



Rawhide Energy Station

Year-to-date September 2021 highlights

(Comparison to same period prior year)

Financial summary

Platte River reported year-to-date operating income of \$34.7 million compared with \$27.8 million reported in 2020. Change in net position was \$32.1 million, up from \$27.1 million reported in 2020. The bond service coverage ratio was 4.52 times compared to 3.74 times in 2020 and the fixed obligation charge coverage ratio was 3.05 times compared to 2.77 times in 2020.

Operating revenues increased \$21.3 million.

- Sales for resale increased \$19 million due to record cold weather in February 2021 and warmer weather over the summer season of 2021 that led to high energy prices. Further, new contract sales increased revenues.
- Sales to owner communities increased \$2.7 million as a result of a 2021 rate increase and changes in load and demand profiles, \$3.7 million in higher demand charges and \$0.5 million in higher base owner community charges, partially offset by \$1.5 million less in energy charges. A new peak load of 707 MW was set on July 28 at 6 p.m.
- Wheeling decreased \$0.4 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 \$14.4 million.

- Purchased power expenses increased \$6.1 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, an increase in other supplemental purchases and higher market prices for the owner communities solar programs partially offset by energy provided to Tri-State Generation and Transmission Association, Inc. under the forced outage assistance agreement, a rate decrease for hydropower purchased from WAPA's Colorado River Storage Project, the outage accrual and a decrease in joint dispatch agreement (JDA) purchases.
- Fuel expenses increased \$4.8 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 over the summer season of 2021 partially offset by lower generation from Rawhide Unit 1 as a result of new wind and solar resources.
- 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.
- Production and transmission expenses increased \$0.9 million due to wheeling expenses, the scheduled maintenance outage, joint facility expenses, water expenses, expenses associated with preparing to enter an organized energy market, personnel expenses, plant and general maintenance and utilities partially offset by decreases in combustion turbine maintenance, the outage accrual, inventory write-offs, expenses associated with the Covid-19 pandemic, non-routine projects and operating expenses for the Craig units.

- Administrative and general expenses increased \$0.8 million due to an increase in personnel expenses, software licenses, computer equipment and software maintenance partially offset by lower contracted services for security, resource planning and ground maintenance.
- Distributed energy resources expenses decreased \$2.1 million primarily due to lower program expenses that have not fully recovered from the Covid-19 pandemic.

Sales statistics

	9 months ended September 30			12 months ended September 30		
	2021	2020	Change	2021	2020	Change
Owner community peak demand (kW)*	706,778	656,620	7.6%	706,778	656,620	7.6%
Owner community energy sales (MWh)*	2,464,487	2,391,801	3.0%	3,238,163	3,177,864	1.9%
Other energy sales (MWh)	1,232,784	969,346	27.2%	1,670,593	1,283,133	30.2%

*Demand and energy provided under community solar agreements were lagged by one month through August 2020; therefore, totals for 2020 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 76.3%, 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 52.9%, up from 38% reported in 2020. The primary reason for the higher capacity factor was because of record cold temperatures in February 2021 and warmer temperatures over the summer season of 2021, resulting in additional dispatch of the units under JDA due to pricing.
- Platte River's combustion turbines were used 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 increased in 2021 primarily as a result of the scheduled maintenance outage at Rawhide Unit 1 which requires replacement power to be purchased.

MWh	9 months ended September 30			MWh	9 months ended September 30		
	2021	2020	Change		2021	2020	Change
Rawhide Unit 1	1,399,990	1,476,200	-5.2%	Hydropower	436,760	436,760	0.0%
Craig units 1 and 2	523,192	377,345	38.7%	Solar	84,215	51,514	63.5%
Combustion turbines	159,161	137,105	16.1%	JDA purchases	364,240	472,481	-22.9%
Wind	739,951	443,257	66.9%	Other purchases	37,641	30,057	25.2%



Condensed statements of net position

Unaudited

	(In thousands)	
	September 30	
	2021	2020
Assets		
Electric utility plant, net	\$ 589,080	\$ 599,192
Special funds and investments	150,125	110,459
Current assets	150,195	128,288
Noncurrent assets	131,791	15,033
Total assets	<u>1,021,191</u>	<u>852,972</u>
Deferred outflows of resources	28,786	31,646
Liabilities		
Noncurrent liabilities	300,555	221,633
Current liabilities	33,892	32,739
Total liabilities	<u>334,447</u>	<u>254,372</u>
Deferred inflows of resources	<u>67,788</u>	<u>9,585</u>
Net position	<u>\$ 647,742</u>	<u>\$ 620,661</u>

Condensed statements of revenues, expenses and changes in net position

Unaudited

	(In thousands)			
	9 months ended		12 months ended	
	September 30		September 30	
	2021	2020	2021	2020
Operating revenues				
Sales to owner communities	\$ 152,316	\$ 149,608	\$ 198,710	\$ 195,719
Sales for resale and other	51,331	32,763	63,315	42,014
Total operating revenues	<u>203,647</u>	<u>182,371</u>	<u>262,025</u>	<u>237,733</u>
Operating expenses				
Operations and maintenance	144,266	133,778	193,600	179,332
Depreciation and amortization	24,699	20,778	36,963	27,330
Total operating expenses	<u>168,965</u>	<u>154,556</u>	<u>230,563</u>	<u>206,662</u>
Operating income	<u>34,682</u>	<u>27,815</u>	<u>31,462</u>	<u>31,071</u>
Nonoperating revenues (expenses)				
Interest and other income	1,817	2,465	2,651	3,587
Distribution to owner communities	-	-	(1,000)	-
Interest expense, net	(3,453)	(4,231)	(4,792)	(5,675)
Net (decrease)/increase in fair value of investments	(898)	1,010	(1,241)	1,041
Total nonoperating revenues and expenses	<u>(2,534)</u>	<u>(756)</u>	<u>(4,382)</u>	<u>(1,047)</u>
Change in net position	<u>\$ 32,148</u>	<u>\$ 27,059</u>	<u>\$ 27,080</u>	<u>\$ 30,024</u>