



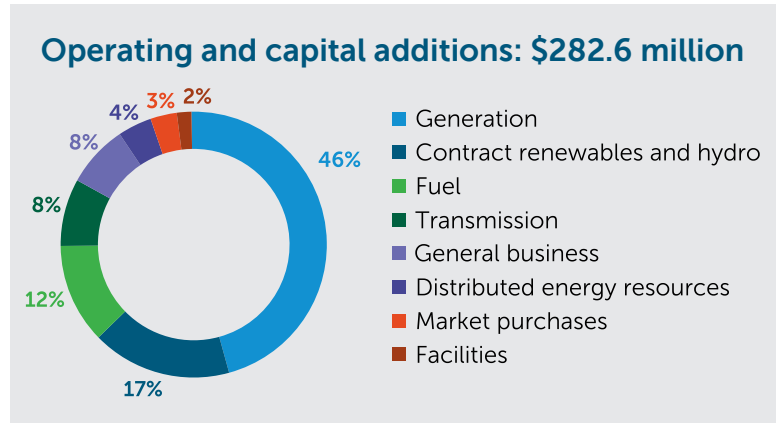
Platte River Power Authority

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2021 strategic budget at a glance

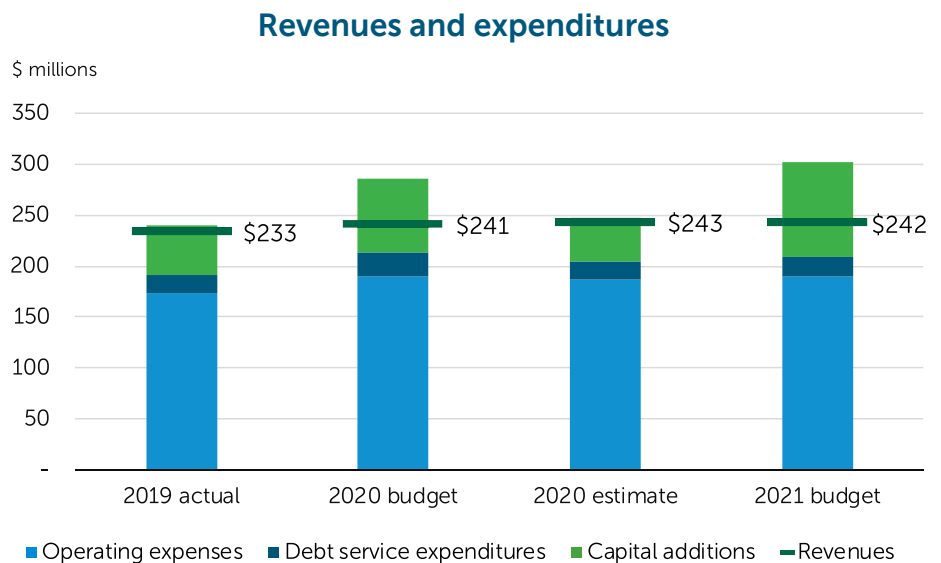
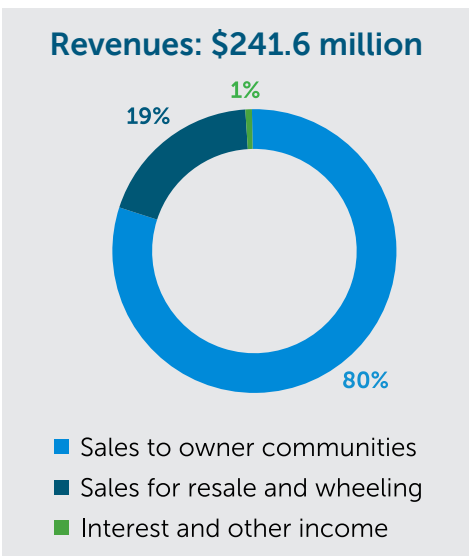
The Platte River Power Authority Strategic Budget is produced in alignment with the long-range strategic plan, under the direction of the organization’s leadership, to provide community leaders, stakeholders and the public with a transparent roadmap of Platte River’s tactical operational and capital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

The foundation for Platte River’s 2021 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 that 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. In response to the COVID-19 pandemic, Platte River lowered owner community load forecasts by 3.9%, obtained \$3.7 million of new surplus sales contracts, reduced operation expenses by at least \$1.2 million and canceled or delayed capital projects of \$12.1 million. Additional efforts include suspension of a salary market adjustment and delaying the selection and implementation of an enterprise resource planning software.

Platte River provides stable and competitive wholesale rates - currently the lowest in Colorado - and will continue with its plan to implement incremental increases to its owner communities to provide a more predictable path of smaller, more consistent annual rate increases while supporting financial sustainability in response to the COVID-19 pandemic. A 1.5% rate increase is included in the 2021 budget and will take effect Jan. 1, 2021. Absent the COVID-19 pandemic, the recommended increase would have been 2.7%.



Platte River's core pillars



Reliability



Environmental
responsibility



Financial
sustainability

Strategic initiatives

\$104.5 million
37% of operating and capital

- Enhanced customer experience, \$13 million, 4%
- Communications and community outreach, \$1.7 million, 1%
- Resource diversification and alignment, \$10.9 million, 4%
- Infrastructure advancement and technology development, \$78.9 million, 28%

Activities

- Distributed energy resource strategy, energy efficiency, electric vehicle charging technologies and demand response
- Public engagement, effective internal and external communications, learning and development and energy efficiency program marketing
- Resource planning, noncarbon resources, energy imbalance market preparedness, operational flexibility and coal inventory optimization
- Substation security and modifications, airflow spoilers, real-time contingency analysis, combustion turbine upgrades, cybersecurity and the Windy Gap Firing Project
- Construction of the Energy Engagement Center providing an easily accessible amenity to owner communities and the public

Core operations

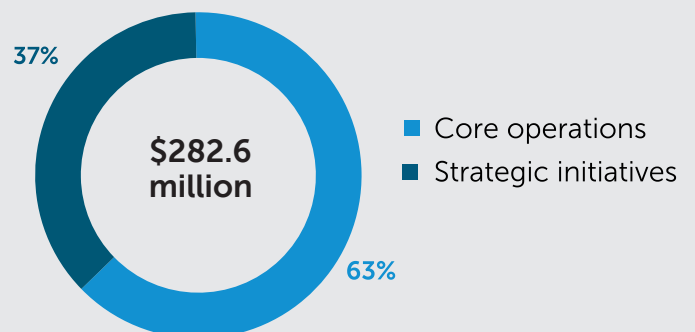
\$178.1 million
63% of operating and capital

- Generation including fuel, \$96.2 million, 34%
- Transmission, \$24.7 million, 9%
- Purchases including hydropower, wind and solar energy, \$57.2 million, 20%

Activities

- Rawhide Unit 1 seven-week scheduled maintenance outage to maintain reliability and support operational flexibility
- Full year of generation from wind and solar resources added in 2020
- Proactive capital investments including transmission line rebuild, switchgear, transformer upgrades and SONET replacement
- Staffing additions to support the changing environment and focus on strategic initiatives including increased requirements associated with the energy imbalance market

Operating expenses and capital additions



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