Board of directors

Sept. 30, 2021
Agenda

- Clean Energy Plan (CEP) discussions to date
- Emissions accounting methodology
- Workbook overview
- CEP submission, evaluation and approval process
How did we get here?

July and August board meeting discussions

• Legislative background
• Key CEP workbook findings and calculations
• Expected future emissions
• CEP upper end and lower end ranges
Emissions accounting methodology for CEP

1Contracted purchases from a specific unit use that unit’s emission rate; other purchases use average market emission rate
2Contracted sales from a specific unit use that unit’s average emission rate; system sales use average system emission rate
CEP workbook
Clean Energy Plan demonstration

- Plans that achieve 80% reduction when filed meet the minimum requirement of the statute

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<td>Electricity sales CO2 (short tons)</td>
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<td>Percent Reduction</td>
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Safe harbor evaluation

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<td>1</td>
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<td>Retail electricity sales CO2e (Metric Tons)</td>
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<td><strong>Step 2: Calculate 2030 retail only GHG forecast</strong></td>
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<td>Retail electricity sales CO2e (Metric Tons)</td>
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<td><strong>Step 3: Calculate percent GHG reductions for retail sales</strong></td>
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<td>2005 Retail Baseline CO2e</td>
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<td>2030 Retail Forecast CO2e</td>
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<td>15</td>
<td>Percent Reduction</td>
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- Plans that achieve 80% reduction when filed meet the minimum initial requirement of the statute.
- Approved plan that achieves 75% reduction meets minimum final requirement of the statute to qualify for the safe harbor provisions.
### 2005 All Electricity

#### Historical Generation and Emissions Data for 2005 Baseline

<table>
<thead>
<tr>
<th>Plant or Unit</th>
<th>Primary Generation Type</th>
<th>Total Heat Input (MWhrs)</th>
<th>% Heat Input: Coal</th>
<th>% Heat Input: Natural Gas</th>
<th>% Heat Input: Fuel Oil</th>
<th>% Heat Input: Biomass</th>
<th>Generation (Net MWh)</th>
<th>CO2 Emissions Methodology</th>
<th>CO2 Total (Metric Tons CO2)</th>
<th>CH4 Total (Metric Tons CH4)</th>
<th>N2O Total (Metric Tons N2O)</th>
<th>CO2e Total (Metric Tons CO2e)</th>
<th>CO2 Intensity (Metric Tons CO2/MWh)</th>
<th>N2O Intensity (Metric Tons N2O/MWh)</th>
<th>Yearly Safe Harbor</th>
<th>Yearly Reduction</th>
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<td>Coal Plant 1</td>
<td>Coal</td>
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<td>6,433</td>
<td>150,831</td>
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<td>CEMS</td>
<td>2,057</td>
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<td>252,333</td>
<td>2,389</td>
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<td>Natural Plant</td>
<td>Natural Gas</td>
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<td>6,620</td>
<td>CEMS</td>
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<td>752,333</td>
<td>7,266</td>
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<td>0.68</td>
<td>0.00</td>
<td>80% reduction</td>
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<td>CEMS</td>
<td>5,180</td>
<td>7,646</td>
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<td>CEMS</td>
<td>2,400</td>
<td>3,600</td>
<td>300,000</td>
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<td>1,532,370</td>
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<td>80% reduction</td>
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<td>Coal Plant 6</td>
<td>Coal</td>
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<td>100.0%</td>
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<td></td>
<td>1,623,805</td>
<td>CEMS</td>
<td>1,623,805</td>
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<td>213,313</td>
<td>1,755</td>
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<tr>
<td>Coal Plant 7</td>
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<td>CEMS</td>
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<td>0,00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>80% reduction</td>
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</table>

#### Annual Total Heat Input

- **Total Heat Input**: 57,301,557 MWhrs
- **Total Generation**: 3,206,161 MWh
- **Total Emissions**: 3,046,392 Metric Tons CO2

#### Key Observations

- **75% safe harbor**
- **80% reduction**
### 2030 all electricity

Note: This calculation implicitly includes storage losses which are part of generation but not retail sales

<table>
<thead>
<tr>
<th>Plant or Unit</th>
<th>Primary Generation Type</th>
<th>Total Heat Input (MWd)</th>
<th>% Heat Input</th>
<th>% Heat Input Fuel Oil</th>
<th>% Heat Input Biomass</th>
<th>Generation (GWh)</th>
<th>CO2 Emissions (Metric Tons CO2e)</th>
<th>CO2 Total (Short Tons)</th>
<th>C44 Total (Metric Tons CO2e)</th>
<th>N2O Total (Metric Tons CO2e)</th>
<th>CO2 Intensity (Metric Tons CO2e/MWd)</th>
<th>O2H Intensity (Metric Tons CO2e/MWh)</th>
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<td>Natural Gas</td>
<td>101,500</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>7,767</td>
<td>5,482</td>
<td>3</td>
<td>5,487</td>
<td>3</td>
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<td>Bahnstadt C</td>
<td>Natural Gas</td>
<td>101,500</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>7,767</td>
<td>5,482</td>
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<tr>
<td>Bahnstadt D</td>
<td>Natural Gas</td>
<td>101,500</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>7,767</td>
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<td>5,487</td>
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<td>0.71</td>
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<td>Bahnstadt P</td>
<td>Natural Gas</td>
<td>101,500</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>7,767</td>
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<td>Bahnstadt E</td>
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<td>0%</td>
<td>0%</td>
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<td>5,487</td>
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<td>TOTAL GENERATION</td>
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<td>165,040</td>
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- **75% safe harbor**
- **80% reduction**
Clean Energy Plan demonstration

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- Plans that achieve 80% reduction when filed meet the minimum requirement of the statute
Interim year summary

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<td>Load (Net MWh)</td>
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<td>1,918,520</td>
<td>1,741,642</td>
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- Beneficial electrification program load only consists of EV load
Projected CO₂ reductions for CEP filing

Percent reduction relative to 2005

- 2022: 17.4%
- 2023: 21.1%
- 2024: 21.4%
- 2025: 19.8%
- 2026: 21.0%
- 2027: 22.4%
- 2028: 20.8%
- 2029: 32.1%
- 2030: 35.0%

- 2022: 28.6%
- 2023: 32.7%
- 2024: 33.1%
- 2025: 32.0%
- 2026: 32.3%
- 2027: 33.5%
- 2028: 32.1%
- 2029: 45.5%
- 2030: 94.4%

85.6%
Next steps

- Board approval
- CEP submission to state
- CEP evaluation and verification by Air Pollution Control Division
- Modifications, if needed
- Verified CEP filed with the Public Utilities Commission
Questions
Board of directors

Sept. 30, 2021
New organizational structure

Sept. 30, 2021
Existing organizational structure

Board of directors

- General manager/CEO
- Chief strategy officer
- Chief operating officer
- Chief financial officer/deputy general manager
- Director of IT
- Director of treasury services
- Director of finance
- Manager of internal audit
- Director of community and government affairs
- Director of HR and safety
- Energy solutions manager
- Plant manager
- Chief strategy officer
- Director of power delivery
- Director of system maintenance & facilities
- Vice president of power supply

General counsel
- Legal (senior, associate, deputy counsels)
- Fuels and water manager
- Environmental services manager
- Reliability compliance manager

Board secretary, executive assistant to the general manager/CEO
Platte River’s mission

While driving utility innovation, Platte River will safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities.

## Existing organizational structure

### Areas of focus to achieve RDP

- DER program implementation
- Technology deployment for system integration
- Organized market implementation
- Rawhide staff transition

### Board of directors

**General manager/CEO**

Platte River’s mission

While driving utility innovation, Platte River will safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities.

### General counsel

Legal, environmental services, reliability compliance, fuels and water

### Chief financial officer/deputy general manager

Finance, treasury, internal audit, information technology

### Chief strategy officer

Community and government affairs, human resources and safety, energy solutions, Rawhide Energy Station operations

### Chief operating officer

Power delivery, power supply, system maintenance and facilities
Resource Diversification Policy

Summary

Board directs Platte River’s general manager/CEO to proactively work toward the goal of reaching a 100% noncarbon resource mix by 2030 while maintaining the organization’s core pillars of providing reliable, environmentally responsible and financially sustainable electricity and services.

• Phase 1: planning
  • 2020 IRP completed
    • Board approved portfolio 2
    • Board approved Clean Energy Plan
• Phase 2: implementation
Reorganization

Chief financial officer/deputy general manager
Finance, treasury, internal audit

Chief strategy officer
Communications and marketing, community and government affairs, human resources and safety, energy solutions

Chief operating officer
Generation, power markets, power delivery, system maintenance and facilities

Board of directors

General manager/CEO
Platte River’s mission
While driving utility innovation, Platte River will safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities.

General counsel
Legal, environmental services, reliability compliance, fuels and water

Chief transition and integration officer
Information and operations technology, DER, resource planning and system integration
New resources added to achieve the RDP will begin with the chief transition and integration officer’s division. Once commercial, resources are managed and maintained by the chief operating officer’s division.
Staff additions

2022 budgeted positions*

- Transmission operations support specialist and OASIS administrator
- Energy solutions program coordinator
- Operations technology technical compliance analyst – CIP
- Contract administrator
- IT service desk technician
- Graphics specialist

New positions as a result of the reorg

- Chief transition and integration officer (CTIO)
- Director of DER
- Manager of IT
- Executive assistant for CTIO

*Original 2022 staffing budget included eight new positions plus three out of cycle positions in 2021
Board of directors

Sept. 30, 2021
2022 rate tariff schedules

Sept. 30, 2021
2022 rate tariff schedules

- 2022 tariff recommendations
  - Firm Power Service
    - Increase average wholesale rate 3.2%
  - Standard Offer Energy Purchase
    - Decrease the avoided energy rate 4.1%
- Board adoption requested in October with Jan. 1, 2022, effective date
Proposed 2022 Strategic Budget work session

Sept. 30, 2021
Agenda

• Budget
  • Schedule
  • Process
  • Budget document
  • Trends
  • 2022 overview
• Capital 5-year forecast
Budget schedule

September

• Board work session

October

• Updates and budget discussion
  • Model prices and resource updates
  • Reorganization
  • Wheeling and ancillary services rate adjustments
  • Medical expense update
  • Departmental O&M updates
  • Capital investments
• Public hearing

December

• Board adoption
• File with the State of Colorado
Budget document

- Overview
  - Background information about the organization, the owner communities, significant initiatives, goals and departmental objectives
- Summary
  - Budget discussion and support for our three core pillars, strategic initiatives and core operations
- Budget
  - Financial results, comparisons to the strategic financial plan and budget schedules
- Additional information
  - Process for developing the budget and information on financial governance
GFOA Distinguished Budget Presentation Award received for the 2020 and 2021 documents during the last year

• Recognition that the budget document meets program criteria and excels as a policy document, financial plan and communications tool
Five-year trends

Revenues
• Moderate owner community load growth
• Higher surplus sales

Expenditures
• Infrastructure advancements and investments
• Resource diversification
• Increase customer solutions and products
• Expanded communications and community outreach - trusted energy partner
• Focus on managing controllable expenses

- Slightly higher surplus sales volumes with increased market price volatility (-$1/MWh to $2,335/MWh)
- Continued contract sales to accommodate noncarbon resources
- Higher purchase power volumes at lower prices
- Increased noncarbon resources
- Increasing baseload flexibility
## Five-year trends

<table>
<thead>
<tr>
<th>Category</th>
<th>Five-year Increase (decrease) (2021* vs 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>19%</td>
</tr>
<tr>
<td>Sales to owner communities</td>
<td>4%</td>
</tr>
<tr>
<td>Owner communities’ peak</td>
<td>7%</td>
</tr>
<tr>
<td>Owner communities’ energy</td>
<td>2%</td>
</tr>
<tr>
<td>Sales for resale and wheeling</td>
<td>143%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>13%</td>
</tr>
<tr>
<td>Purchased power</td>
<td>52%</td>
</tr>
<tr>
<td>Fuel</td>
<td>(9%)</td>
</tr>
<tr>
<td>Production and transmission</td>
<td>(2%)</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>37%</td>
</tr>
<tr>
<td>Distributed energy resources</td>
<td>45%</td>
</tr>
</tbody>
</table>

*estimate
## Revenue trends

<table>
<thead>
<tr>
<th></th>
<th>$ millions</th>
<th>2022 budget vs. trend*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales to owner communities</strong></td>
<td>$198.0</td>
<td>5.6%</td>
</tr>
<tr>
<td></td>
<td>$196.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$197.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$208.0</td>
<td></td>
</tr>
<tr>
<td><strong>Peak (MW)</strong></td>
<td>664</td>
<td>(0.3%)</td>
</tr>
<tr>
<td></td>
<td>657</td>
<td></td>
</tr>
<tr>
<td></td>
<td>707</td>
<td></td>
</tr>
<tr>
<td></td>
<td>674</td>
<td></td>
</tr>
<tr>
<td><strong>Energy (MWh)</strong></td>
<td>3,194,293</td>
<td>0.6%</td>
</tr>
<tr>
<td></td>
<td>3,165,477</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,238,665</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,218,455</td>
<td></td>
</tr>
<tr>
<td><strong>Sales for resale</strong></td>
<td>$31.2</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>$44.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$57.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$51.7</td>
<td></td>
</tr>
</tbody>
</table>

* Trend represents 3-year average of 2019 and 2020 actuals and 2021 estimate.

- Slightly increasing energy load with consistent peak
- Rate increase in alignment with rate smoothing
- Sustained contract sales to accommodate noncarbon resources and excess capacity
- Higher volumes partially offset by lower average market prices
Expense trends

2022 budget vs. trend*

- Noncarbon resource investments
- Increase in purchased reserves - wind

(10%)
- Reduced baseload generation as purchased power volumes increase

7%

7%
- Investments in:
  - Staffing and benefits
  - Information technology
  - Resource planning and organized energy market

27%
- Investments in:
  - Staffing and benefits
  - Strategy and program development
- 2020 and 2021 lower due to COVID-19

36%

* Trend represents 3-year average of 2019 and 2020 actuals and 2021 estimate.
2022 strategic budget focus

Operating expenses & capital additions: $230.5 million
2022 strategic budget focus

Operating and capital: $230.5 million
Strategic initiatives, 16%, $36.2 M

Enhanced customer experience, $13.8 million, 6%
  • Energy efficiency business & consumer product expansion

Communications and community outreach, $1.7 million, 1%
  • Public engagement and government affairs
  • Effective communications – electronic tools, public engagement, electric vehicle microsite and new strategic plan

Resource diversification and alignment, $11.5 million, 5%
  • Noncarbon generation – initial steps for new noncarbon resources
  • Organized energy market – preparedness, resource planning and software
  • Operational flexibility – capital investments at Rawhide Energy Station
  • Distributed energy resources – Implementation of DER strategy, additional resources for planning, program development and implementation
  • Coal inventory optimization – zero inventory by unit retirements

Infrastructure advancement and technology development, $9.2 million, 4%
  • Transmission, substations and plant projects including SCADA and energy management system
  • Enterprise resource planning software
  • Cybersecurity
  • Windy Gap Firming Project — participant in construction of Chimney Hollow Reservoir

Core operations, 84%, $194.3 M

Rawhide Energy Station
  • Preventive and proactive maintenance to maintain reliability, efficiency and environmental compliance
  • Rawhide monofill upgrade, Hamilton Reservoir dam restoration, pipeline reroute

Craig Generating Station
  • Operations and expense reductions, no outages

Transmission
  • Substation transformer replacements
  • Drake transmission line rebuild design work

Purchased power
  • Full year of generation from solar resource added in 2021
  • Reduction in hydropower energy

Other expenses
  • 11 new positions
  • Benefits – net savings
  • IT investments – upgrades, training, asset mgmt.

Revenues $260.7 million

  • Owner communities – 3.9% load increase, 3.2% rate increase
  • Sales for resale – Continued long-term contracts to accommodate additional noncarbon resources, excess capacity
Financial results

### Strategic financial plan indicators

<table>
<thead>
<tr>
<th>Strategic financial plan indicators</th>
<th>Target minimums</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income ($ millions)</td>
<td>3% of projected operating expenses(^{(1)})</td>
<td>$14.4</td>
<td>$17.9</td>
<td>24.3%</td>
</tr>
<tr>
<td>Fixed obligation charge coverage ratio</td>
<td>1.50x</td>
<td>2.00x</td>
<td>2.17x</td>
<td>8.5%</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>&lt; 50%</td>
<td>21%</td>
<td>28%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Unrestricted days cash on hand</td>
<td>200</td>
<td>303</td>
<td>396</td>
<td>30.7%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 3% of projected operating expenses for 2021 and 2022 is $5.7 M and $6.1 M, respectively.

### Budget results ($ millions)

<table>
<thead>
<tr>
<th>Budget results ($ millions)</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>$241.6</td>
<td>$260.7</td>
<td>7.9%</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$334.9</td>
<td>$248.3</td>
<td>(25.9%)</td>
</tr>
<tr>
<td>Board contingency</td>
<td>$28.0(^{(2)})</td>
<td>$23.0</td>
<td>(17.9%)</td>
</tr>
</tbody>
</table>

\(^{(2)}\) Contingency transfer to be determined later in the year.
Budget contingency

Reserved to the board

$23 million contingency

Requires board approval prior to use

No impact on rates in budget

Unforeseen expenses
(forced outages, gas usage, changes in capital additions, business opportunities, etc.)

Allowable under state budget law and reduces need for amendments

Based on approximately 10% of operating expenses and capital additions

No impact on rates in budget

Based on approximately 10% of operating expenses and capital additions
2022 system energy
Includes renewable energy credit allocations to carbon resources

36.3% noncarbon

Significant changes from 2021 budget
- 5.9% increase in coal due to replacing hydropower and no major outage in 2022
- 3.4% reduction in hydropower due to draught conditions
- 1.7% reduction in other purchases due to no major outage in 2022

Noncarbon energy trend

2018 actual: 24.8%
2019 actual: 23.8%
2020 actual: 33.0%
2021 budget: 40.5%
2022 budget: 36.3%
Revenues and expenditures

2022 revenues in excess of expenditures: $12.4 million
2022 revenues

<table>
<thead>
<tr>
<th>Variance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner communities</td>
<td>$14.1 M</td>
</tr>
<tr>
<td>Sales for resale</td>
<td>$5.8 M</td>
</tr>
<tr>
<td>Interest and other</td>
<td>($0.8 M)</td>
</tr>
</tbody>
</table>

- **Sales to owner communities**
  - Loads developed on 10-year load forecast and energy changes from energy efficiency
  - Average 3.2% rate increase
  - Energy deliveries increase 3.9%
  - Coincident billing demand increase 0.6%

- **Sales for resale**
  - Energy and market prices – hourly model
  - Contracts
  - Wheeling revenues, decrease in tariff rate
  - 2022 variance due short-term sales increase in energy and prices

- **Interest and other income**
  - Interest income lower due to decline in rates

$260.7 million | variance from 2021 budget: $19.1M
2022 expenditures

<table>
<thead>
<tr>
<th>Variance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$12.5 M</td>
</tr>
<tr>
<td>Capital</td>
<td>($98.9 M)</td>
</tr>
<tr>
<td>Debt</td>
<td>($0.3 M)</td>
</tr>
</tbody>
</table>

- **Purchased power**
  - Long-term contracts
  - Other purchases (price/qty) – hourly model
  - Hydropower energy decrease and rate increase

- **Fuel**
  - Generation – hourly model
  - Prices based on long-term contracts

- **Production**
  - O&M – Rawhide, Craig, CTs, power ops
  - No planned maintenance outages

- **Transmission**
  - O&M – lines, substations, SCADA, fiber, telecom

- **Administrative and general**
  - Support groups
  - O&M – HQ facilities

- **Distributed energy resources**
  - Energy efficiency
  - Distributed energy resources and strategy
  - Demand response

$248.3 million | variance from 2021 budget: ($86.7 M)
Salaries and benefits

Salaries

- Regular wages increase $2.7 M
  - 11 new positions $1.0 M
  - Salary market adjustment, 3%, $1.0 M
  - Step increases $0.5 M
  - Other adjustments $0.2 M
- Overtime decrease $0.7 M
  - Scheduled maintenance outage in 2021, no planned outage in 2022

Benefits

- Decrease of $0.3 M
  - Defined benefit ($0.5 M)
  - Defined contribution $0.1 M
  - Other adjustments $0.1 M
Operating expenses and capital additions

- Generation, 24%
- Contract renewables and hydropower, 21%
- Fuel, 17%
- Transmission, 15%
- General business, 12%
- Distributed energy resources, 5%
- Other energy purchases, 4%
- Facilities, 2%

$230.5 million | variance from 2021 budget: ($86.3 M)
Operating expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Variance 2022 vs. 2021</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased power</td>
<td>$50 million</td>
<td>$37 million</td>
<td>$13 million</td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$39 million</td>
<td>$37 million</td>
<td>$2 million</td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>$10 million</td>
<td>$10 million</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>O&amp;M</td>
<td>$20 million</td>
<td>$21 million</td>
<td>$1 million</td>
<td></td>
</tr>
<tr>
<td>Distributed energy resources</td>
<td>$5 million</td>
<td>$5 million</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Craig units 1 &amp; 2</td>
<td>$3 million</td>
<td>$3 million</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Wheeling</td>
<td>$4 million</td>
<td>$4 million</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Outage accrual</td>
<td>$6 million</td>
<td>$6 million</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Outages - Rawhide</td>
<td>$7 million</td>
<td>$7 million</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Core generation and transmission expenses have been controlled through continued preventive and predictive maintenance strategies and proactive capital investments. 2022 includes additional costs from non-routine projects, IT services and insurance premium increases.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$202 million | variance from 2021 budget: $12.5 M
2022 capital additions

$28.5 million

Core projects
• Monofill upgrade – Rawhide
• 52G breaker replacement – CT units A-D
• Southern toe drain modifications – Rawhide
• Fire protection system upgrade – CT Unit D
• Craig units 1 and 2 projects
• Transformer replacements
• Oil circuit breakers
• IT firewall and storage
• Fiber optic patch panel and lateral replacements

Strategic projects
• Controls integration – pump stations
• Spray dry absorber direct lime injection
• Pipeline reroute
• Solar substation 230 kV
• Transformer (Flats) replacement
• Airflow spoilers
• Boundary metering
• Enterprise resource planning software*
• SCADA and energy management system
• Energy trading software (organized energy market)

* Enterprise resource planning software budget is a high-level estimate and will be refined during vendor selection.
2022 capital additions

$28.5 million | variance from 2021 budget: ($98.9 M)

Excludes estimated 2021 capital carryovers of $5.6 million

Other strategic projects*, 24%
Solar substation 230 kV*, 22%
Transmission and substation equipment, 17%
Rawhide, 14%
Monofill upgrade - Rawhide, 10%
Enterprise resource planning software*, 7%
Asset management and maintenance, 3%
Craig units 1 and 2, 3%

* Strategic projects
Capital 5-year forecast

Years 2022-2026 | $85.3 million

- Transmission and substations, 44%
- Rawhide, 26%
- Asset management and maintenance, 15%
- Compliance (monofill), 9%
- Rawhide outages, 4%
- Craig units 1 and 2, 2%

Includes estimated 2021 capital carryovers of $5.6 million
Capital 5-year forecast

Years 2022-2026 | $85.3 million
Capital 5-year forecast

Production additions: $35.4 million

- Soldier Canyon pipeline reroute, $3.8 M (Represents 74% of total)
- Soldier Canyon 10” ductile replacement, $10.4 M
- Monofill upgrade – Rawhide 2018-2022, $9.6 M
- Rawhide 2024 outage (dust collection systems), $2.5 M
- 52G breaker replacement – CT units A-D 2021-2022, $2.3 M
- Craig units 1 and 2 projects, $1.7 M

Stated amounts represent total project cost. May have had costs prior to 2022 or extend past 2026.
Capital 5-year forecast

Transmission additions: $37.2 million

- 115 kV Drake transmission line replacement, 2021-2025, $7 M
- Solar substation 230 kV, 2021-2023, $9.1 M
- Transformer T3 replacement – Timberline Substation, 2021-2023, $2.9 M
- Transformer (Flats) replacement – Rawhide Substation, $2.2 M
- Station service 230-12.4 kV transformer – Rawhide Substation, 2021-2023, $1.9 M
- Airflow spoilers, 2017-2022, $2.7 M
- Transformer V3 addition – Valley Substation, $1.2 M
- Transformer T1 replacement – Longs Peak Substation, $2.7 M
- Reserve aux transformers and metering unit – Rawhide Substation, $2.7 M
- Circuit switcher addition – Rogers Road Substation, $1.1 M

Stated amounts represent total project cost. May have had costs prior to 2022 or extend past 2026.
Capital 5-year forecast

General additions: $12.7 million

$ millions

- Enterprise resource planning software, $4.9 M (high level estimate – will be revised)
- Energy trading software (organized energy market), 2021-2022 $1.3 M
- SCADA and energy management system, $1.5 M
- Network replacements, $1.2 M
- Storage outbuilding – Headquarters campus, $1 M

Stated amounts represent total project cost. May have had costs prior to 2022 or extend past 2026.

General additions include:
- Facilities upgrades
- Information technology equipment
- Communication equipment
- Vehicles

Represents 78% of total
Highlights – 2022 strategic budget

2022 budget: $271.3 M

Core pillars

1. System reliability
2. Environmental responsibility
3. Financial sustainability

Strategic initiatives

• Enhanced customer experience, (energy efficiency and product expansion)
• Public engagement and communications (new strategic plan and EV microsite)
• Resource planning (operational flexibility, planning for new resources and DER strategy)
• Infrastructure advancement (enterprise resource planning, SCADA and energy management system)

Core operations

• Baseload and peaking generation, transmission
• PPAs for existing renewable resources & hydropower
• Predictive maintenance
• Proactive capital investments to maintain reliability, efficiency and environmental compliance

Revenues

• Increasing owner community loads
• Increasing sales for resale
• 3.2% rate increase

Operating expenses and capital additions: $230.5 million
Questions
Budget details for your information

Not presented

Small differences may exist in the following tables compared to the budget document due to rounding.
# Sales to owner communities

## Sales to owner communities

<table>
<thead>
<tr>
<th></th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase/decrease</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner community charge</td>
<td>$12.2</td>
<td>$13.4</td>
<td>$1.2</td>
<td>3.9% higher loads and a 3.2% average wholesale rate increase</td>
</tr>
<tr>
<td>Demand</td>
<td>71.9</td>
<td>76.2</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>109.8</td>
<td>118.4</td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$193.9</td>
<td>$208.0</td>
<td>$14.1</td>
<td></td>
</tr>
</tbody>
</table>

### Explanation

- **2019 actual**: 664 MW
- **2020 actual**: 657 MW
- **2021 budget**: 655 MW
- **2021 estimate**: 707 MW
- **2022 budget**: 674 MW

---

**Diagram:**

- **Peak load**
  - 2019 actual: 664 MW
  - 2020 actual: 657 MW
  - 2021 budget: 655 MW
  - 2021 estimate: 707 MW
  - 2022 budget: 674 MW
## Sales for resale and wheeling

<table>
<thead>
<tr>
<th></th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales for resale and wheeling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td>$18.7</td>
<td>$18.7</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>$20.9</td>
<td>$27.1</td>
<td>$6.2</td>
<td>Increased volume and average price</td>
</tr>
<tr>
<td>Wheeling</td>
<td>$6.3</td>
<td>$5.9</td>
<td>$(0.4)</td>
<td>Decrease in tariff rate</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$45.9</td>
<td>$51.7</td>
<td>$5.8</td>
<td></td>
</tr>
</tbody>
</table>

($ millions)

**Increase (decrease)**

<table>
<thead>
<tr>
<th></th>
<th>2019 actual</th>
<th>2020 actual</th>
<th>2021 budget</th>
<th>2021 estimate</th>
<th>2022 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales for resale</td>
<td>$31.2</td>
<td>$44.7</td>
<td>$45.9</td>
<td>$57.7</td>
<td>$51.7</td>
</tr>
<tr>
<td>Wheeling revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sales for resale average price
Includes energy and capacity

$23.38

$22.34 budget

$29.19 budget

$28.14

$27.41

$23.11

$23.87 budget

$34.02

$37.50 YTD Aug 2021*

$26.04

* Pricing was strong during the first eight months of 2021, particularly February and June through August, due primarily to weather conditions.
## Other revenues

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$ 1.4</td>
<td>$ 0.6</td>
<td>$ (0.8)</td>
<td>Significant decline in interest rates</td>
</tr>
<tr>
<td>Other income</td>
<td>0.4</td>
<td>0.4</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1.8</td>
<td>$ 1.0</td>
<td>$ (0.8)</td>
<td></td>
</tr>
</tbody>
</table>

### Charts

#### $ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest income</th>
<th>Other income</th>
<th>Distribution to owner communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 actual</td>
<td>$4.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020 actual</td>
<td>$2.3 net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 budget</td>
<td>$1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 estimate</td>
<td>$1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 budget</td>
<td></td>
<td>$1.0</td>
<td></td>
</tr>
</tbody>
</table>
# Purchased power

<table>
<thead>
<tr>
<th></th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchased power</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wind and RECs</td>
<td>$27.1</td>
<td>$27.4</td>
<td>$0.3 ($0.3)</td>
<td>Contract rate escalations and higher generation</td>
</tr>
<tr>
<td>Hydropower</td>
<td>16.0</td>
<td>15.5</td>
<td>(0.5) (-0.5)</td>
<td>Decreased CRSP energy purchases (30.6%) partially offset by an increase in CRSP contract rates (11.1%)</td>
</tr>
<tr>
<td>Other purchases and reserves</td>
<td>10.5</td>
<td>10.0</td>
<td>(0.5) (-0.5)</td>
<td>Decreased energy purchases (no major outage) and lower average prices partially offset by an increase in purchased reserves</td>
</tr>
<tr>
<td>Solar</td>
<td>5.0</td>
<td>5.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outage accrual</td>
<td>(1.4)</td>
<td>0.2</td>
<td>1.6 ($1.6)</td>
<td>Reversal of previous accruals for 2021 maintenance outage partially offset by the accrual for 2024 maintenance outage</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$57.2</td>
<td>$58.1</td>
<td>$0.9 ($0.9)</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation ($ millions):**

- **Increase (decrease):**
  - $38.4
  - $48.0
  - $57.2 net
  - $53.7 net
  - $58.1

**2019 actual:**

- **Wind & REC:** $15.0
- **Hydropower:** $12.0
- **Other purchases:** $5.0
- **Solar:** $3.0
- **Outage accrual:** $1.0

**2020 actual:**

- **Wind & REC:** $15.0
- **Hydropower:** $12.0
- **Other purchases:** $5.0
- **Solar:** $3.0
- **Outage accrual:** $1.0

**2021 budget:**

- **Wind & REC:** $15.0
- **Hydropower:** $12.0
- **Other purchases:** $5.0
- **Solar:** $3.0
- **Outage accrual:** $1.0

**2021 estimate:**

- **Wind & REC:** $15.0
- **Hydropower:** $12.0
- **Other purchases:** $5.0
- **Solar:** $3.0
- **Outage accrual:** $1.0

**2022 budget:**

- **Wind & REC:** $15.0
- **Hydropower:** $12.0
- **Other purchases:** $5.0
- **Solar:** $3.0
- **Outage accrual:** $1.0
# Fuel expense

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fuel expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rawhide Unit 1</td>
<td>$ 24.9</td>
<td>$ 27.9</td>
<td>$ 3.0</td>
<td>Capacity factor of 83.2% due to generation increase of 13% (to replace hydropower energy reduction, no major outage in 2022)</td>
</tr>
<tr>
<td>Craig units 1 and 2</td>
<td>9.0</td>
<td>11.0</td>
<td>2.0</td>
<td>Capacity factor of 51.2% due to generation increase of 24% (to replace hydropower energy reduction)</td>
</tr>
<tr>
<td>Combustion turbines</td>
<td>0.5</td>
<td>0.4</td>
<td>(0.1)</td>
<td>Generation decrease 21% partially offset by natural gas price increase of 10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 34.4</td>
<td>$ 39.3</td>
<td>$ 4.9</td>
<td></td>
</tr>
</tbody>
</table>

![Bar chart showing fuel expense for different units and years](chart.png)

- **2019 actual**
  - Rawhide Unit 1: $45.4
  - Craig units 1 and 2: $41.6
  - Combustion turbines: $34.4
- **2020 actual**
  - Rawhide Unit 1: $43.6
  - Craig units 1 and 2: $39.3
  - Combustion turbines: N/A
- **2021 budget**
  - Rawhide Unit 1: $34.4
  - Craig units 1 and 2: $41.6
  - Combustion turbines: $34.4
- **2021 estimate**
  - Rawhide Unit 1: $43.6
  - Craig units 1 and 2: $39.3
  - Combustion turbines: $34.4
- **2022 budget**
  - Rawhide Unit 1: $39.3
  - Craig units 1 and 2: $43.6
  - Combustion turbines: $39.3
Fuel expense

Fuel unit cost per million Btu

<table>
<thead>
<tr>
<th>Year</th>
<th>Rawhide Unit 1</th>
<th>Craig units 1 and 2</th>
<th>Combustion turbines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 actual</td>
<td>$1.33</td>
<td>$1.54</td>
<td>$3.51</td>
</tr>
<tr>
<td>2020 actual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 estimate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 budget</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Rawhide $1.33
- Craig $1.54
- CTs $3.51

$4.54/MBtu
YTD Aug 2021
### Production expenses

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rawhide</td>
<td>$ 31.6</td>
<td>$ 33.3</td>
<td>$ 1.7</td>
<td>Windy Gap Firming Project pooled financing arrangement and an increase in outage accrual partially offset by no major outage</td>
</tr>
<tr>
<td>Craig units 1 and 2</td>
<td>8.6</td>
<td>8.5</td>
<td>(0.1)</td>
<td>Reductions in base expenses</td>
</tr>
<tr>
<td>Combustion turbines</td>
<td>1.7</td>
<td>2.6</td>
<td>0.9</td>
<td>Increase in non-routine projects and personnel expenses</td>
</tr>
<tr>
<td>Power operations</td>
<td>3.2</td>
<td>3.3</td>
<td>0.1</td>
<td>Increase in personnel expenses and consulting fees to assist with an organized energy market</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 45.1</strong></td>
<td><strong>$ 47.7</strong></td>
<td><strong>$ 2.6</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Explanation ($ millions):**

- **Increase (decrease):**
  - $45.2  
  - $46.5  
  - $45.1 net  
  - $43.4 net  
  - $47.7  

---

**New position:**
- Power system operations

**Reallocated position:**
- Plant maintenance manager
## Transmission expenses

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transmission expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$ 14.6</td>
<td>$ 14.0</td>
<td>$ (0.6)</td>
<td>Decrease in personnel expenses and a decrease in ancillary services</td>
</tr>
<tr>
<td>Wheeling</td>
<td>4.0</td>
<td>4.8</td>
<td>0.8</td>
<td>Increased for settling losses financially and a projected rate increase (WAPA)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 18.6</td>
<td>$ 18.8</td>
<td>$ 0.2</td>
<td></td>
</tr>
</tbody>
</table>

New positions:
- Operations technology compliance (CIP)
- Transmission operations

### Graph

![Graph showing Transmission expenses over different years](image)
### Admin and general expenses

<table>
<thead>
<tr>
<th></th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative and general</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$ 18.7</td>
<td>$ 21.3</td>
<td>$ 2.6</td>
<td>Increased personnel expenses for new positions, insurance premiums due to cybersecurity and PC replacements</td>
</tr>
<tr>
<td>Maintenance</td>
<td>3.7</td>
<td>4.3</td>
<td>0.6</td>
<td>Increased for ERP maintenance support</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 22.4</td>
<td>$ 25.6</td>
<td>$ 3.2</td>
<td></td>
</tr>
</tbody>
</table>

**($ millions)**

- **Personnel expenses**
- **A&G operations**
- **A&G maintenance**

**Increase (decrease)**

- Increase: $19.2, $20.3, $22.4, $21.0, $25.6

# Distributed energy resources

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel expenses</td>
<td>$1.6</td>
<td>$1.9</td>
<td>$0.3</td>
<td>New positions</td>
</tr>
<tr>
<td>Distributed energy resources strategy</td>
<td>0.2</td>
<td>0.5</td>
<td>0.3</td>
<td>Increase in planning for forecasting customer propensity to adopt DER and funding for pilot programs</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>9.3</td>
<td>9.3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Distributed energy resources</td>
<td>0.5</td>
<td>0.6</td>
<td>0.1</td>
<td>Increased for electric vehicle microsite and for planning distribution integration</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11.6</strong></td>
<td><strong>$12.3</strong></td>
<td><strong>$0.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

## New positions:
- DER integration analyst
- Program manager
- Program coordinator
## Capital additions

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>$ 112.8</td>
<td>$ 9.1</td>
<td>$ (103.7)</td>
<td>Windy Gap Firming Project complete in 2021. 2022 projects include 52G breaker replacement - CT units A-D, monofill upgrade - Rawhide, Craig units 1 and 2 projects, southern toe drain modifications - Rawhide</td>
</tr>
<tr>
<td>Transmission</td>
<td>4.5</td>
<td>14.5</td>
<td>10.0</td>
<td>Solar substation 230kV - new solar project, transformer T3 replacement - Timberline Substation, transformer (flats) replacement - Rawhide Substation</td>
</tr>
<tr>
<td>General</td>
<td>9.0</td>
<td>4.9</td>
<td>(4.1)</td>
<td>Energy Engagement Center complete in 2021. 2022 projects include enterprise resource planning software, SCADA and energy management system</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>1.1</td>
<td>-</td>
<td>(1.1)</td>
<td>Bottom ash transfer impoundments and reclaim ash pond closure project in 2021</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 127.4</td>
<td>$ 28.5</td>
<td>$ (98.9)</td>
<td></td>
</tr>
</tbody>
</table>

### Graph

- **Production**
- **Transmission**
- **General**
- **Asset retirement obligations**

**2019 actual**: $48.6

**2020 actual**: $39.8

**2021 budget**: $127.4

**2021 estimate**: $122.8

**2022 budget**: $28.5
### Debt service expenditures

<table>
<thead>
<tr>
<th></th>
<th>2021 budget</th>
<th>2022 budget</th>
<th>Increase (decrease)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt service expenditures</td>
<td></td>
<td></td>
<td></td>
<td>Series JJ and Series KK. Series II will mature in 2022</td>
</tr>
<tr>
<td>Principal</td>
<td>$11.6</td>
<td>$12.0</td>
<td>$0.4</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>6.5</td>
<td>5.8</td>
<td>(0.7)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$18.1</td>
<td>$17.8</td>
<td>(0.3)</td>
<td></td>
</tr>
</tbody>
</table>

#### Chart

- **$ millions**
  - **2019 actual**: $19.6
  - **2020 actual**: $18.5
  - **2021 budget**: $18.1
  - **2021 estimate**: $17.8
  - **2022 budget**: $17.5

- **Graph**:
  - **Y-axis**: $ millions (0 to 20)
  - **Legend**:
    - Blue: Principal
    - Gray: Interest
Rawhide scheduled major outage

Sept. 30, 2021
Agenda

• Safety
• Schedule and budget
• Major operations and maintenance (O&M) projects
• Major capital projects
• Questions
COVID-19 protocols

- Masks
- Health screens
- Symptoms after health screening
- Platte River point of contact
- Safety orientation
- Break areas
- Social distancing
Schedule and budget

Outage schedule

• Offline date: Sept. 20, 2021
• Online date: Nov. 7, 2021

Outage budget

• $13.64M budgeted for operations and maintenance costs
• $11.49M budgeted for capital additions
Major O&M projects

- High pressure, intermediate pressure and low pressure turbine rotor inspections
- Replace boiler feed pump rotating element
- Replace three conveyor belts
- Retile the inside of the four coal mills
- Large motor inspections
- Clean and inspect all duct work
- Preventative maintenance that can only be completed when the unit is offline
- Boiler chemical clean
High pressure/intermediate pressure turbine

- Major inspection
- Seal replacement
- Intermediate 1c and 1r blade replacement
Low pressure turbine

• Major inspection
• Fir tree inspection
• Erosion damage
Boiler feed pump element

- Inspection
- Install rebuilt element
Conveyor belt replacement

- End of life
- Damaged splice
Coal mill retile

Before

- Prevent erosion
- Reduce O&M costs

After retiling
Major capital projects

- Boiler reheatt surface area addition
- Variable frequency drives installation
- New dust collection for the active coal storage silos
- Uninterruptable power supply for Unit 1
- Coal mill startup and shutdown automation
- Intermediate pressure turbine blade rows 1c and 1r
Reheat surface area addition

- Lengthen reheat inlet tubes
- Reduce thermal stress
- Efficiency gains
Variable frequency drives

- Efficiency gains
- Greater equipment response
Active coal storage silo dust collection

- Staff and equipment safety
- National Fire Protection Association standards
Summary

- Outage progress
- COVID-19
- Planning
- Projects
Questions
Board of directors

Sept. 30, 2021
August operational results

<table>
<thead>
<tr>
<th>Category</th>
<th>August variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal demand</td>
<td>3.5%</td>
<td>● 3.7%</td>
</tr>
<tr>
<td>Municipal energy</td>
<td>5.6%</td>
<td>● 5.9%</td>
</tr>
<tr>
<td>Baseload generation</td>
<td>(4.3%)</td>
<td>● 0.2%</td>
</tr>
<tr>
<td>Wind generation</td>
<td>3.2%</td>
<td>● (16.5%)</td>
</tr>
<tr>
<td>Solar generation</td>
<td>7.8%</td>
<td>● (9.5%)</td>
</tr>
<tr>
<td>Surplus sales volume</td>
<td>16.2%</td>
<td>● (7.5%)</td>
</tr>
<tr>
<td>Surplus sales price</td>
<td>136.1%</td>
<td>● 68.1%</td>
</tr>
<tr>
<td>Purchase volume</td>
<td>13.9%</td>
<td>● 10.9%</td>
</tr>
<tr>
<td>Purchase price</td>
<td>(11.0%)</td>
<td>● (10.1%)</td>
</tr>
<tr>
<td>Dispatch cost</td>
<td>10.5%</td>
<td>● 3.5%</td>
</tr>
</tbody>
</table>

Variance key: Favorable: ● >2% | Near budget: ◆ +/- 2% | Unfavorable: ■ < -2%
Board of directors

Sept. 30, 2021
## Financial summary

<table>
<thead>
<tr>
<th>Category</th>
<th>August 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>$4.1</td>
<td>$18.4</td>
</tr>
<tr>
<td>Fixed obligation charge coverage</td>
<td>1.73x</td>
<td>1.02x</td>
</tr>
<tr>
<td>Revenues</td>
<td>$6.1</td>
<td>$18.7</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$(1.8)</td>
<td>$0.2</td>
</tr>
<tr>
<td>Capital additions</td>
<td>$(90.0)</td>
<td>$12.1</td>
</tr>
</tbody>
</table>

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