



# Platte River Power Authority

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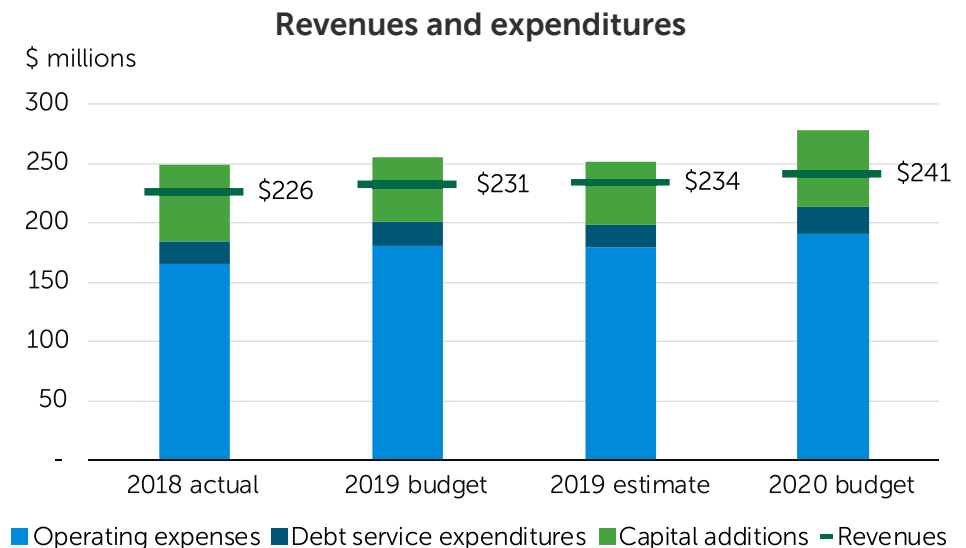
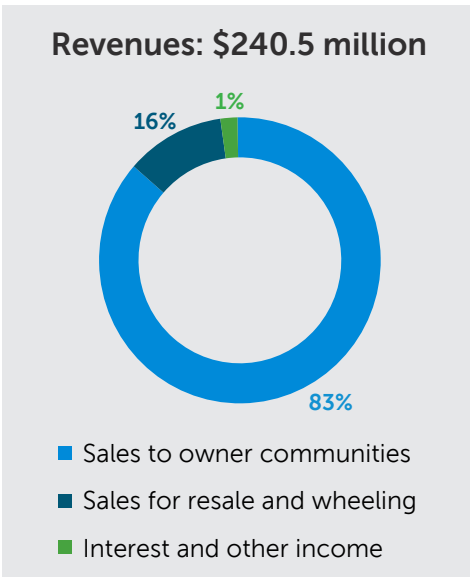
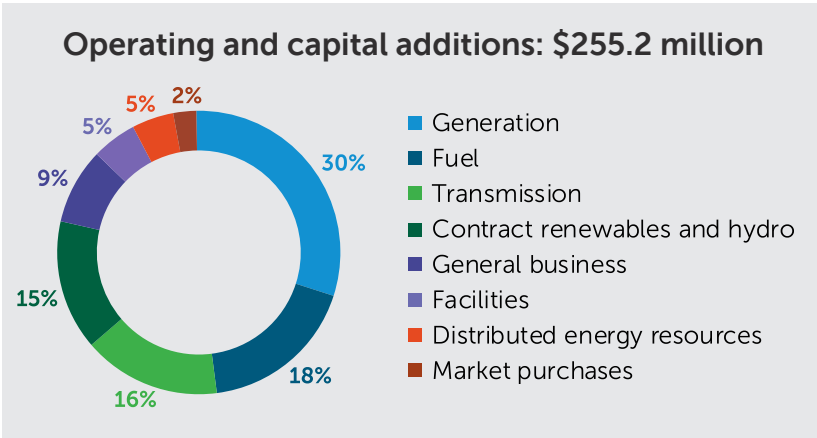
## 2020 strategic budget at a glance

The Platte River Power Authority Strategic Budget is produced in alignment with the long-range strategic plan, under the direction of the organization’s leadership to provide community leaders, stakeholders and the public with a transparent roadmap of Platte River’s tactical operational and capital plans for the coming year.

The foundation for Platte River’s 2020 budget represents ongoing investments into transforming the organization, 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 has directed the resource allocations, revenues and expenses detailed in the budget.

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 in Colorado. There will not be a rate increase in 2020 and Platte River will implement its new rate design. The new rate design provides unbundled transmission and generation rates, and transparent energy pricing information that our retail utilities can utilize to develop flexible pricing options for retail customers. More information regarding the new rate design can be found at [www.prpa.org/wholesale-rates](http://www.prpa.org/wholesale-rates).



## Core pillars

System reliability • Environmental responsibility • Financial sustainability

### Strategic initiatives

**\$74 million**

**29% of operating and capital**

- Enhanced customer experience, \$12.8M, 5%
- Communications and community outreach, \$1.9M, 1%
- Resource diversification and alignment, \$32.2M, 13%
- Infrastructure advancement and technology development, \$27.1M, 10%

#### Activities

- Distributed energy resource strategy, energy efficiency expansion, electric vehicle charging stations, demand response and wholesale rate redesign
- Public engagement, effective internal and external communications and energy efficiency program marketing
- Integrated resource plan, wind and solar projects, battery storage, operational flexibility and energy imbalance market research
- Substation security and modifications, LED lighting, control systems, airflow spoilers, enterprise resource planning, cybersecurity, fiber optics and the Windy Gap Firing Project
- The new headquarters campus and Energy Engagement Center 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. The new facility includes a distributed solar system that will provide up to 50% of its power needs and a battery system integrated with grid operations.

### Core operations

**\$181.2 million**

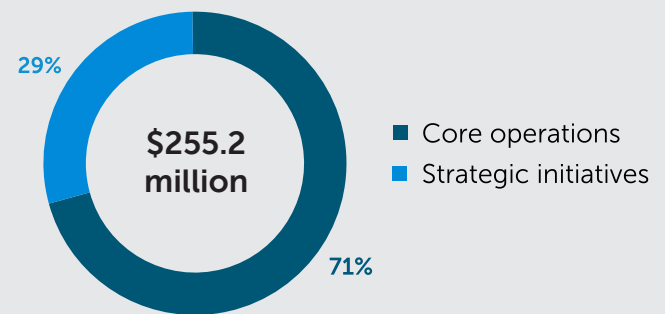
**71% of operating and capital**

- Generation including fuel, \$120M, 47%
- Transmission, \$23.2M, 9%
- Purchases including hydropower, wind and solar energy, \$38M, 15%

#### Activities

- Predictive maintenance strategies – Rawhide Unit 1, Craig Unit 2 and combustion turbine units scheduled maintenance outages and information technology investments
- Proactive capital investments – monofill upgrades, fire protection, switchgear and oil breaker replacements, transformer upgrades and SONET replacement
- Staffing additions are included to support the changing environment and focus on strategic initiatives. Increased requirements are associated with communications and marketing, information technology and transmission.

### Operating expenses and capital additions:



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Visit our website  
[www.prpa.org](http://www.prpa.org)

Email us at  
[communications@prpa.org](mailto:communications@prpa.org)

Call  
(970) 226.4000