Board of directors

May 27, 2021
Long-term rate projections

Wade Hancock, financial planning & rates manager
Long-term rate projections

- Long term rate projections whitepaper provided at the April board meeting
- 2022 individual tariff charges
  - Calculated over the next few months following the preliminary 2022 budget results
  - Presented at the August board meeting
- Seeking direction from the board today regarding a 3.2% average wholesale rate increase in 2022
## Rate setting framework

| Platte River’s three pillars | • Reliability  
|                           | • Environmental responsibility  
|                           | • Financial sustainability  
| Strategic Financial Plan | • Long-term financial sustainability  
|                           | • Manage financial risk  
|                           | • Support mission, vision and values  
|                           | • Asset and risk management  
|                           | • Rate requirements and practices  
|                           | • Financial metrics  
| Rate setting policy and rate setting reference document | • 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  

Long-term projections

Rate scenarios

- Recommendation
- Market energy price decrease 20%
- Market energy price increase 20%

10-year 2.9% average annual increase

Rate smoothing strategy

- Avoid significant single/multiple 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
## Long-term rate scenarios

<table>
<thead>
<tr>
<th>Case</th>
<th>2022</th>
<th>2026 cumulative</th>
<th>2031 cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommendation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2% (2022 - 2026), 2.9% (2027 – 2030), 1.2% (2031)</td>
<td>3.2%</td>
<td>17.7%</td>
<td>32.9%</td>
</tr>
</tbody>
</table>

### Rate sensitivities due to market prices

1. Market energy price increase 20%
   
   2.9% (2022-2026), 3.2% (2027-2030), 1.2% (2031)
   
   | 2.9% | 15.4% | 32.4% |

2. Market energy price decrease 20%
   
   4.1% (2022-2026), 1.7% (2027-2030), 1.2% (2031)
   
   | 4.1% | 22.3% | 32.4% |

August 2020 rate projections: 3.0% (2022 – 2026), 2.0% (2027 – 2030)
In October, only 2022 tariffs will be proposed for approval. The board of directors reviews tariffs and charges annually.
Rate drivers 2021 to 2031

$76.8M revenue requirement increase
32.3% rate increase

Platte River Power Authority
# Rate drivers 2021 to 2031

<table>
<thead>
<tr>
<th>Category</th>
<th>Activity</th>
<th>$ Change (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rate relief</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>Coal-fired resource retirements</td>
<td>$(25.1)</td>
</tr>
<tr>
<td></td>
<td>Offset by increased combustion turbine generation and inflation</td>
<td></td>
</tr>
<tr>
<td>Owner community sales</td>
<td>Load growth</td>
<td>$(24.2)</td>
</tr>
<tr>
<td>Production O&amp;M</td>
<td>Coal-fired resource retirements</td>
<td>$(24.1)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>Debt maturities</td>
<td>$(5.3)</td>
</tr>
<tr>
<td>Interest income</td>
<td>Rate of return</td>
<td>$(3.8)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>Coal-fired resource retirements</td>
<td>$(2.0)</td>
</tr>
<tr>
<td><strong>Rate pressure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased power</td>
<td>Non-firm purchases replace coal-fired energy</td>
<td>$90.3</td>
</tr>
<tr>
<td></td>
<td>Wind and solar PPA, battery storage</td>
<td></td>
</tr>
<tr>
<td>Surplus sales</td>
<td>Short-term sales prices and volumes, expiring contracts</td>
<td>$34.8</td>
</tr>
<tr>
<td>Transmission O&amp;M</td>
<td>Ancillary services and inflation</td>
<td>$15.7</td>
</tr>
<tr>
<td>A&amp;G</td>
<td>Inflation and staffing</td>
<td>$11.7</td>
</tr>
<tr>
<td>Other pressure</td>
<td>DER investment expansion, emissions</td>
<td>$8.8</td>
</tr>
</tbody>
</table>
Modeling uncertainties

Potential modeling assumptions changes include, but are not limited to the following:

- Capital forecast
- Coal inventory sales
- Commodity prices
- Decommissioning
- DER strategy
- Emissions expense
- Generation resource additions
- IRP
- Load forecast
- Organized energy markets
- Pandemic/COVID-19
- Resource diversification policy
- Staffing additions
- Surplus sales
2019 wholesale rate comparison ($/MWh)

- Platte River's average wholesale rate is 18% lower than the next lowest regional provider
- CAMU January 2021 retail rate surveys indicate Platte River’s wholesale rates allow the owner communities the opportunity to offer competitive rates
## 2020 rate restructure: Key takeaways

<table>
<thead>
<tr>
<th><strong>Flexibility</strong></th>
<th>Flexibility to adapt and integrate cost structure changes including the Roundhouse Renewable Energy Project and Rawhide Prairie Solar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>System benefit</strong></td>
<td>Minimum billing demand emphasizes the efficient use of infrastructure to maximize short-term and long-term marginal cost savings</td>
</tr>
<tr>
<td><strong>Revenue stability</strong></td>
<td>Minimum billing demand stabilizes revenue. Demand loads in 2020 varied from budget 3.5%, demand revenues varied 0.4%</td>
</tr>
<tr>
<td><strong>Incentives high load factor</strong></td>
<td>Direct correlation among the owner communities between efficient load factors and lower average rates</td>
</tr>
<tr>
<td><strong>Transparency</strong></td>
<td>Unbundled energy charges for dispatchable fixed and variable costs, as well as dispatchable and intermittent (wind and solar) variable costs increase transparency and allow for greater pricing flexibility at retail</td>
</tr>
<tr>
<td><strong>Forecast and performance correlation</strong></td>
<td>Forecasting and performance of intermittent energy is more highly correlated to budget accuracy than in the past since rates are established on budget results</td>
</tr>
</tbody>
</table>
### Schedule

<table>
<thead>
<tr>
<th>Proposed</th>
<th>2021</th>
<th>Current</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term rate projections</td>
<td>Apr</td>
<td>✓ Whitepaper</td>
<td>• Average annual rate increases with multi-year rate smoothing through 2031 to achieve SFP criteria.</td>
</tr>
<tr>
<td></td>
<td>May</td>
<td>Presentation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aug</td>
<td>Whitepaper update</td>
<td></td>
</tr>
<tr>
<td>2022 tariffs</td>
<td>May</td>
<td>Wholesale Transmission Service adoption</td>
<td>• No owner community impact</td>
</tr>
<tr>
<td></td>
<td>Aug</td>
<td>Presentation and memo: 2022 rate tariff charges</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sep</td>
<td>2022 rate tariff schedules (draft)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oct</td>
<td>2022 tariff approval; effective Jan. 1, 2022</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Preliminary 2022 tariff charges</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Updated 2022 tariff language and charges</td>
</tr>
</tbody>
</table>
Questions
Synopsis of state legislation

Trista Fugate, director of community and government affairs
Legislative delegation

• Senator Joann Ginal (District 14, Larimer County)
• Senator Sonya Jaquez Lewis (District 17, Boulder County)
• Senator Rob Woodward (District 15, Larimer County)
• Rep. Tracey Bernett (District 12, Boulder County)
• Rep. Andrew Boesenecker (District 53, Larimer County)
• Rep. Cathy Kipp (District 52, Larimer County)
• Rep. Mike Lynch (District 49, Larimer and Weld Counties)
• Rep. Karen McCormick (District 11, Boulder County)
• Rep. Hugh McKean (District 51, Larimer County)
73rd Colorado General Assembly

- Convened on Jan. 13
- Adjourned on Jan. 15
- Re-convened on Feb. 16
- Adjourn on May 28 or June 12*

* deadline for adjournment sine die
Key legislation
SB21-072

Public Utilities Commission Modernize Electric Transmission Infrastructure

• Requires every transmission utility in Colorado to join an organized wholesale market by Jan. 1, 2030, unless that deadline is waived or delayed by the Public Utilities Commission (PUC).
  • Amended to exempt municipally owned utilities and power authorities.

• Creates the Colorado Electric Transmission Authority as an independent special purpose authority governed by a nine-member board of directors comprised of governor and legislative leadership appointees and the director of the Colorado Energy Office or their designee.
Reduce Greenhouse Gases Increase Environmental Justice

• Directs the Air Quality Control Commission (AQCC) within the Department of Public Health and Environment to promulgate rules related to greenhouse gas (GHG) emissions reductions and GHG emissions fees.
• Requires electric utilities to submit plans to the PUC that includes GHG emission reductions.
• Creates an environmental justice ombudsperson and advisory board to promote environmental justice throughout the state.
Other bills of interest

• HB21-1052: define pumped hydroelectricity as renewable energy
  • Signed by Gov. Polis on April 22
• HB21-1266: environmental justice disproportionate impacted community
• HB21-1269: PUC study of community choice energy
• HB21-1290: additional funding for just transition
• SB21-020: energy equipment and facility property tax valuation
  • Signed by Gov. Polis on April 22
• SB21-230: transfer to Colorado Energy Office energy fund
Legislative resources

- Capitol Solutions (Sandra Hagen Solin)
  - Colorado Association of Municipal Utilities
    - Legislative committee
  - Energy and environment council
- Colorado Chamber
  - Governmental affairs council
Questions
Joint Dispatch Agreement

Carol Ballantine, director of power supply
Agenda

- JDA background
- How JDA works
- Benefits
- Limitations
- Cost
- JDA price correlations
- Net carbon impacts
- Summary
Joint Dispatch Agreement (JDA)

Background

• Small-scale energy imbalance market (EIM)
• Four participants
  • Platte River Power Authority (PRPA)
  • Black Hills Corporation (BHCE)
  • Xcel Energy (PSCo)
  • Colorado Springs Utilities (CSU)
• Xcel Energy serves as the market operator and dispatches generation economically based on generation cost
• Started on June 1, 2017, after an eight-month test period
How JDA works

Loads and resources balanced before hour begins

JDA intra-hour dispatching units economically
### Comparison of cost to serve load for one hour with and without JDA

#### Cost without JDA

<table>
<thead>
<tr>
<th>Loads and obligations</th>
<th>700 MW</th>
<th>Resource cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rawhide</td>
<td>278</td>
<td>$4,170</td>
</tr>
<tr>
<td>Craig</td>
<td>77</td>
<td>$1,386</td>
</tr>
<tr>
<td>CTs</td>
<td>65</td>
<td>$3,575</td>
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<tr>
<td>Hydro</td>
<td>90</td>
<td>$2,940</td>
</tr>
<tr>
<td>Wind</td>
<td>150</td>
<td>$2,595</td>
</tr>
<tr>
<td>Solar</td>
<td>40</td>
<td>$1,800</td>
</tr>
<tr>
<td><strong>Total hourly costs</strong></td>
<td></td>
<td><strong>$16,466</strong></td>
</tr>
<tr>
<td><strong>Average cost</strong></td>
<td></td>
<td><strong>$23.52/MWh</strong></td>
</tr>
</tbody>
</table>

#### Cost with JDA

<table>
<thead>
<tr>
<th>Loads and obligations</th>
<th>700 MW</th>
<th>Resource cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rawhide</td>
<td>100</td>
<td>$1,500</td>
</tr>
<tr>
<td>Craig</td>
<td>46</td>
<td>$828</td>
</tr>
<tr>
<td>CTs</td>
<td>45</td>
<td>$2,475</td>
</tr>
<tr>
<td>Hydro*</td>
<td>90</td>
<td>$2,940</td>
</tr>
<tr>
<td>Wind*</td>
<td>150</td>
<td>$2,595</td>
</tr>
<tr>
<td>Solar*</td>
<td>40</td>
<td>$1,800</td>
</tr>
<tr>
<td>JDA Purchases</td>
<td>229</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total hourly costs</strong></td>
<td></td>
<td><strong>$12,138</strong></td>
</tr>
<tr>
<td><strong>Average cost</strong></td>
<td></td>
<td><strong>$17.34/MWh</strong></td>
</tr>
</tbody>
</table>

*Must run resources which are non-dispatchable

- JDA savings for the one hour = $4,326
Benefits

- Platte River’s net carbon footprint has decreased
- Continued participation in bi-lateral markets
- Access to lower cost resources
  - Strong wind penetration
  - Combustion turbines
- JDA energy is cost-based, not market based, and available non-firm transmission is used at no cost
- Retain control over generation resources
- Good training for staff to prepare for a larger market
Limitations

- Does not optimize the use of the transmission system by using available offline capacity
- Only looks at the current 60-minute operating hour and does not commit/decommit resources based on system forecast
- Does not redispatch resources to reduce congestion in order to maximize system value
  - JDA calculates a system marginal price versus a nodal locational marginal price in the California Independent System Operator Western Energy Imbalance Market (CAISO WEIM)
Benefits

2020 total net Platte River benefits resulting from JDA

$- $100,000.00 $200,000.00 $300,000.00 $400,000.00 $500,000.00 $600,000.00 $700,000.00
Jan Feb Mar Apr May June July August September October November December

Sales - margin
Expenditure - savings

Total benefits for 2020: $5,113,205
JDA sales: $363,052
JDA purchases: $4,750,153
Cost

- Management fee
  - $0.50/MWh for all purchases and sales paid by each party involved in a JDA transaction
  - Paid to PSCo to cover software and administrative costs
  - Totaled $313,378 in 2020

- Losses
  - All JDA transactions require payment for transmission losses based upon each party’s current tariff rate
  - Settled financially at an hourly system marginal price
Rawhide Unit 1 dispatch correlated to JDA prices
Purchases increase when JDA pricing decreases
Roundhouse wind and JDA prices*

*Roundhouse wind and JDA pricing provides geographical diversity
## Net carbon impacts

<table>
<thead>
<tr>
<th>Report period</th>
<th>Net carbon impacts (MBTU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2018 – May 2019</td>
<td>(131,756)</td>
</tr>
<tr>
<td>June 2019 – November 2019</td>
<td>(173,002)</td>
</tr>
<tr>
<td>December 2019 – May 2020</td>
<td>(352,440)</td>
</tr>
<tr>
<td>June 2020 – November 2020</td>
<td>(216,362)</td>
</tr>
<tr>
<td>Total net carbon impact</td>
<td>(873,560)</td>
</tr>
</tbody>
</table>
Summary

• JDA continues to be a great success for Platte River
• Platte River realized a total savings of $5,113,205 in 2020
• The carbon footprint of Platte River’s system has decreased
• Participation has provided a good training forum for staff as we prepare to enter the CAISO WEIM
Questions
Chimney Hollow Reservoir

Overview and financing plan
Agenda

Background and overview – Heather Banks
• Water needs at Platte River
• Project participation level and considerations
• Project timeline and overview

Financing plan – Julie Depperman
• Project funding sources
• Financing structure
• Platte River cash projections
Background and overview
Heather Banks, fuels and water manager
Platte River water needs and supply

Water needs
• Process water: 400 acre-feet/year
• Cooling water: 4,200 acre-feet/year
• Future needs: 2,800-4,500 acre-feet/year

Water supply portfolio
• Windy Gap Project
  • Colorado River water delivered from Horsetooth Reservoir
  • Current ownership: 110 units of 480 total in project
  • Produces up to 100 acre-feet/year per unit
• Poudre River (junior water rights), not dependable
Water resources background

Windy Gap Project constraints

• Windy Gap water supply depends on “normal” conditions
  • Average runoff
  • In-priority junior water rights
  • Storage availability in Granby Reservoir

• “Normal” conditions rarely occur
  • Firm yield (dependable supply) is 0 acre-feet

• Alternative water supply needed in both wet and dry years
  • Colorado-Big Thompson rental water
  • Reusable effluent
  • Both sources can be difficult to find and/or expensive
Water resources solution

Windy Gap Firming Project

- Chimney Hollow Reservoir
  - 90,000 acre-foot reservoir west of Carter Lake; 30,000 acre-feet/year firm yield
  - 12 project participants; $696.2M estimated total project cost
  - Fill during wet years, use during dry years

- Platte River participation
  - Extensive modeling and evaluation of options
  - 16,000 acre-feet of storage; 4,000-5,700 acre-feet/year firm yield
  - $123.8M share of project cost
  - Firm supply for current and future generation resources
Chimney Hollow Reservoir
Water resources solution

- Modeling in 2014 looked at historical hydrology and various drought scenarios
- Modeling evaluated various combinations of Chimney Hollow Reservoir participation level and Windy Gap units owned
- Results showed same firm yield with Windy Gap ownership of 100-160 units

<table>
<thead>
<tr>
<th>Chimney Hollow Reservoir storage (acre-feet)</th>
<th>Windy Gap units</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,000</td>
<td>3,050 3,050 3,050 3,050</td>
</tr>
<tr>
<td>14,000</td>
<td>3,560 3,560 3,560 3,560</td>
</tr>
<tr>
<td>16,000</td>
<td>4,075 4,075 4,075 4,075</td>
</tr>
</tbody>
</table>
Platte River water resources policy

Board approved Platte River’s water resources policy in 2016

• Key points
  • Maintain adequate water supplies for existing and future operations
  • Participate in the Windy Gap Firming Project (Chimney Hollow Reservoir) at a level of 16,000 acre-feet
  • Manage water as an asset
    • Platte River may lease or sell up to 60 Windy Gap units (of 160 then owned)

• Initial outcomes
  • Sale of 50 Windy Gap units (2017-2020); current ownership is 110 units
  • Revenue of $≈103M (proceeds can help offset capital project expenses)
  • Added 1,534 acre-feet of Chimney Hollow Reservoir capacity
  • Right of first refusal for some rental water for a period of five to 10 years
  • New or enhanced water partnerships in the region
Chimney Hollow Reservoir participants

Subscribed capacity (in acre-feet)

- Broomfield: 26,464
- Platte River Power Authority: 16,000
- Loveland: 10,000
- Greeley: 9,189
- Longmont: 7,500
- Erie: 6,000
- Little Thompson Water District: 4,850
- Superior: 4,726
- Louisville: 2,835
- Fort Lupton: 1,190
- Lafayette: 900
- Central Weld County Water District: 346
Chimney Hollow Reservoir timeline

- **2003**: Windy Gap Firming Project formally entered the federal permitting process.
- **2005**: Reclamation published purpose/need report and alternatives report.
- **2008**: Reclamation published draft environmental impact statement.
- **2011**: State approved mitigation efforts and Reclamation published the final environmental impact statement.
- **2012**: 1041 Permit and other agreements for Colorado River improvements approved.
- **2014**: Federal approvals: carriage contract and record of decision.

1985: Windy Gap project completed.
Chimney Hollow Reservoir timeline

- **2016**: State issued 401 water quality certification
- **2017**: 404 permit from US Army Corps of Engineers, begin design, Federal litigation initiated
- **2019**: Selection of construction contractor
- **2020**: Allotment contracts signed
- **2021**: Federal litigation settled
- **2025**: Construction complete, ready to fill
Financing plan

Julie Depperman, director of treasury services
Funding sources

<table>
<thead>
<tr>
<th>Funding source</th>
<th>Total project costs</th>
<th>Platte River costs (17.78%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior contributions</td>
<td>$82.1 million</td>
<td>$14.6 million</td>
</tr>
<tr>
<td>Settlement assessments (cash/contingency)</td>
<td>$15 million</td>
<td>$2.7 million</td>
</tr>
<tr>
<td>Project contingency funds</td>
<td>$6.1 million</td>
<td>$1.1 million</td>
</tr>
<tr>
<td>Capital funding: cash and pooled financing</td>
<td>$593 million</td>
<td>$105.4 million</td>
</tr>
<tr>
<td><strong>Total project costs</strong></td>
<td><strong>$696.2 million</strong></td>
<td><strong>$123.8 million</strong></td>
</tr>
</tbody>
</table>

Funding of Platte River’s $105.4 million share of capital project costs

- $63.6 million: pooled financing senior debt (20-year)
- $14.8 million: Colorado Water Conservation Board (CWCB) subordinate loan (30-year, 2.08% rate)
- $27.0 million: cash reserves (sale of Windy Gap units in 2020)
Subdistrict debt issuance

- Pooled financing bonds issued by Municipal Subdistrict of Northern Colorado (subdistrict)
- Proceeds held in trust and managed by the subdistrict
- 8 participants
- Preliminary rating “AA- or better” subject to final rating agency review
- CWCB subordinate loan secured for participants in the pooled financing

**Preliminary schedule**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>Rating agency presentation</td>
</tr>
<tr>
<td>July</td>
<td>Receive bond ratings</td>
</tr>
<tr>
<td>Jul-Aug</td>
<td>Post preliminary official statement</td>
</tr>
<tr>
<td>Mid Aug</td>
<td>Bond pricing</td>
</tr>
<tr>
<td>August</td>
<td>Bond transaction closing</td>
</tr>
<tr>
<td>Aug-Sep</td>
<td>Construction begins</td>
</tr>
</tbody>
</table>
AAA MMD position since inception

AAA MMD Rate Position
(June 8, 1981, Inception to April 27, 2021)

Summary of April 27, 2021 vs. Historical (since Inception) MMD Rates

<table>
<thead>
<tr>
<th>Statistic</th>
<th>1-Year</th>
<th>2-Year</th>
<th>3-Year</th>
<th>4-Year</th>
<th>5-Year</th>
<th>7-Year</th>
<th>10-Year</th>
<th>15-Year</th>
<th>20-Year</th>
<th>25-Year</th>
<th>30-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 27, 2021</td>
<td>0.05%</td>
<td>0.07%</td>
<td>0.15%</td>
<td>0.27%</td>
<td>0.38%</td>
<td>0.64%</td>
<td>0.94%</td>
<td>1.16%</td>
<td>1.36%</td>
<td>1.50%</td>
<td>1.55%</td>
</tr>
<tr>
<td>Historical Average</td>
<td>2.89%</td>
<td>3.19%</td>
<td>3.41%</td>
<td>3.61%</td>
<td>3.79%</td>
<td>4.12%</td>
<td>4.51%</td>
<td>4.99%</td>
<td>5.25%</td>
<td>5.37%</td>
<td>5.41%</td>
</tr>
<tr>
<td>Spread to Average</td>
<td>-2.84%</td>
<td>-3.12%</td>
<td>-3.26%</td>
<td>-3.34%</td>
<td>-3.41%</td>
<td>-3.48%</td>
<td>-3.57%</td>
<td>-3.83%</td>
<td>-3.89%</td>
<td>-3.87%</td>
<td>-3.86%</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.05%</td>
<td>0.07%</td>
<td>0.10%</td>
<td>0.13%</td>
<td>0.16%</td>
<td>0.36%</td>
<td>0.58%</td>
<td>0.88%</td>
<td>1.08%</td>
<td>1.22%</td>
<td>1.27%</td>
</tr>
<tr>
<td>Maximum</td>
<td>9.65%</td>
<td>9.85%</td>
<td>10.05%</td>
<td>10.30%</td>
<td>10.65%</td>
<td>11.05%</td>
<td>11.50%</td>
<td>12.40%</td>
<td>12.70%</td>
<td>12.80%</td>
<td>12.90%</td>
</tr>
<tr>
<td>% of Time Lower</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.52%</td>
<td>1.62%</td>
<td>1.65%</td>
<td>1.80%</td>
<td>1.89%</td>
<td>1.17%</td>
<td>1.14%</td>
<td>1.09%</td>
<td>1.09%</td>
</tr>
</tbody>
</table>

Source: Refinitiv TM3
Financing structure and preliminary estimates

Subdistrict’s senior debt issuance
• One issuance with combination 20- and 30-year repayment terms
• True interest cost: 2.46% for 20-year, 2.99% for 30-year

Platte River
• 20-year senior debt (90% amortizes in 20 years, 10% in years 21-30), 30-year subordinate loan
• Pooled financing obligation reflected as O&M expense on financial statements
• Total pooled financing obligation: $104 million

<table>
<thead>
<tr>
<th>Per year pooled financing obligation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$443,000</td>
</tr>
<tr>
<td>2022-2025</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>2026-2039</td>
<td>$5.3 million</td>
</tr>
<tr>
<td>2040</td>
<td>$3.4 million</td>
</tr>
<tr>
<td>2041-2050</td>
<td>$1.3 million</td>
</tr>
<tr>
<td>2051-2055</td>
<td>$675,000</td>
</tr>
</tbody>
</table>
Platte River cash projections

Financial model includes funding for the reservoir project. In addition, cash reserves are used to finance capital additions, including the 2028-2029 new resource.

- Strategic financial plan (SFP) targets minimum 200 days unrestricted cash on hand
- Financing plan maintains cash reserves well above required SFP minimums
- Maintains financial flexibility for future unknowns and funding future resources
- Avoids private use restrictions on the reservoir and the future resource

![Unrestricted cash chart]

- In millions
- 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031
- Unrestricted cash
- SFP requirement
Summary

• Outstanding legal challenges for the reservoir have been resolved
• Subdistrict intends to issue debt to fund the project in August to keep project escalation costs down and take advantage of low borrowing rates
• Platte River intends to fund the project through participation in the pooled financing and cash reserves
• Financial model cash projections support the funding plan with strong cash position providing financial flexibility to fund new transmission/new resources
• No board action required to move forward with the transaction
Board of directors

May 27, 2021
## April operational results

<table>
<thead>
<tr>
<th>Category</th>
<th>April variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal demand</td>
<td>4.6%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Municipal energy</td>
<td>5.0%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Baseload generation</td>
<td>7.4%</td>
<td>(5.6%)</td>
</tr>
<tr>
<td>Wind generation</td>
<td>(23.9%)</td>
<td>(21.4%)</td>
</tr>
<tr>
<td>Solar generation</td>
<td>(4.8%)</td>
<td>(10.2%)</td>
</tr>
<tr>
<td>Surplus sales volume</td>
<td>(13.3%)</td>
<td>(19.0%)</td>
</tr>
<tr>
<td>Surplus sales price</td>
<td>9.7%</td>
<td>27.8%</td>
</tr>
<tr>
<td>Purchase volume</td>
<td>5.1%</td>
<td>80.0%</td>
</tr>
<tr>
<td>Purchase price</td>
<td>(17.4%)</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Dispatch cost</td>
<td>2.9%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>April variance from budget ($ in millions)</th>
<th>Year to date variance from budget ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$(0.6)</td>
<td>$4.2</td>
</tr>
<tr>
<td>Fixed obligation charge coverage</td>
<td>(.10x)</td>
<td>.49x</td>
</tr>
<tr>
<td>Revenues</td>
<td>$(0.1)</td>
<td>$1.1</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$(0.6)</td>
<td>$3.3</td>
</tr>
<tr>
<td>Capital additions</td>
<td>$78.0</td>
<td>$83.1</td>
</tr>
</tbody>
</table>

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

May 27, 2021