



Platte River Power Authority

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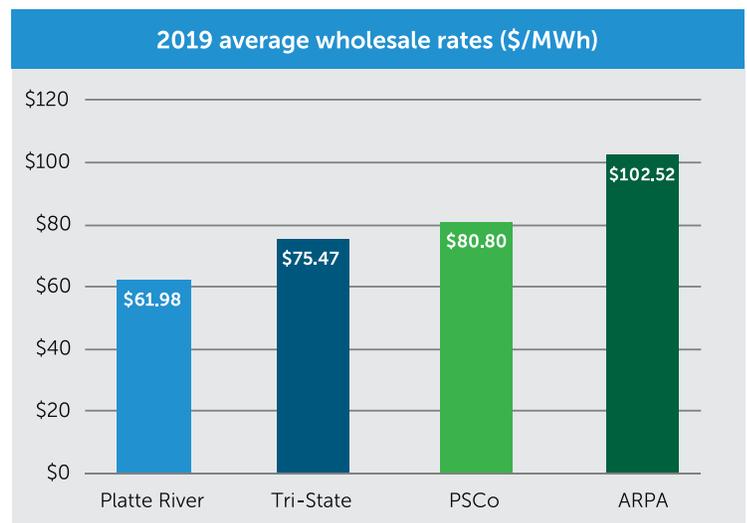
2021 wholesale rates at a glance

In 2021, Platte River will raise average wholesale rates 1.5%; there was no average wholesale rate increase in 2020. To provide financial relief due to the COVID-19 pandemic, Platte River entered into new short-term and long-term capacity and energy sales contracts and reduced expenses. To lessen the financial impacts of the COVID-19 pandemic for Platte River's owner communities, the rate increase is lower than the annual 2.7% increase projected to fully resume a smooth rate trajectory.

Rate competitiveness

The direction provided by Platte River's Board of Directors and the strategic financial plan have positioned Platte River to offer highly competitive rates. Average wholesale rates for energy provided to Platte River's owner communities for like service are the lowest in Colorado.

- With rate smoothing beyond 2021, Platte River projects 3% annual increases through 2026 followed by 1.7% annual increases through 2030
- Platte River's average wholesale rate is 18% lower than the next lowest regional provider



Achieving Platte River's core pillars



Reliability



Environmental
responsibility



Financial
sustainability

Reliability

Platte River's predictive maintenance strategies and proactive capital investments provide long-term system benefits and efficiencies. Rates will fund continued portfolio diversification, general infrastructure investment, general inflationary expenses and market based assumptions.

Platte River is committed to:

- Diversifying its generation portfolio by expanding distributed energy resources and noncarbon generating resources
- Continuing to invest in its generation and transmission assets to maintain system reliability, improve efficiency and to meet regulatory requirements
- Planning for the exit from coal-based generation by 2030
- Maintaining its AA credit rating and financial sustainability by generating financial reserves to reduce the need for debt to fund capital investments
- Managing costs, providing long-term financial sustainability and maintaining competitive rates

Environmental responsibility

- The legacy tariff 'premium intermittent (renewable) energy charge' will be eliminated in 2021 allocating the former premium energy equitably among owner communities
- The 2021 intermittent energy charge will decline 25.1% due to the addition of the new Roundhouse Wind Energy Center and Rawhide Prairie Solar facilities
- Negotiations continue on largest solar purchase power agreement to date
- All intermittent energy allocated equitably among the owner communities for the first time beginning in 2021

Financial sustainability

Through Platte River Power Authority's strategic financial plan, the board of directors has provided direction for the organization to maintain long-term financial sustainability while continuing to offer stable and competitive wholesale electric rates. The board of directors implements appropriate rate increases and rate smoothing strategies that achieve strategic financial plan metrics and balance the following:

- Avoid significant single year rate hikes by smoothing rates over multiple years
- Provide greater rate predictability to aid owner communities and customers with more accurate, long-term planning

Platte River's rate setting policy balances the following goals

- Improve value added by 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 a system benefit

For more information:

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