



Tesla battery located at Rawhide Energy Station

## Year-to-date June 2021 highlights

(Comparison to same period prior year)

### Financial summary

Platte River reported year-to-date operating income of \$16.7 million compared with \$10.7 million reported in 2020. Change in net position was \$14.8 million, up from \$10.8 million reported in 2020. The bond service coverage ratio was 3.70 times compared to 2.67 times in 2020 and the fixed obligation charge coverage ratio was 2.58 times compared to 2.09 times in 2020.

Operating revenues increased \$14.3 million.

- Sales for resale increased \$11.7 million due to record cold weather in February 2021 and warmer weather in June 2021 that lead to high energy prices in both months as well as new contract sales.
- Sales to owner communities increased \$2.7 million as a result of a 2021 rate increase and changes in load and demand profiles, \$2.8 million in higher demand charges and \$0.3 million in higher base owner community charges, partially offset by \$0.4 million less in energy charges. A new peak load of 693 MW was set on June 15th at 6 p.m.
- Wheeling decreased \$0.1 million as a result of a correction to the prior year's transmission rate as well as a rate decrease in the transmission tariff.

Operating expenses increased \$8.3 million.

- Purchased power expenses increased \$4.8 million compared to 2020, representing the largest variance. The increase was due to new wind and solar resources that came online within the last year, a rate increase for Schedule 16 flex reserves and reductions in other supplemental purchases partially offset by a rate decrease for hydropower purchased from WAPA's Colorado River Storage Project, energy provided to Tri-State under the forced outage assistance agreement and a decrease in joint dispatch agreement (JDA) purchases.
- Depreciation and amortization increased \$3.9 million due to accelerated depreciation on Craig units 1 and 2 for closure of the units by Dec. 31, 2025 and Sept. 30, 2028, respectively, accelerated depreciation on Rawhide Unit 1 for closure of the unit by Dec. 31, 2029, and a change in accounting policy for deferred gains and losses on capital retirements.
- Fuel expenses increased \$1.3 million due to an increase in generation from the combustion turbine units and from the Craig units due to the record cold temperatures in February 2021 and warmer weather in June 2021 partially offset by lower generation from Rawhide Unit 1 as a result of new wind and solar resources.
- Administrative and general expenses increased \$0.3 million due to an increase in personnel expenses, software licenses, computer equipment and software maintenance partially offset by lower contracted services for security, building maintenance and resource planning.
- Production and transmission expenses decreased \$0.7 million due to personnel expenses, non-routine projects and operating expenses for the Craig units partially offset by increases in combustion turbine maintenance, outage accrual, utilities, expenses associated with preparing to enter an organized energy market, joint facility expenses and wheeling expenses.

- Distributed energy resources expenses decreased \$1.3 million primarily due to lower program expenses.

## Sales statistics

	6 months ended June 30			12 months ended June 30		
	2021	2020	Change	2021	2020	Change
Owner community peak demand (kW)*	<b>693,019</b>	584,545	<b>18.6%</b>	<b>693,019</b>	663,959	<b>4.4%</b>
Owner community energy sales (MWh)*	<b>1,562,249</b>	1,513,402	<b>3.2%</b>	<b>3,214,324</b>	3,193,764	<b>0.6%</b>
Other energy sales (MWh)	<b>843,622</b>	555,055	<b>52.0%</b>	<b>1,695,722</b>	1,033,470	<b>64.1%</b>

\*Demand and energy provided under community solar agreements were lagged by one month through August 2020; therefore, totals for 2020 and 12 months ending 2021 will not represent actuals for the time period presented.

## Resources

Platte River's power resources include generation from coal and natural gas units, wind purchases, federal hydropower from WAPA, solar purchases, JDA purchases and other purchases.

- Rawhide Unit 1 reported a net capacity factor of 76.1%, down from 80.2% reported in 2020. The primary reason for the lower capacity factor was because generation was replaced by new wind and solar resources.
- Craig units 1 and 2 reported a combined plant capacity factor of 48.4%, up from 35.2% reported in 2020. The primary reason for the higher capacity factor was because of record cold temperatures in February 2021, warmer temperatures in June 2021 and higher energy rates in February 2021, resulting in additional dispatch of the units under JDA.
- Platte River's combustion turbines were utilized more in 2021 to serve load, complete unit testing and surplus sales.
- Wind generation increased primarily as a result of the 225 MW Roundhouse Wind Energy Center reaching commercial operation in June 2020.
- Solar generation was higher in 2021 due to Rawhide Prairie Solar project reaching commercial operation in March 2021.
- JDA purchases decreased in 2021 as a result of elevated pricing which reduced savings opportunities. Generation from the Roundhouse Wind Energy Center also resulted in lower JDA purchases.
- Other purchases decreased in 2021 as generation from the Roundhouse Wind Energy Center reduced the need for third party purchases.

6 months ended June 30							
MWh	2021	2020	Change	MWh	2021	2020	Change
Rawhide Unit 1	<b>925,835</b>	980,695	<b>-5.6%</b>	Hydropower	<b>299,627</b>	299,627	<b>0.0%</b>
Craig units 1 and 2	<b>317,430</b>	232,089	<b>36.8%</b>	Solar	<b>46,550</b>	31,384	<b>48.3%</b>
Combustion turbines	<b>34,243</b>	14,287	<b>139.7%</b>	JDA purchases	<b>274,110</b>	328,930	<b>-16.7%</b>
Wind	<b>532,125</b>	204,640	<b>160.0%</b>	Other purchases	<b>12,610</b>	12,788	<b>-1.4%</b>



## Condensed statements of net position

Unaudited

	(In thousands)	
	June 30	
	2021	2020
<b>Assets</b>		
Electric utility plant, net	\$ 592,152	\$ 584,071
Special funds and investments	120,688	105,876
Current assets	156,167	129,803
Noncurrent assets	36,105	14,712
Total assets	<u>905,112</u>	<u>834,462</u>
<b>Deferred outflows of resources</b>	29,469	31,137
<b>Liabilities</b>		
Noncurrent liabilities	205,377	222,099
Current liabilities	29,863	30,828
Total liabilities	<u>235,240</u>	<u>252,927</u>
<b>Deferred inflows of resources</b>	68,931	8,240
<b>Net position</b>	<u>\$ 630,410</u>	<u>\$ 604,432</u>

## Condensed statements of revenues, expenses and changes in net position

Unaudited

	(In thousands)			
	6 months ended		12 months ended	
	June 30		June 30	
	2021	2020	2021	2020
<b>Operating revenues</b>				
Sales to owner communities	\$ 95,617	\$ 92,944	\$ 198,675	\$ 199,130
Sales for resale and other	27,544	15,909	56,381	32,350
Total operating revenues	<u>123,161</u>	<u>108,853</u>	<u>255,056</u>	<u>231,480</u>
<b>Operating expenses</b>				
Operations and maintenance	90,739	86,259	187,592	175,789
Depreciation and amortization	15,771	11,917	36,895	23,678
Total operating expenses	<u>106,510</u>	<u>98,176</u>	<u>224,487</u>	<u>199,467</u>
Operating income	<u>16,651</u>	<u>10,677</u>	<u>30,569</u>	<u>32,013</u>
<b>Nonoperating revenues (expenses)</b>				
Interest and other income	1,219	1,670	2,849	3,669
Distribution to owner communities	-	-	(1,000)	-
Interest expense, net	(2,377)	(2,891)	(5,056)	(5,781)
Net (decrease)/increase in fair value of investments	(677)	1,374	(1,384)	1,525
Total nonoperating revenues and expenses	<u>(1,835)</u>	<u>153</u>	<u>(4,591)</u>	<u>(587)</u>
Change in net position	<u>\$ 14,816</u>	<u>\$ 10,830</u>	<u>\$ 25,978</u>	<u>\$ 31,426</u>