2022 wholesale rates at a glance

Platte River will increase the average wholesale rate 3.2% in 2022 to achieve rate strategy objectives and to resume long-term rate smoothing. This follows a 1.5% increase in 2021 which was lower than the planned rate increase to provide relief to the owner communities from uncertain economic impacts of the COVID-19 pandemic. In 2020 there was no increase to the average wholesale rate to mitigate the cost shifts amongst the owner communities associated with the transition to the current rate structure. As Platte River moves toward its goal of a 100% noncarbon resource mix, it is critical to resume the long-term rate smoothing strategy.

Achieving Platte River’s core pillars

Platte River is committed to:

- Achieving its Resource Diversification Policy goal of a 100% noncarbon resource mix by 2030, including the planned exit from coal-fired generation by 2030
- Continuing to invest in its generation and transmission assets to maintain system reliability, improve efficiency and to meet regulatory requirements
- Maintaining a strong credit rating, access to low-cost financing and financial sustainability
- Prudently managing expenditures, providing long-term financial sustainability and maintaining competitive rates
Rate strategy objectives

Per its strategic financial plan, Platte River’s Board of Directors will maintain long-term financial sustainability by implementing appropriate rates and strategies that:

- Mitigate significant single year rate hikes
- Provide greater rate predictability to aid owner communities with more accurate, long-term planning
- Maintain strong financial position and AA credit rating

Platte River’s rate structure improves the value added by Platte River in support of its owner communities and pursues the following objectives of the rate setting policy:

- 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

Additionally, the rate structure provides:

- Flexibility to adapt to cost structure changes and integrate noncarbon resource additions
- Incentives to maximize short-term and long-term marginal cost savings that also provide system benefits and revenue stability
- Signals to curb consumption during peak demand periods
- Transparency and increased pricing flexibility at the retail level

Rate competitiveness

Under the direction of the board-approved strategic financial plan, Platte River serves its owner communities with the lowest wholesale rates in Colorado. Platte River’s average wholesale rate is 18% lower than the next lowest regional provider.

![2021 average wholesale rates ($/MWh)*](www.prpa.org/wholesale-rates)

*Wholesale rates through June 2021