



Roundhouse Wind Energy Center
Photo credit: Pete Arnold, Cheyenne, Wyo.

Year-to-date June 2020 highlights

(Comparison to same period prior year)

Financial summary

Platte River reported year-to-date operating income of \$10.7 million compared with \$12.9 million reported in 2019. Change in net position was \$10.8 million, down from \$12.9 million reported in 2019, and debt service coverage was 2.67 times compared to 2.68 times in 2019.

Operating revenues increased \$2.3 million.

- Sales to owner communities increased \$1.2 million as the new 2020 rate structure, which includes a minimum demand charge, stabilizes demand revenues in off peak months when actual demand is below budgeted projections.
- Sales for resale increased overall \$0.9 million. Long-term sales increased \$5.6 million compared to 2019 due to three new long-term contracts. This is partially offset by a decrease of \$4.7 million in short-term sales due to lower sales prices and volumes. The 2019 short-term sales results included a significant nonrecurring short-term contract sale.
- Wheeling increased \$0.2 million primarily as a result of a rate increase in the transmission tariff.

Operating expenses increased \$4.5 million.

- Depreciation and amortization increased \$1.9 million compared to 2019, representing the largest variance. The increase is due to accelerated depreciation on Craig Unit 1 for closure of the unit by 2025, additional expenses for closure of the ash ponds at Rawhide (asset retirement obligation) and depreciation for new assets.
- Purchased power expenses increased \$1.8 million primarily due to favorable pricing within the joint dispatch agreement (JDA) and additional wind generation, including energy from the new 225 MW wind project (Roundhouse Windy Energy Center), partially offset by a decrease in other supplemental purchases.
- Distributed energy resources expenses increased \$1 million due to an increase in personnel expenses and energy efficiency program expenses.
- Administrative and general expenses increased \$0.5 million due to an increase in personnel expenses and building maintenance partially offset by lower contracted services for resource planning and security.
- Partially offsetting the increases was a \$1.4 million decrease in fuel expenses as generation was replaced by lower-cost JDA purchases.

Sales statistics

	6 months ended June 30			12 months ended June 30		
	2020	2019	Change	2020	2019	Change
Owner community peak demand (kW)*	584,545	589,365	-0.8%	663,959	688,207	-3.5%
Owner community energy sales (MWh)*	1,513,402	1,513,931	0.0%	3,193,764	3,169,913	0.8%
Other energy sales (MWh)	555,055	427,592	29.8%	1,033,470	778,626	32.7%

*Demand and energy provided under community solar agreements are lagged by one month; therefore, totals will not represent actuals for the time period presented.

Resources

Rawhide Unit 1 reported a net plant capacity factor of 80.2%, up slightly from 79.5% reported in 2019. The lower capacity factor in 2019 was due to the scheduled screen outage. Craig units 1 and 2 reported a combined plant capacity factor of 35.2%, down from 50.8% reported in 2019. The primary reason the capacity factors were lower overall was because generation was replaced by lower-cost JDA purchases.

Platte River's combustion turbines were utilized to serve load, complete unit testing and make surplus sales. Wind generation increased as a result of higher wind speeds and the 225 MW Roundhouse Wind Energy Center coming online in June 2020. Solar generation was higher in 2020 due to fewer maintenance issues compared to 2019. JDA purchases increased as a result of favorable pricing. Other purchases were higher in 2019 to replace generation during Rawhide Unit 1's planned screen outage, low load testing and forced outages.

6 months ended June 30							
MWh	2020	2019	Change	MWh	2020	2019	Change
Rawhide Unit 1	980,695	966,377	1.5%	Wind	204,640	138,023	48.3%
Craig units 1 and 2	232,089	333,283	-30.4%	Solar	31,384	29,391	6.8%
Combustion turbines	14,287	4,322	230.6%	JDA purchases	328,930	163,275	101.5%
Hydropower	299,627	299,627	0.0%	Other purchases	12,788	41,067	-68.9%

Condensed statements of net position

Unaudited

	(In thousands)	
	June 30	
	2020	2019
Assets		
Electric utility plant, net	\$ 584,071	\$ 574,487
Special funds and investments	105,876	113,384
Current assets	129,803	107,374
Noncurrent assets	14,712	11,049
Total assets	<u>834,462</u>	<u>806,294</u>
Deferred outflows of resources	31,137	40,573
Liabilities		
Noncurrent liabilities	222,099	242,750
Current liabilities	30,828	27,288
Total liabilities	<u>252,927</u>	<u>270,038</u>
Deferred inflows of resources	8,240	3,823
Net position	<u>\$ 604,432</u>	<u>\$ 573,006</u>

Note: Certain prior year line items have changed due to the restatement of 2018 financial statements.

Condensed statements of revenues, expenses and changes in net position

Unaudited

	(In thousands)			
	6 months ended		12 months ended	
	June 30		June 30	
	2020	2019	2020	2019
Operating revenues				
Sales to owner communities	\$ 92,944	\$ 91,788	\$ 199,130	\$ 193,960
Sales for resale and other	15,909	14,771	32,350	29,093
Total operating revenues	<u>108,853</u>	106,559	<u>231,480</u>	223,053
Operating expenses				
Operations and maintenance	86,259	83,611	175,789	166,275
Depreciation and amortization	11,917	10,049	23,678	22,725
Total operating expenses	<u>98,176</u>	93,660	<u>199,467</u>	189,000
Operating income	<u>10,677</u>	12,899	<u>32,013</u>	34,053
Nonoperating revenues (expenses)				
Interest and other income	1,670	2,061	3,669	4,010
Interest expense, net	(2,891)	(3,073)	(5,781)	(5,697)
Net increase in fair value of investments	1,374	1,060	1,525	1,511
Total nonoperating revenues and expenses	<u>153</u>	48	<u>(587)</u>	(176)
Change in net position	<u>\$ 10,830</u>	<u>\$ 12,947</u>	<u>\$ 31,426</u>	<u>\$ 33,877</u>

Note: Certain prior year line items have changed due to the restatement of 2018 financial statements.