battery storage ■ Outage accrual

Fuel expense

(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Fuel expense				
Rawhide Unit 1	\$ 31.4	\$ 30.4	↓ \$ (1.0)	Capacity factor of 89.3% due to generation decrease of 5% (minor outage and displaced by wind and solar), average delivered coal cost increase of 2% (price based on market)
Craig units 1 and 2	15.5	15.9	↑ 0.4	Capacity factor of 60.9% due to generation increase of 9% (2020 contract sales) partially offset by an average delivered coal cost decrease of 6%
Combustion turbines	1.1	2.5	↑ 1.4	Generation increase 139% (model projections & plan to make sales), natural gas price increase of 2%
Total	\$ 48.0	\$ 48.8	↑ \$ 0.8	

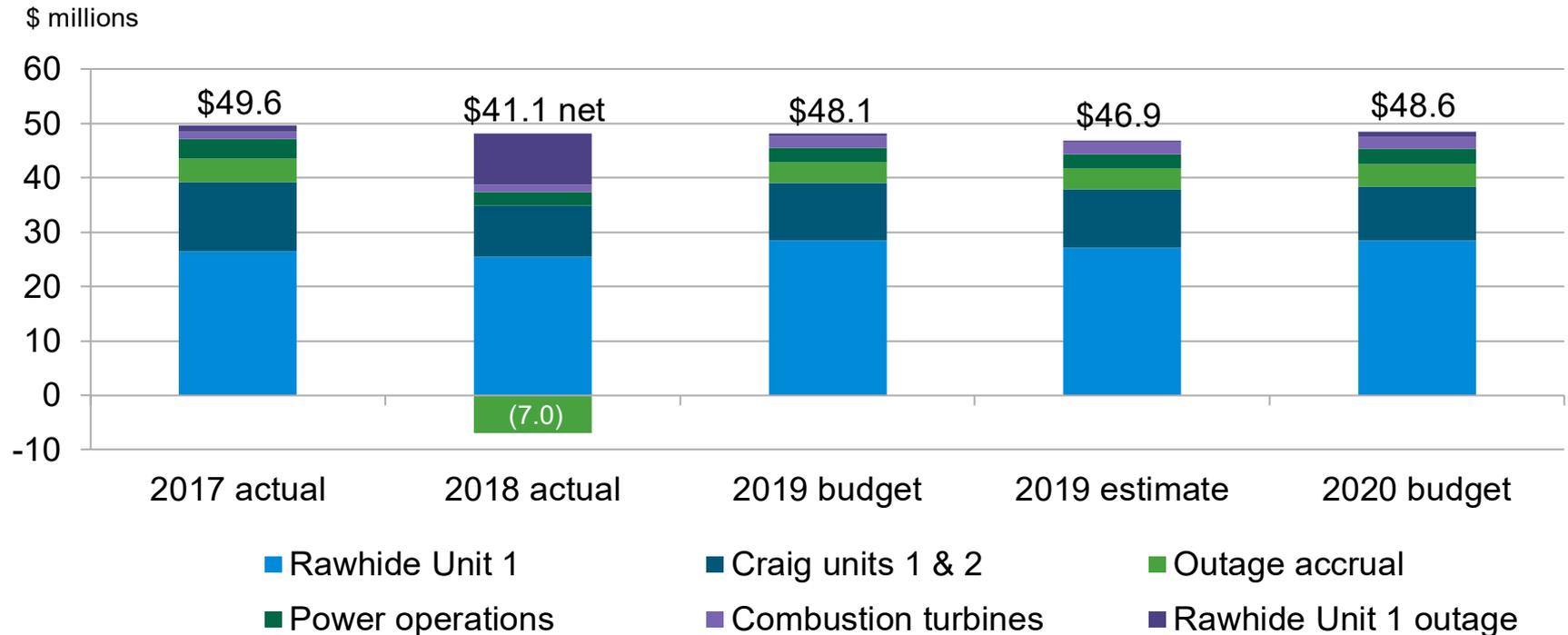


Fuel expense



Production expenses

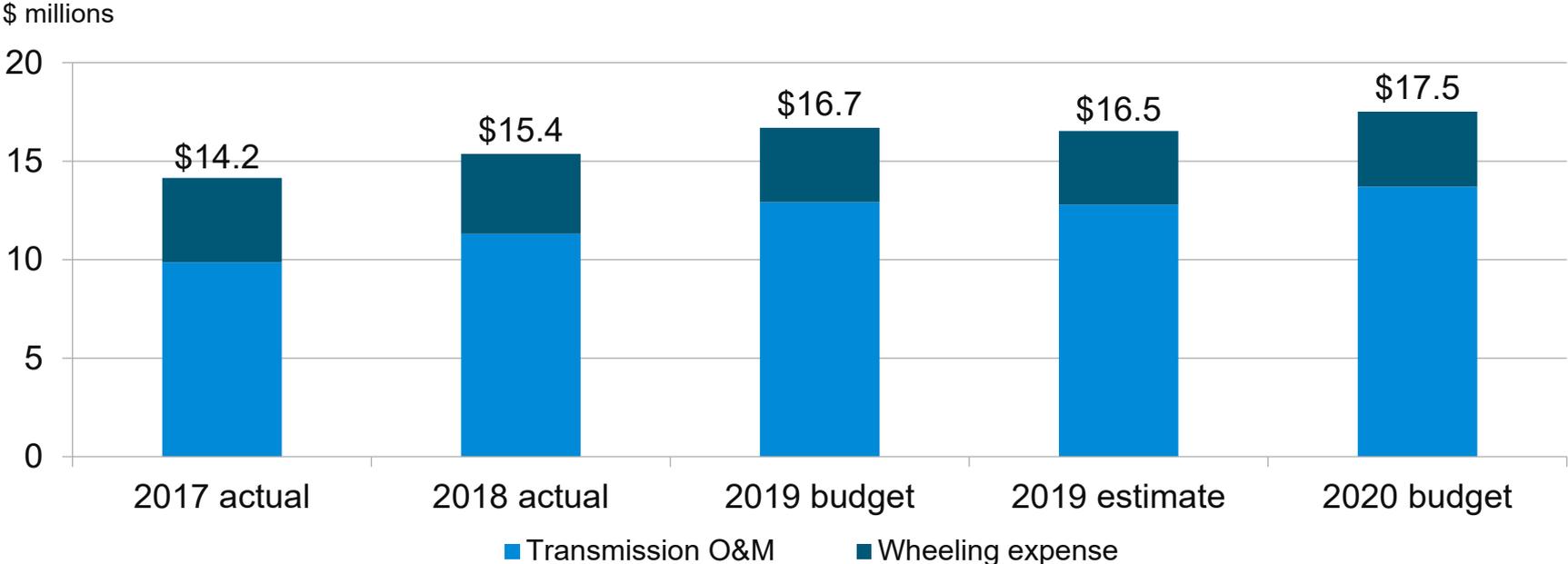
(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Production expenses				
Rawhide	\$ 32.8	\$ 33.7	⬆️ \$ 0.9	Increases in personnel expenses (benefits), minor outage, outage accrual, offset by decreases in nonroutine, chemicals and screen outage expenses Decreased due to review of expenses partially offset by Craig Unit 2 outage expenses
Craig units 1 and 2	10.5	9.9	⬇️ (0.6)	
Combustion turbines	2.2	2.1	⬇️ (0.1)	
Power operations	2.6	2.9	⬆️ 0.3	
Total	\$ 48.1	\$ 48.6	⬆️ \$ 0.5	



Transmission expenses

New position:
Power system operator trainee

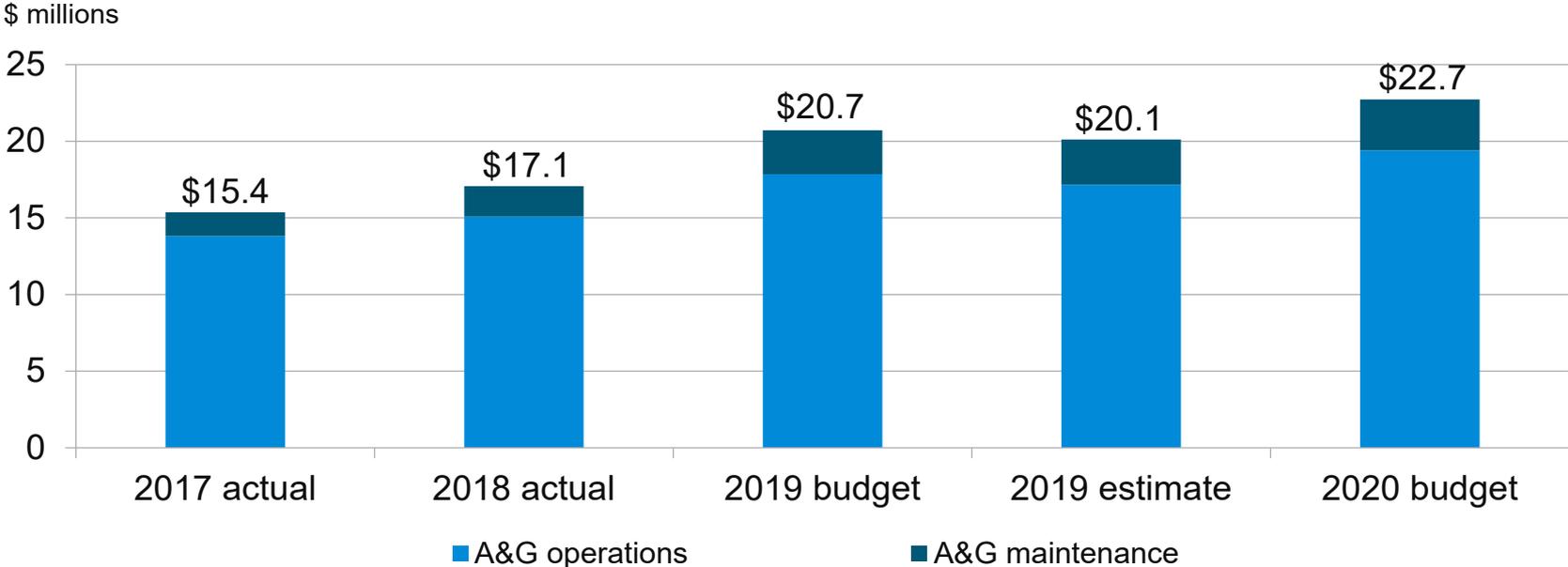
(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Transmission expenses				
Transmission	\$ 12.9	\$ 13.7	⬆️ \$ 0.8	Increases in personnel expenses for new position and benefits, (personnel also fluctuates with capital projects), an increase in joint facilities vegetation management partially offset by a decrease in nonroutine expenses
Wheeling	3.8	3.8	-	
Total	\$ 16.7	\$ 17.5	⬆️ \$ 0.8	



A&G expenses

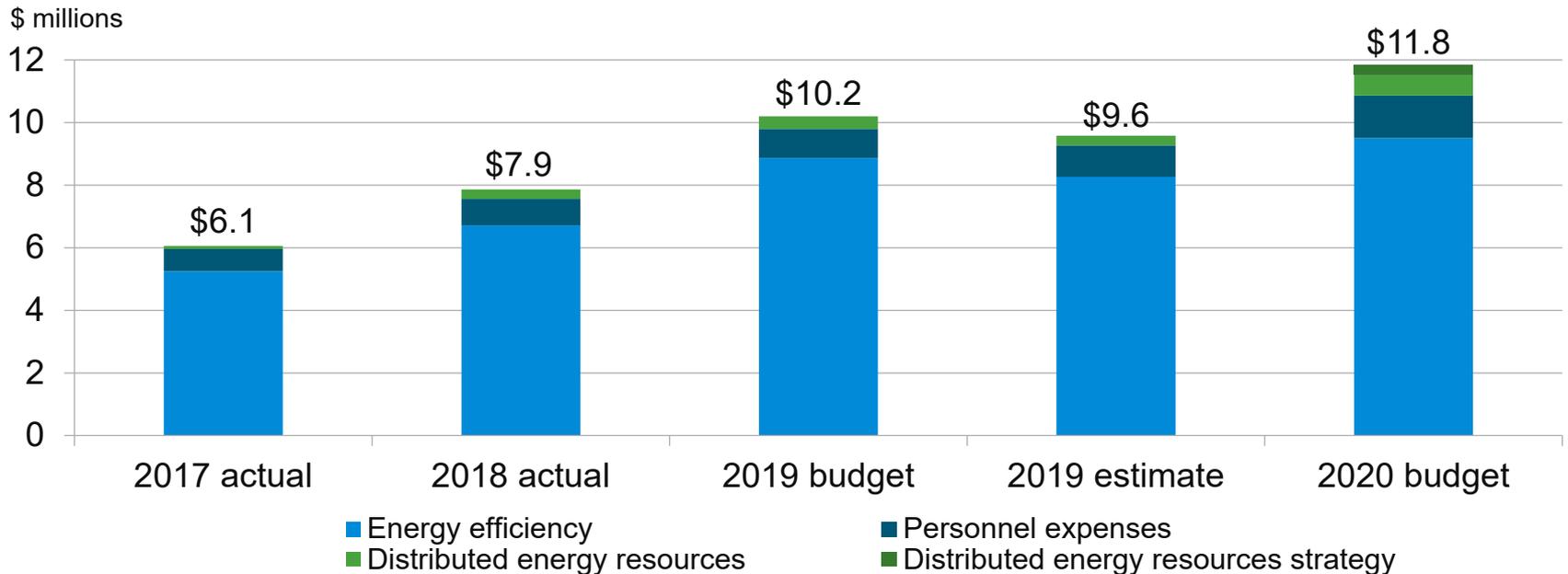
- New positions in areas of:
- Information technology (2)
 - Communications and marketing

(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Administrative and general				
Operations	\$ 17.8	\$ 19.4	⬆️ \$ 1.6	Personnel expenses for new positions and benefits, IT investments and cybersecurity insurance
Maintenance	2.9	3.3	⬆️ 0.4	IT investments
Total	\$ 20.7	\$ 22.7	⬆️ \$ 2.0	



Demand-side management

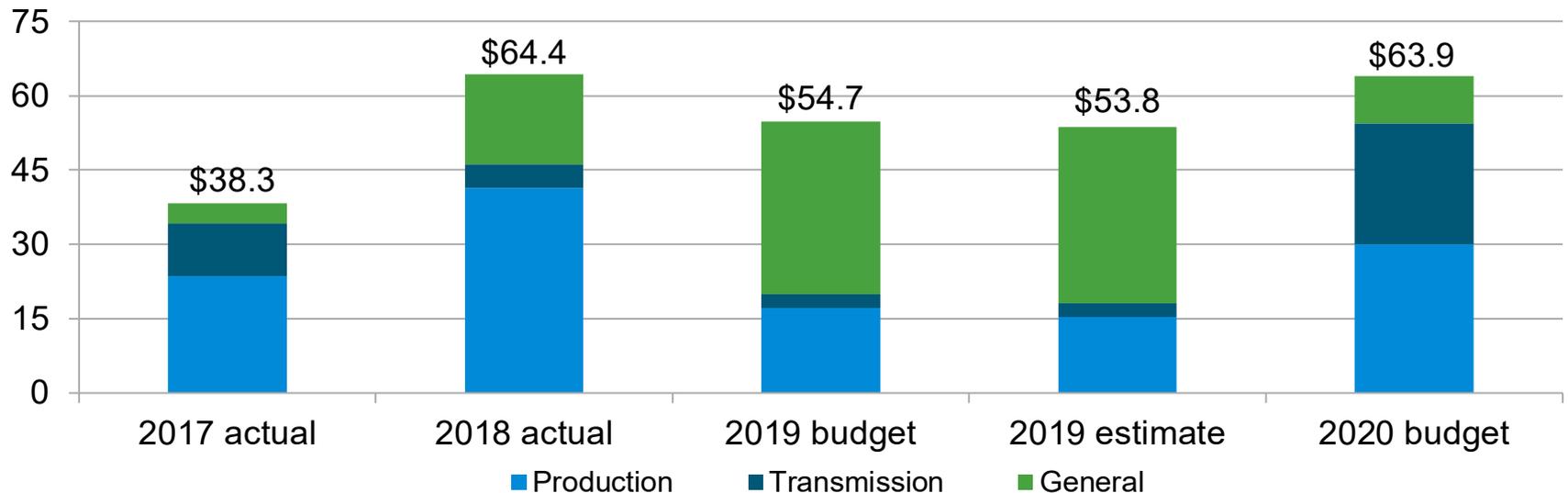
(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Demand-side management				
Personnel expenses	\$ 0.9	\$ 1.3	⬆️ \$ 0.4	Reallocation of staff, salary adjustments and benefits
Distributed energy resources strategy	-	0.3	⬆️ 0.3	Collaboration with the owner communities
Energy efficiency	8.9	9.5	⬆️ 0.6	Expansion of business and consumer product offerings
Distributed energy resources	0.4	0.7	⬆️ 0.3	Electric vehicles and smart thermostat programs
Total	\$ 10.2	\$ 11.8	⬆️ \$ 1.6	



Capital additions

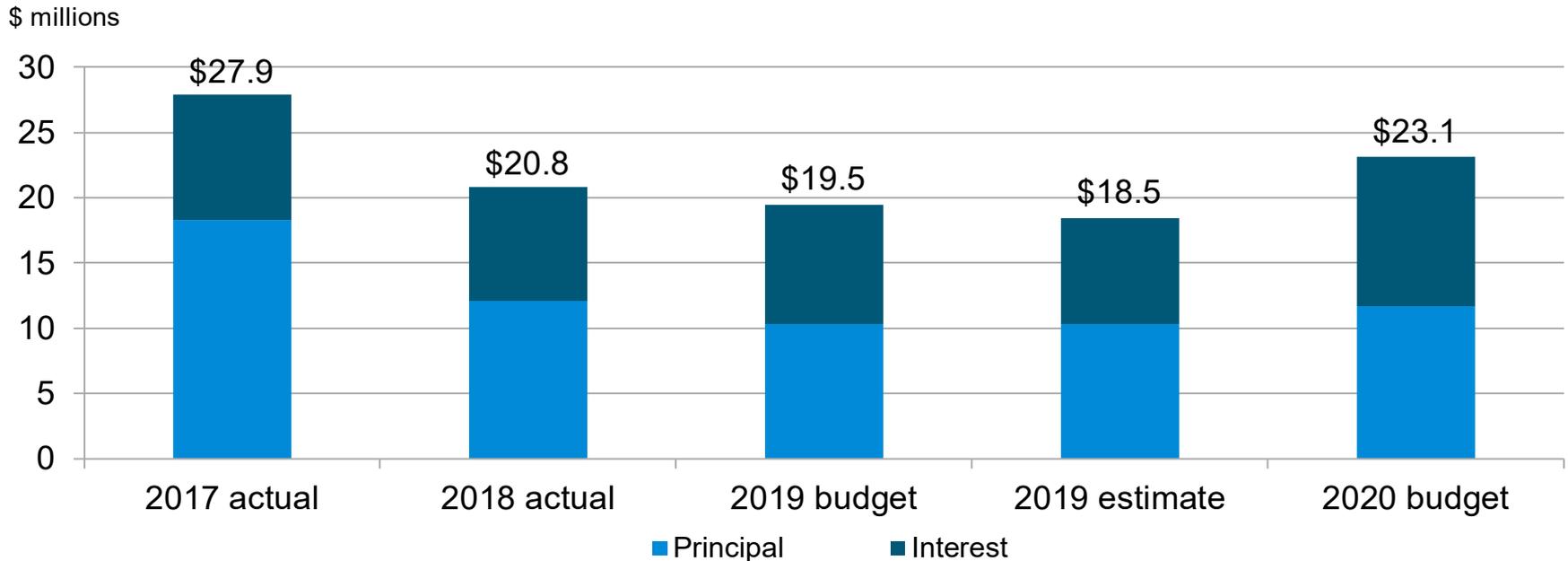
(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Projects
Capital additions				
Production	\$ 17.1	\$ 30.1	⬆️ \$ 13.0	Windy Gap Firming Project, Rawhide outage projects, monofill upgrades, fire protection on combustion turbines, controls upgrade, Craig units 1 and 2 projects
Transmission	2.7	24.4	⬆️ 21.7	Generator outlet transmission line, circuit switchers, airflow spoilers, oil breaker replacements, generator step up and unit auxiliary transformers
General	34.9	9.4	⬆️ (25.5)	Headquarters campus, Energy Engagement Center, SONET equipment replacement, IT cybersecurity projects, fiber, vehicle and equipment replacements
Total	\$ 54.7	\$ 63.9	⬆️ \$ 9.2	

\$ millions



Debt service expenditures

(\$ millions)	2019 budget	2020 budget	Increase (decrease)	Explanation
Debt service expenditures				Series KK debt issuance planned for \$100 million to fund the Windy Gap Firing Project
Principal	\$ 10.4	\$ 11.7	⬆️ \$ 1.3	
Interest	9.1	11.4	⬆️ 2.3	
Total	\$ 19.5	\$ 23.1	⬆️ \$ 3.6	Based on scheduled debt service payments and Series KK (new) included for \$4.9M





Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

September 26, 2019

Financial summary

Category	August variance from budget (\$ in millions)	Year to date variance from budget (\$ in millions)
Net income	\$1.4 ●	\$9.7 ●
Fixed obligation charge coverage	.71x ●	.67x ●
Revenues	\$0.9 ●	\$0.3 ◆
Operating expenses	\$0.1 ◆	\$7.6 ●
Capital additions	\$0.1 ●	\$7.7 ●

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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

September 26, 2019

August operational results

Category	August variance		YTD variance	
Municipal demand	1.0%	◆	(4.1%)	■
Municipal energy	4.1%	●	(2.1%)	■
Baseload generation	(8.7%)	■	(10.0%)	■
Wind generation	(6.4%)	■	(9.5%)	■
Solar generation	10.7%	●	(7.2%)	■
Surplus sales volume	(23.2%)	■	(9.3%)	■
Surplus sales price	47.3%	●	34.4%	●
Dispatch cost	2.9%	■	(0.3%)	◆

Variance key: Favorable: ● >2% | Near budget: ◆ +/- 2% | Unfavorable: ■ <-2%





Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

September 26, 2019