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## Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, May 26, 2022, 9 a.m.

### Call to order

1. Consent agenda
  - a. Minutes of the regular meeting of April 28, 2022
  - b. Wholesale transmission service (Tariff WT-23)
  - c. Standard offer energy purchase (Tariff SO-22)

*Motion to approve*

*Resolution 05-22*

*Resolution 06-22*

### Public comment

### Management presentations

2. Synopsis of state legislation
3. Proposed water rights exchange
4. System integration roadmap
5. Enhanced marketing strategies
6. Average wholesale rate projections

### Monthly informational reports

7. Legal, environmental and compliance report
8. April 2022 operating report
9. April 2022 financial report
10. April general management report

### Strategic discussions

### Adjournment





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## 2022 board meeting planning calendar

Updated May 17, 2022

### July 28, 2022

Board action items	Management presentations	Management reports	Monthly informational reports
Water rights exchange	Deferred revenue accounting policy	Legislative session recap	Q2 performance dashboard
		DER strategy committee update	Legal, environmental and compliance report
			May and June 2022 operating report – mid-year review
<b>Committee reports</b>			May and June 2022 financial report – mid-year review
Retirement committee report			May and June 2022 transition and integration report
			General management report

### Aug. 25, 2022

### Retirement committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
Deferred revenue accounting policy	Wholesale rate projections update and 2023 rate tariff charges		Legal, environmental and compliance report
	DER strategy committee update		July 2022 operating report
			July 2022 financial report
			July 2022 transition and integration report
			General management report



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## Sept. 29, 2022

Board action items	Management presentations	Management reports	Monthly informational reports
	2023 proposed strategic budget work session	Strategic financial plan update	Legal, environmental and compliance report
	2023 rate tariff schedules	Staffing update (memo only)	August 2022 operating report
			August 2022 financial report
Committee reports			August 2022 transition and integration report
Retirement committee report			General management report

## Oct. 27, 2022

Board action items	Management presentations	Management reports	Monthly informational reports
2022 BKD financial audit plan	2023 proposed strategic budget update – public hearing		Q3 performance dashboard
2023 rate tariff schedules	Strategic financial plan update		Legal, environmental and compliance report
			September 2022 operating report
			September 2022 financial report
			September 2022 transition and integration report
			General management report

## November 2022

No board of directors meeting

## Retirement committee meeting



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## Dec. 8, 2022

Board action items	Management presentations	Management reports	Monthly informational reports
2023 strategic budget review and adoption		Benefits update (memo only)	Legal, environmental and compliance report
2022 budget contingency appropriation transfer (if required)		DER strategy committee update	October 2022 operating report (November 2022 report, if available)
2023 proposed board of directors regular meeting schedule			October 2022 financial report (November 2022, if available)
Strategic financial plan			October 2022 transition and integration report
<b>Committee reports</b>			General management report
Retirement committee report			

### Topics to be scheduled:

- Chimney Hollow Reservoir tour
- Resolution to support system integration

**This calendar is for planning purposes only and may change at management's discretion.**





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## 2022 board of directors

### Owner communities

### Term expiration

#### Town of Estes Park

P.O. Box 1200, Estes Park, Colorado 80517

Mayor Wendy Koenig

April 2024

Reuben Bergsten—Chair, Board of Directors

December 2024

#### City of Fort Collins

P.O. Box 580, Fort Collins, Colorado 80522

Mayor Jeni Arndt

April 2023

Kendall Minor

December 2026

#### City of Longmont

350 Kimbark Street, Longmont, Colorado 80501

Mayor Joan Peck

November 2023

David Hornbacher

December 2022

#### City of Loveland

500 East Third Street, Suite 330, Loveland, Colorado 80537

Mayor Jacki Marsh

November 2023

Kevin Gertig—Vice Chair, Board of Directors

December 2025





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## Our vision

To be a respected leader and responsible power provider improving the region's quality of life through a more efficient and sustainable energy future.

## Our mission

While driving utility innovation, Platte River will safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities of Estes Park, Fort Collins, Longmont and Loveland.

## Our values

### Safety

Without compromise, we will safeguard the public, our employees, contractors and assets we manage while fulfilling our mission.

### Integrity

We will conduct business equitably, transparently and ethically while complying fully with all regulatory requirements.

### Service

As a respected leader and responsible energy partner, we will empower our employees to provide energy and superior services to our owner communities.

### Respect

We will embrace diversity and a culture of inclusion among employees, stakeholders and the public.

### Operational excellence

We will strive for continuous improvement and superior performance in all we do.

### Sustainability

We will help our owner communities thrive while working to protect the environment we all share.

### Innovation

We will proactively deliver creative solutions to generate best-in-class products, services and practices.





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## Memorandum

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**Date:** 5/18/2022

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Angela Walsh, executive assistant and board secretary

**Subject:** **May consent agenda**

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Staff requests approval of the following items on the consent agenda. The supporting documents are included for the items. Approval of the consent agenda will approve all items unless a member of the board removes an item from consent for further discussion.

- Minutes of the regular meeting of April 28, 2022
- Wholesale transmission service (Tariff WT-23)
- Standard offer energy purchase (Tariff SO-22)

Attachments





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## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, April 28, 2022

### Attendance

#### Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten  
Representing Fort Collins: Mayor Arndt and Kendall Minor  
Representing Longmont: Mayor Joan Peck and David Hornbacher  
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

#### Platte River staff

Jason Frisbie (general manager/CEO)  
Sarah Leonard (general counsel)  
Dave Smalley (chief financial officer and deputy general manager)  
Melie Vincent (chief operating officer)  
Raj Singam Setti (chief transition and integration officer)  
Eddie Gutiérrez (chief strategy officer)  
Angela Walsh (executive assistant/board secretary)  
Kaitlyn McCarty (executive assistant – finance and IT)  
Mitch Tomaier (IT service desk technician II)  
Jason Harris (controller)  
Shelley Nywall (director of finance)  
Carol Ballantine (senior manager of power markets)  
Heather Banks (fuels and water manager)

#### Guests

Chris Telli (BKD)  
Anna Thigpen (BKD)

### Call to order

Chair Bergsten called the meeting to order at 9:00 a.m. A quorum of board members was present via roll call. The meeting, having been duly convened, proceeded with the business on the agenda. Chair Bergsten announced that the Platte River staff will continue to hold a hybrid meeting having the public attend via Zoom Webinar until further notice. The board welcomed new board member, Kendall Minor, the new Utilities Executive for the City of Fort Collins Utilities.

Jason Frisbie, general manager and CEO, introduced and welcomed Eddie Gutiérrez, the new chief strategy officer, to Platte River. Mr. Gutiérrez thanked the board for the opportunity to work at Platte River and gave a brief overview of his background and industry experience. Dave Smalley, chief financial officer and deputy general manager, introduced Chris Telli and Anna



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Thigpen with BKD.

## Action items

### 1. Election of Vice Chair

Chair Bergsten mentioned the vacancy left on the board and in the vice chair seat when Julie Pignataro stepped down from the board of directors. He provided an opportunity for any board member who wished to serve in the vice chair position to address the board.

Director Arndt offered to serve if no one else was interested. Director Gertig nominated himself to serve in the vice chair position. With one nomination of Director Gertig, Chair Bergsten closed nominations.

Director Koenig moved to approve Resolution No. 04-22; Election of Kevin Gertig as Vice Chair, as presented. Director Hornbacher seconded. The motion carried 8-0.

Mr. Frisbie noted that after 12 years, this is the first board composed of the four mayors and four utility directors of Platte River's owner communities.

### 2. Consent agenda

- a. Approval of the regular meeting minutes of March 31, 2022

Director Koenig moved to approve the consent agenda as presented. Director Peck seconded. The motion carried 8-0.

## Public comment

Chair Bergsten opened the public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably by the number of callers wishing to speak at the start of public comment. No members of the public asked to address the board.

## Board action items

### 3. 2021 BKD audit report (presenter: Dave Smalley)

Mr. Smalley introduced the two representatives from BKD to present the audit results. Chris Telli, partner with BKD, provided an overview of the 2021 audit results and audit opinion and highlighted the changes to the auditing standards. Mr. Telli reported a clean audit with no adjustments and noted the differences in reporting the unmodified opinion from the 2020 audit report.

Anna Thigpen, director with BKD, discussed the highlights covered in the financial statements.



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Director Gertig commented on Rawhide Unit 1 decommissioning costs estimates being reflected in future audits. Mr. Frisbie commented that staff plans to have discussions with the board on the future of the Rawhide Energy Station site. Mr. Smalley added the same cost estimates and decommissioning discussions will occur for the Craig Energy Station. Discussion ensued among directors and staff on decommissioning Rawhide Unit 1 and environmental requirements for decommissioning addressed by staff.

Director Hornbacher moved to approve the 2021 BKD audit report as presented. Director Gertig seconded, and the motion carried 8-0. Mr. Frisbie and the directors thanked management, staff and BKD for all the hard work and clean, unmodified audit opinion.

#### **4. Acceptance of the 2021 annual report (presenter: Jason Frisbie)**

Mr. Frisbie introduced the 2021 annual report, which includes the financial audit report, and thanked the communications and marketing team as well as the financial department for the work behind the report. Director Hornbacher commented on the document reflecting a transitional year for Platte River and the success in 2021. Mr. Frisbie previewed the focus of the 2022 annual report and planning for the fiftieth anniversary for Platte River in 2023. Discussion ensued among directors and staff on celebrating the fiftieth anniversary and how to include the four owner communities in celebrations.

Mr. Frisbie asked the board to let the board secretary know how many hard copies of the 2021 annual report they would like; otherwise, the report is posted on the website.

Director Peck moved to accept the 2021 annual report as presented. Director Koenig seconded, and the motion carried 8-0.

### **Management presentations**

#### **5. WAPA hydropower update (presenter: Carol Ballantine)**

Carol Ballantine, senior manager of power markets, provided an update on the Colorado River Storage Project and Loveland Area Project (LAP) hydropower allocations decreasing for Platte River and the operational and financial impacts on Platte River's system.

Director Minor asked what water supplies Lake George. Ms. Ballantine responded that water will be transferred from Flaming Gorge and rain and snowpack runoff will help maintain adequate levels in the lake.

Mr. Frisbie noted that all hydropower serves the owner communities and the decrease in hydro allocations to Platte River requires other resources to generate more power to serve load and surplus sales.

Director Koenig asked for more information on the drought adder included in the base rate of LAP. Ms. Ballantine explained the drought adder included in the LAP base rate increase is a mechanism the Western Area Power Administration can invoke without going through additional

public process if LAP experiences significant cost recovery shortfalls.

Mr. Frisbie noted that this decrease in hydro allocation does not impact our ability to serve load, only adding to some costs and reducing the amount of noncarbon energy available.

Director Peck asked what percentage of the 17.9% cost increases is passed on to the end users. Mr. Smalley noted that at the May board meeting staff will present the rates for 2023, which will incorporate the hydropower costs. Mr. Smalley added that Ms. Ballantine presented the cost increases from 2020 and the rates have already absorbed most of the cost increases through 2021.

Discussion ensued among directors and staff on rate impacts, importance of electric and water conservation programs through Efficiency Works™ and how Platte River can help offset the impacts within the four owner communities.

## **6. Energy storage performance (presenter: Raj Singam Setti)**

Raj Singam Setti, chief transition and integration officer, presented the performance of the 2-megawatt hour (MWh) battery included in the Rawhide Prairie solar project, battery charging scenarios and battery options that are available to Platte River.

Chair Bergsten asked if Platte River can discharge the battery any time during the day instead at the automated 7:00 p.m. protocol. Mr. Singam Setti responded that based on the evening peak, this is when Platte River requested the battery to discharge. Director Koenig asked if the variable recharge amounts affect the battery degradation. Mr. Singam Setti responded that the number of cycles, or how many times we charge and discharge, affects the degradation of the battery and Platte River has not seen a degradation on this project yet.

Director Hornbacher asked how many megawatts of solar are needed online to charge 5 one megawatt batteries. Mr. Singam Setti responded that 10 megawatts of solar would be needed to charge the 5 one megawatt batteries for one cycle. Sarah Leonard, general counsel, noted a limitation of how often batteries can cycle in a day under purchase power agreements. Mr. Singam Setti confirmed that there is a limitation of number of cycles per day. Director Minor asked what the overall dispatch cost is for discharging batteries. Discussion ensued among directors and staff on storage costs, infrastructure costs and costs associated with charging batteries compared to thermal resource costs.

Director Koenig commented on concerns of the supply chain challenges and the ability to obtain batteries. Mr. Singam Setti responded that innovation in storage technologies is needed to solve issues for utility scale storage options aside from the supply chain issues. Director Marsh asked if staff is evaluating different storage technologies. Mr. Singam Setti discussed the various storage technologies being evaluated.

Chair Bergsten asked for staff to provide a document with common vocabulary to help everyone understand the technical terminology. Mr. Gutiérrez committed to creating a resource for the owner communities and the board refer to when needed.



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**10-minute break at 10:46 a.m.**

## **7. Resource diversification and system integration opportunities**

**(presenter: Raj Singam Setti)**

Mr. Singam Setti presented a refreshed look at resource diversification and system integration since the 2020 Integrated Resource Plan, the “three D” concept of digitalization, decarbonization, distribution, the distributed energy resource (DER) action plan and the average generation cost comparison.

Director Hornbacher asked how the prices from Platte River’s most recent solar and storage request for proposals compare to prices reported by the National Renewal Energy Laboratory. Mr. Singam Setti responded there is about a 5% delta between the two inputs. Mr. Frisbie added the projected solar additions were incremental to the 150 MW Black Hollow solar project expected to come online in 2024. Chair Bergsten asked if there was risk the Black Hollow solar project might not come online by 2024. Mr. Frisbie noted that staff is working with 174 Power Global on the existing contract and issues with available materials to build the project. Discussion ensued among directors and staff regarding the Black Hollow solar project.

Director Koenig asked when Platte River is able to use solar energy produced within the owner communities. Mr. Frisbie responded that Platte River will need to be able to dispatch community solar energy by 2028. Discussion ensued among directors and staff about how to keep the enthusiasm up in the four owner communities on timing of increasing system integration and when distributed energy resource management system (DERMS) will be available.

Directors Marsh and Hornbacher thanked Mr. Singam Setti for the presentation and noted the journey Platte River will be on for the next few years. Director Gertig noted the importance of representation of data communications in transitioning to DER to align all four owner communities. Mr. Singam Setti added that Platte River has engaged a consultant to perform gap analysis for current system status and a questionnaire will be forwarded to our owner communities’ utility staffs. Director Minor commented on learning more about Fort Collins’ DERMS and how it will help Platte River in future planning. Mr. Singam Setti added that part of the consultant’s evaluation is to see what systems will work with assets currently in place among the owner communities and Platte River. Director Peck asked about marketing within the owner communities and if using the same vendors would help streamline the progress and help residential and commercial customers install the correct equipment. Mr. Singam Setti responded that residential vendors are different than utility scale vendors and the goal is to find a neutral DERMS capable of taking any kind of data from any kind equipment installed.

## Management Reports

### 8. Water Resources Reference Document (presenter: Heather Banks)

Heather Banks, fuels and water manager, summarized the information provided in the water resources reference document, why it was created and the updates since the 2021 edition. Ms. Banks offered to provide hard copies to anyone who would like one.

### 9. Proposed water rights exchange (presenter: Heather Banks)

Ms. Banks discussed a proposed water rights exchange with the City of Greeley. Staff will provide a presentation during the May board meeting with further information. Director Arndt asked what the reasoning is for exchanging the water rights. Ms. Banks responded one of the key items is managing water as an asset and there is no future need for these water rights once Rawhide Unit 1 closes and Chimney Hollow is complete. The board will be asked to authorize the proposed water rights exchange at the July board meeting.

## Monthly informational reports

### 10. Q1 performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie covered the highlights for the first quarter performance dashboard for 2022.

### 11. Legal, environmental and compliance report (presenter: Sarah Leonard)

Ms. Leonard highlighted the Public Service Company of Colorado (PSCO) flex reserve case at the Federal Energy Regulatory Commission. There is now a final signed settlement on flex reserve service rates. Chair Bergsten asked about how this will be used when Platte River moves into a market. Melie Vincent, chief operating officer, added that Platte River will remain in PSCO's balancing authority while still in the Western Energy Imbalance Service market.

### 12. March operating report (presenter: Melie Vincent)

Ms. Vincent highlighted the March operating results. Director Minor asked about what the outages were at Rawhide and the Craig Energy Station. Mr. Frisbie noted that changes made during the last planned outage with burner tips in the boiler at Rawhide had to be adjusted and issues with ash removal.

### 13. March financial report (presenter: Dave Smalley)

Mr. Smalley highlighted the March financial report. There were no questions from the board.



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#### 14. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the new section for transition and integration, which will migrate to be a standalone report in future board meeting packets. There were no questions from the board.

#### Roundtable and strategic discussion topics

Based on a previous request, the directors and staff discussed posting board meeting recordings on the Platte River website. Board consensus was to not post board meeting recordings to the website.

#### Adjournment

With no further business, the meeting adjourned at 12:20 p.m. The next regular board meeting is scheduled for Thursday, May 26, 2022 at 9:00 a.m. either virtually or at Platte River Power Authority, 2000 E. Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Secretary





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## Memorandum

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**Date:** 5/18/2022

**To:** Board of Directors

**From:** Jason Frisbie, general manager and chief executive officer  
Dave Smalley, chief financial officer and deputy general manager  
Shelley Nywall, director of finance  
Wade Hancock, financial planning and rates manager

**Subject:** Wholesale Transmission Service (Tariff WT-23)

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The board of directors is required by the amended contracts for the supply of electric power and energy between Platte River and the owner communities to review the rates for electric power and energy furnished by Platte River no less frequently than once each year. It has been routine practice to review and modify the Wholesale Transmission Service tariff, under which Platte River offers transmission service to third parties, on an annual basis in the second quarter after the audited year-end financial results are available. This ensures the rate reflects the most recent costs of operation and maintenance and actual transmission usage.

Accompanying this memo in the May board materials are the following documents:

- Wholesale Transmission Service tariff (Tariff WT-23)
- Redline version of the Wholesale Transmission Service tariff (Tariff WT-23)
- Resolution to adopt the Wholesale Transmission Service tariff (Tariff WT-23) as proposed

Platte River collects transmission revenues through two separate tariffs. The owner communities are charged for transmission service via the Firm Power Service tariff. The Wholesale Transmission Service tariff includes multiple rates for transmission services charged to other utilities (such as Xcel Energy and Tri-State Generation and Transmission, Inc.) that use Platte River's transmission system. The Wholesale Transmission Service tariff is also charged to Platte River for merchant sales. Although Platte River is not subject to Federal Energy Regulatory Commission (FERC) jurisdiction, Platte River's tariff is based on the FERC pro-forma open access transmission tariff. The following proposed wholesale transmission service components and rates were calculated using the 2021 year-end financial and operational information.

### **Real power loss factor**

Based on the 2021 loss analysis, the real power loss factor is decreasing from 1.48% to 1.00% relative to 2020. The decrease is due to losses on the Craig-Ault and Craig-Bonanza transmission lines operated by the Western Area Power Administration (but Platte River has ownership interest), which are now settled financially. Formerly, losses on these transmission paths were settled with energy in kind.

### **Reactive supply and voltage control from generation sources service (RSVC)**

The RSVC charge is decreasing 21.4% from \$115.33 to \$90.56 per megawatt of reserved capacity per month.

The revenue requirement is declining primarily due to the 2021 surplus sales credited against fixed production expenses. Additionally, to determine the fixed production revenue requirement portion to recover through the RSVC charge, Platte River uses a ratio of RSVC assets to total production assets. While RSVC assets did not change, total production assets increased as a result of the Windy Gap Firming Project, which is classified as a production asset for rate making purposes. As a result, the RSVC revenue requirement (numerator) decreased 22.0%.

The transmission usage (denominator) decreased 0.7% due to the net change in total network loads and the modification of the treatment of discounted transmission path loads, creating slight additional upward rate pressure.

### **Point-to-point transmission service**

Long-term and short-term firm point-to-point transmission service and non-firm point-to-point transmission service are proposed to increase 7.7% from \$6,332.06 to \$6,816.88 per megawatt of reserved capacity per month. The net 7.7% increase is the result of a 6.9% increase in the adjusted transmission revenue requirement (numerator) and an 0.7% decrease in transmission usage (denominator), as noted above.

The revenue requirement is increasing from \$41,752,204 to \$44,641,143, primarily due to increased debt service coverage margin allocated to transmission because of increased owner community and surplus sales revenues. Offsetting the increased revenue requirement slightly is the increase in merchant sales charged to Platte River.

### **Recommendation**

Platte River staff recommends the board adopt the Wholesale Transmission Service tariff, under which Platte River offers transmission service to third parties, as proposed, with an effective date of June 1, 2022. Platte River continues to reserve the right to offer discounted transmission rates for specific transmission paths.

### **Attachments**

## Wholesale Transmission Service (Tariff WT-~~2223~~)

Platte River Power Authority (Platte River) offers transmission service through this Wholesale Transmission Service Tariff (WT-~~2223~~). Tariff WT-~~22-23~~ does not apply to any entity taking service under Platte River's Firm Power Service Tariff; Standard Offer Energy Purchase Tariff; or Large Customer Service Tariff. Tariff WT-~~22-23~~ may or may not be equivalent to Platte River's open access transmission service tariff (OATT), posted on Platte River's Open Access Same-Time Information System (OASIS) web site.

A summary of the charges follows.

~~The Real Power Loss factor is 1.48%.~~

### (1) Scheduling, System Control, and Dispatch Service

~~Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority. No charge in addition to that for Transmission Service (items 7 and 8 below).~~

### (2) Reactive Supply and Voltage Control from Generation Sources Service

The charges equal the following:

<del>Yearly</del>	<del>\$1,383.94 per megawatt of Reserved Capacity per year</del>
<del>Monthly</del>	<del>\$115.33 per megawatt of Reserved Capacity per month</del>
<del>Weekly</del>	<del>\$26.61 per megawatt of Reserved Capacity per week</del>
<del>Daily</del>	<del>\$5.32 per megawatt of Reserved Capacity per day</del>
<del>Hourly</del>	<del>\$0.33 per megawatt of Reserved Capacity per hour</del>

<del>Yearly</del>	<del>\$1,086.72 per megawatt of Reserved Capacity per year</del>
<del>Monthly</del>	<del>\$90.56 per megawatt of Reserved Capacity per month</del>
<del>Weekly</del>	<del>\$20.90 per megawatt of Reserved Capacity per week</del>
<del>Daily</del>	<del>\$4.18 per megawatt of Reserved Capacity per day</del>
<del>Hourly</del>	<del>\$0.26 per megawatt of Reserved Capacity per hour</del>

### (3) Regulation and Frequency Response Service

~~Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority. Platte River is not a balancing authority and does not offer this service. Upon written request, Platte River will assist in arranging for the local balancing authority operator to provide this service; however, Platte River makes no representation that the local balancing authority operator can or will provide the service.~~

### (4) Energy Imbalance Service

~~Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority. Platte River is not a balancing authority and~~

~~does not offer this service. Upon written request, Platte River will assist in arranging for the local balancing authority operator to provide this service; however, Platte River makes no representation that the local balancing authority operator can or will provide the service.~~

(5) Operating Reserve—Spinning Reserve Service

~~Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority. Platte River is not a balancing authority and does not offer this service. Upon written request, Platte River will assist in arranging for the local balancing authority operator to provide this service; however, Platte River makes no representation that the local balancing authority operator can or will provide the service.~~

(6) Operating Reserve—Supplemental Reserve Service

~~Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority. Platte River is not a balancing authority and does not offer this service. Upon written request, Platte River will assist in arranging for the local balancing authority operator to provide this service; however, Platte River makes no representation that the local balancing authority operator can or will provide the service.~~

(7) Long-Term and Short-Term Firm Point-to-Point Transmission Service

The charges can be up to the following limits:

<del>Yearly delivery</del>	<del>\$75,984.75 per megawatt of Reserved Capacity per year</del>
<del>Monthly delivery</del>	<del>\$6,332.06 per megawatt of Reserved Capacity per month</del>
<del>Weekly delivery</del>	<del>\$1461.25 per megawatt of Reserved Capacity per week</del>
<del>Daily delivery</del>	<del>\$292.25 per megawatt of Reserved Capacity per day</del>
<del>Hourly delivery</del>	<del>\$18.27 per megawatt of Reserved Capacity per hour</del>
<del>Yearly delivery</del>	<del>\$81,802.60 per megawatt of Reserved Capacity per year</del>
<del>Monthly delivery</del>	<del>\$6,816.88 per megawatt of Reserved Capacity per month</del>
<del>Weekly delivery</del>	<del>\$1,573.13 per megawatt of Reserved Capacity per week</del>
<del>Daily delivery</del>	<del>\$314.63 per megawatt of Reserved Capacity per day</del>
<del>Hourly delivery</del>	<del>\$19.66 per megawatt of Reserved Capacity per hour</del>

(8) Nonfirm Point-to-Point Transmission Service

The charges can be up to the following limits:

<del>Monthly delivery</del>	<del>\$6,332.06 per megawatt of Reserved Capacity per month</del>
<del>Weekly delivery</del>	<del>\$1461.25 per megawatt of Reserved Capacity per week</del>
<del>Daily delivery</del>	<del>\$292.25 per megawatt of Reserved Capacity per day</del>
<del>Hourly delivery</del>	<del>\$18.27 per megawatt of Reserved Capacity per hour</del>
<del>Monthly delivery</del>	<del>\$6,816.88 per megawatt of Reserved Capacity per month</del>
<del>Weekly delivery</del>	<del>\$1,573.13 per megawatt of Reserved Capacity per week</del>
<del>Daily delivery</del>	<del>\$314.63 per megawatt of Reserved Capacity per day</del>
<del>Hourly delivery</del>	<del>\$19.66 per megawatt of Reserved Capacity per hour</del>





## Wholesale Transmission Service (Tariff WT-23)

Platte River Power Authority (Platte River) offers transmission service through this Wholesale Transmission Service Tariff (WT-23). Tariff WT-23 does not apply to any entity taking service under Platte River's Firm Power Service Tariff; Standard Offer Energy Purchase Tariff; or Large Customer Service Tariff. Tariff WT-23 may or may not be equivalent to Platte River's open access transmission service tariff (OATT), posted on Platte River's Open Access Same-Time Information System (OASIS) web site.

A summary of the charges follows.

### (1) Scheduling, System Control, and Dispatch Service

Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority.

### (2) Reactive Supply and Voltage Control from Generation Sources Service

The charges equal the following:

Yearly	\$1,086.72 per megawatt of Reserved Capacity per year
Monthly	\$90.56 per megawatt of Reserved Capacity per month
Weekly	\$20.90 per megawatt of Reserved Capacity per week
Daily	\$4.18 per megawatt of Reserved Capacity per day
Hourly	\$0.26 per megawatt of Reserved Capacity per hour

### (3) Regulation and Frequency Response Service

Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority.

### (4) Energy Imbalance Service

Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority.

### (5) Operating Reserve—Spinning Reserve Service

Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority.

### (6) Operating Reserve—Supplemental Reserve Service

Platte River is not a Balancing Authority Area and does not offer this service. To the extent a Balancing Authority performs this service for the Transmission Provider, charges to the Transmission Customer reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority.

(7) Long-Term and Short-Term Firm Point-to-Point Transmission Service

The charges can be up to the following limits:

Yearly delivery	\$81,802.60 per megawatt of Reserved Capacity per year
Monthly delivery	\$6,816.88 per megawatt of Reserved Capacity per month
Weekly delivery	\$1,573.13 per megawatt of Reserved Capacity per week
Daily delivery	\$314.63 per megawatt of Reserved Capacity per day
Hourly delivery	\$19.66 per megawatt of Reserved Capacity per hour

(8) Nonfirm Point-to-Point Transmission Service

The charges can be up to the following limits:

Monthly delivery	\$6,816.88 per megawatt of Reserved Capacity per month
Weekly delivery	\$1,573.13 per megawatt of Reserved Capacity per week
Daily delivery	\$314.63 per megawatt of Reserved Capacity per day
Hourly delivery	\$19.66 per megawatt of Reserved Capacity per hour

Real power losses

Real Power Losses are associated with all Transmission Service and Network Integration Transmission Service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer and Network Customer must replace losses associated with all Transmission Service and Network Integration Transmission Service as calculated by the Transmission Provider or the Balancing Authority. Transmission Customer and Network Customer will pay based on the Real Power Loss factor of 1.00% for Transmission Service and Network Integration Transmission Service on the Transmission Provider's transmission capacity in the Public Service Company of Colorado (PSCo) Balancing Authority. Transmission Customer and Network Customer will pay a pass-through charge of Western Area Power Administration (WAPA) assessed losses for Transmission Service and Network Integration Transmission Service on the Transmission Provider's transmission capacity in the WAPA Balancing Authority Area. Transmission Customer and Network Customer will pay both the Real Power Loss factor and the WAPA pass-through charges for Transmission Service and Network Integration Transmission Service using transmission capacity in both PSCo and WAPA Balancing Authority Areas.

Transmission Revenue Requirement

The charge for Network Integration Transmission Service is calculated pursuant to the Federal Energy Regulatory Commission (FERC) Pro Forma Open Access Transmission Tariff Attachment H based on Platte River's annual transmission revenue requirement of \$44,641,143. This transmission revenue requirement is calculated in accordance with the FERC pro-forma Network Service Rate calculation requirement.

Joint Dispatch Transmission Service

Joint Dispatch Transmission Service is applicable only to load serving entities in the PSCo Balancing Authority Area that are signatories to a Joint Dispatch Agreement (JDA) under which: (1) participating generating resources of the parties are dispatched as a pool on a least-cost basis respecting transmission limitations; and (2) the Joint Dispatch Transmission Service Customers' respective transmission service providers have provided within their OATT a transmission service schedule for energy dispatched pursuant to the JDA at a rate equal to zero dollars on a nonfirm, as-available basis with the lowest curtailment priority.

Hourly delivery:	\$0.00 per megawatt of Reserved Capacity per hour
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**RESOLUTION NO. XX-22**

Background

A. Platte River Power Authority’s “Wholesale Transmission Service Tariff” (Tariff WT-23) sets forth the terms and conditions for unbundled transmission service to entities other than Platte River’s owner communities.

B. Platte River’s board typically reviews Platte River’s wholesale transmission service tariff offering annually during May, using audited financial results for the prior year.

C. In calculating its wholesale transmission service revenue requirement, Platte River uses: (1) its previous year actual operations and maintenance costs, and other applicable income and expenses, such as administrative and general costs, to account for Platte River’s costs for its transmission system; (2) debt service (principal and interest) for capital costs associated with building, maintaining, and operating its transmission system; and (3) a debt service coverage margin to allow it to prudently invest in capital to meet the transmission needs of its owner communities and third-party wholesale transmission service customers.

D. Platte River’s staff recommends in a memorandum dated May 18, 2022, that the board adopt Tariff WT-23, which supersedes Platte River’s existing wholesale transmission service tariff (Tariff WT-22), to reflect audited and updated year-end financial results.

Resolution

The Board of Directors of the Platte River Power Authority adopts Tariff WT-23, in the form recommended by staff, to become effective June 1, 2022.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Secretary





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## Memorandum

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**Date:** 5/18/2022

**To:** Board of Directors

**From:** Jason Frisbie, general manager and chief executive officer  
Sarah Leonard, general counsel  
Dave Smalley, chief financial officer and deputy general manager  
Shelley Nywall, director of finance  
Wade Hancock, financial planning and rates manager

**Subject:** **Standard Offer Energy Purchase (Tariff SO-22)**

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The board adopted Platte River's current Standard Offer Energy Purchase (Tariff SO-22) tariff in October 2021. Staff recommends revising this tariff to clarify that the tariff applies only to resources that are "Qualifying Facilities" (QFs) under the Public Utility Regulatory Policies Act. The tariff language establishes the rate should Platte River choose (or be compelled) to purchase energy from a QF. There is no change in the Avoided Energy Rate for QFs.

This tariff does not directly impact the owner communities. The language staff has deleted addressed information related to resources connected to owner community distribution systems, which we will address through other arrangements between the owner communities and Platte River.

Staff recommends the board adopt the tariff as proposed, which will replace the current Tariff SO-22.

Accompanying this memo in the May board materials are the following documents:

- Standard Offer Energy Purchase (Tariff SO-22)
- Redline version of the Standard Offer Energy Purchase (Tariff SO-22)
- Resolution to adopt the Standard Offer Energy Purchase (Tariff SO-22) as proposed

Attachments



## Standard Offer Energy Purchase (Tariff SO-22)

### Applicability:

The Standard Offer Energy Purchase Tariff (Tariff SO-22) ~~is applicable~~ applies to the purchase of available electricity from power production facilities owned and operated by a retail customer that are electrically connected to and served by an Owner Community's distribution system (referred to herein as "Retail Customer"). For the purposes of this tariff the "Owner Communities" means the Town of Estes Park, the City of Fort Collins, the City of Longmont and the City of Loveland. Terms of service under this tariff are dependent upon the size, type, and ownership of the power production facilities (Power Producer) and Platte River Power Authority (Platte River) reserves the right to review conditions of such service on an annual basis.

~~Power Producers power production facilities~~ that (1) have registered with the Federal Energy Regulatory Commission (FERC) ~~production facilities as a~~ Qualifying Facility(ties) as defined in under Section 201 of the Public Utilities Regulatory Policies Act of 1978, as amended, and its associated regulations (the PURPA Provisions) and (2) are electrically connected to Platte River's transmission system or the distribution system of one of Platte River's owner communities (the Town of Estes Park, the City of Fort Collins, the City of Longmont or the City of Loveland). Qualifying Facilities are also subject to the policies and procedures for PURPA facilities in Platte River's policy "Governing Purchases from PURPA Qualified Facilities," which is incorporated ~~by reference~~ into this tariff by this reference.

~~Regardless of Qualified Facility registration status, Platte River refers to production facilities as follows:~~

- ~~• Small Facility, where the operating maximum capacity of the facilities is less than 1,000 kilowatts (kW), or~~
- ~~• Large Facility, where the operating maximum capacity of the facilities is greater than or equal to 1,000 kilowatts (kW).~~

~~For each Small Facility or Large Facility, the Owner Community and/or the Retail Customer will provide the following information to Platte River: (1) maximum output rating of the facility in kilowatts, (2) physical location of the facility (address), (3) expected output of the facility, (4) the date that the facility began operation, (5) type of facility (photovoltaic solar or other noncarbon energy source, reciprocating engine, steam turbine, etc.), (6) type of fuel (if any), and (7) any updates or changes to previously reported information. This information will be provided to Platte River annually by March 31 for facilities installed during the prior calendar year.~~

### **Small Facilities:**

~~All production facilities owned by a Retail Customer with a maximum output rating of less than 1,000 kW, either individually or aggregated at a single Retail Customer service address, are herein defined collectively as Small Facilities or individually as a Small Facility.~~

~~Platte River will not purchase the energy or capacity of a Small Facility. Any output in excess of the Retail Customer's load will be subject to the net meter policy of the Owner Community where the Retail Customer is located.~~

### **Large Facilities:**

~~All generation facilities owned by a Retail Customer having a maximum output rating of 1,000 kW or greater, either individually or aggregated at a single Retail Customer service address, are herein defined collectively as Large Facilities or individually as a Large Facility.~~

~~At Platte River's discretion, the terms and conditions for service to Large Facilities may be established by separate contract with the Retail Customer, the Owner Community, and Platte River. Contracts for Large Facilities will be evaluated and negotiated on a case by case basis, with details of metering, communications, points of delivery, interconnection, generation scheduling, ancillary service fees, standby charges, and other issues considered for each specific facility.~~

~~Platte River may purchase the output from any Large Facility above the Retail Customer's load requirements, from generation sources, individual or aggregated, located on the Retail Customer's premises. Standby Capacity for any Large Facility will be provided by Platte River and invoiced by the Owner Community.~~

~~Standby Capacity is the capacity, required by Platte River, to serve Retail Customer load in the event the Retail Customer's on-site generation fails to operate and is applicable to Large Facilities only. The Standby Capacity is typically equal to the capacity provided by the Retail Customer's on-site generation when it operates. Platte River will consult with the Owner Community in determining the actual quantity of Standby Capacity, measured in kilowatts, for which the Retail Customer will be responsible. The amount of Standby Capacity will not exceed the total available output capability of the Retail Customer's on-site generation equipment. Standby Capacity may be received by the Retail Customer by choice or by default.~~

~~Payment for electric energy from Large Facilities may be based on If a Qualifying Facility elects to create a legally enforceable obligation with Platte River as provided in the PURPA Provisions, Platte River's will pay for the electric energy at its avoided energy rate, as follows:~~

Avoided Energy Rate:

\$0.01620 per kilowatt-hour for electricity made available to Platte River.

~~Avoided energy rates are based on~~ Platte River's avoided energy rate is based on its current portfolio of generation resources and are is subject to change on an annual basis, ~~unless otherwise expressly stated in a separate contract with a Retail Customer and as agreed to by Platte River.~~ Platte River will separately calculate its avoided capacity costs.

~~The capacity value of firm power offered for sale to Platte River during periods where~~ When Platte River has no projected needs for additional capacity, the capacity value of firm power a Qualifying Facility offers for sale to Platte River will be zero dollars (\$0.00). ~~During such periods these times, a Retail Customer a Qualifying Facility offering to sell firm capacity power to Platte River will not be entitled to any capacity payments, and will only be entitled to be paid only the~~ avoided energy costs rate, as appropriate for Large Facilities set forth in this tariff, with no right to receive capacity payments.

## Standard Offer Energy Purchase (Tariff SO-22)

### Applicability:

The Standard Offer Energy Purchase Tariff (Tariff SO-22) applies to power production facilities that (1) have registered with the Federal Energy Regulatory Commission (FERC) as Qualifying Facilities under the Public Utilities Regulatory Policies Act of 1978, as amended, and its associated regulations (the PURPA Provisions) and (2) are electrically connected to Platte River's transmission system or the distribution system of one of Platte River's owner communities (the Town of Estes Park, the City of Fort Collins, the City of Longmont or the City of Loveland). Qualifying Facilities are also subject to Platte River's policy "Governing Purchases from PURPA Qualified Facilities," which is incorporated into this tariff by this reference.

If a Qualifying Facility elects to create a legally enforceable obligation with Platte River as provided in the PURPA Provisions, Platte River will pay for the electric energy at its avoided energy rate, as follows:

    Avoided Energy Rate:

        \$0.01620 per kilowatt-hour for electricity made available to Platte River.

Platte River's avoided energy rate is based on its current portfolio of generation resources and is subject to change on an annual basis. Platte River will separately calculate its avoided capacity costs.

When Platte River has no projected needs for additional capacity, the capacity value of firm power a Qualifying Facility offers for sale to Platte River will be zero dollars (\$0.00). During these times, a Qualifying Facility offering to sell firm power to Platte River will be paid only the avoided energy rate as set forth in this tariff, with no right to receive capacity payments.



**RESOLUTION NO. XX-22**

Background

A. Platte River Power Authority’s “Standard Offer Energy Purchase Tariff” (Tariff SO-22) sets forth the terms and conditions for the purchase of available electricity from power production facilities that have established themselves as “Qualifying Facilities” under the Public Utility Regulatory Policies Act.

B. Platte River rates and legal staffs have collaborated to simplify the language in the Standard Offer Energy Purchase Tariff by removing language that was not legally effective.

C. Although Platte River’s board typically reviews Platte River’s Standard Offer Energy Purchase Tariff annually when it updates Platte River’s wholesale power rates, it would be helpful to adopt these cleanup changes (which do not affect rates) sooner.

D. Platte River’s staff recommends in a memorandum dated May 18, 2022, that the board adopt Tariff SO-22, which supersedes Platte River’s existing standard offer energy purchase tariff (Tariff SO-21), to improve its clarity.

Resolution

The Board of Directors of the Platte River Power Authority adopts Tariff SO-22, in the form recommended by staff, to become effective June 1, 2022.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Secretary





# Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

## Memorandum

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**Date:** 5/18/2022

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Eddie Gutiérrez, chief strategy officer  
Jennifer Hammitt, director of legal affairs

**Subject:** **Synopsis of state legislation of interest**

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The second regular session of the seventy-third Colorado General Assembly convened on Jan. 12, 2022 and adjourned on May 11, 2022.

For this session, the role of governmental and legislative affairs was temporarily filled by the legal department following the departure of the previous director of community and government affairs. Platte River conducted a request for proposals and a multi-stage selection process to hire a new legislative affairs and lobbying firm, Husch Blackwell Strategies, to replace our previous firm and more effectively represent Platte River's interests at the capitol. Platte River also works closely with the Colorado Association of Municipal Utilities and its lobbying corps to collaboratively represent public power interests on proposed legislation.

This session introduced significant legislation affecting Colorado's electric utilities. Platte River staff and Husch Blackwell Strategies will provide an overview of this legislation and related matters.





# Platte River

## Power Authority

Estes Park • Fort Collins • Longmont • Loveland

## Memorandum

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**Date:** 5/18/2022

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Melie Vincent, chief operating officer  
Heather Banks, fuels and water manager

**Subject:** **Proposed water rights exchange**

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As described in the introductory memorandum for the April board meeting, Platte River currently has an opportunity to engage with the City of Greeley in a proposed water rights exchange that aligns with the board-approved water policy and would benefit both parties.

Staff will provide an informational presentation at the May board meeting but will not seek board action. Staff will request board approval at the July board meeting.





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## Memorandum

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**Date:** 5/18/2022

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Raj Singam Setti, chief transition and integration officer

**Subject:** **System integration roadmap**

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The system integration roadmap outlines how to achieve critical milestones for integrating distributed energy resources (DER). The roadmap is the set of actions and timeframes required to realize the full capabilities of DER that can provide benefits and value to all customers.

This presentation is for informational purposes only.





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## Memorandum

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**Date:** 5/18/2022

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Eddie Gutiérrez, chief strategy officer

**Subject:** **Enhanced marketing strategies**

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During the strategic planning work session in February and at the April 2022 meeting, the board discussed the importance of message consistency and discipline in the overall communications and marketing strategies for Platte River and the owner communities. Working in partnership and collaboratively to align our overall marketing communications, this is an opportunity to reimagine how we communicate to the communities we serve.

Eddie Gutiérrez will present a case study highlighting the importance of message development, regional brand marketing and overall best practices. This analysis intends to inform directors of how a unified and clear communications approach can establish a comprehensive marketing and communications plan for our region and, at its core, educate the customers we serve.

This presentation is for informational purposes only and no board action will be requested during the May board meeting.





# Platte River

## Power Authority

Estes Park • Fort Collins • Longmont • Loveland

## Memorandum

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**Date:** 5/18/2022

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Dave Smalley, chief financial officer  
Shelley Nywall, director of finance  
Wade Hancock, financial planning and rates manager

**Subject:** **Average wholesale rate projections**

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Platte River staff prepared the attached average wholesale rate projections whitepaper to give the board its 2023 average wholesale rate increase recommendation and long-term rate projections.

At the May board meeting, staff will provide an accompanying average wholesale rate projection presentation. No formal action is required at this time.

[Attachments](#)





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# Average wholesale rate projections

## Platte River Power Authority white paper

May 2022

Platte River establishes service offerings and supporting rate structures that complement the strategic initiative, underlying policies, and values of the organization. Platte River's tariffs and charges are established to achieve Strategic Financial Plan (SFP) targeted financial metrics. This white paper gives the board staff's 2023 average wholesale rate increase recommendation, long-term rate projections and factors driving rate pressure from 2023 to 2032. Staff requests board direction to implement an average wholesale rate increase in 2023. Individual owner communities' rate impact will vary from the average wholesale rate increase based on their unique load characteristics and will be provided in August.

Platte River prioritizes preventive and predictive maintenance strategies and proactive capital investments to provide long-term system benefits and efficiencies. Platte River will continue to invest in its existing power generation and electrical transmission assets to maintain operational efficiency and to proactively address federal and state regulatory requirements. Platte River plans to expand its investment in noncarbon resources, such as wind and solar, distributed energy resources (DER) and other generating capacity as needed and retire coal-fired generation. Platte River is committed to managing costs and providing long-term financial sustainability.

Platte River will continue to proactively work toward the goal of reaching a 100% noncarbon resource mix while maintaining the three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services.

## Rate setting framework

Platte River's board-approved SFP provides direction for the organization to create long-term financial sustainability, manage financial risk, and support Platte River's vision, mission and values. The priorities of the SFP are to generate adequate cash flows, maintain access to low-cost capital, provide wholesale rate stability and maintain sufficient liquidity for operational stability.

The board implements appropriate rate increases and rate smoothing strategies that achieve SFP metrics and balance the following:

- Avoiding significant single/multiple year rate hikes by smoothing rates over multiple years.
- Providing greater rate predictability to aid owner communities and customers with more accurate, long-term planning.

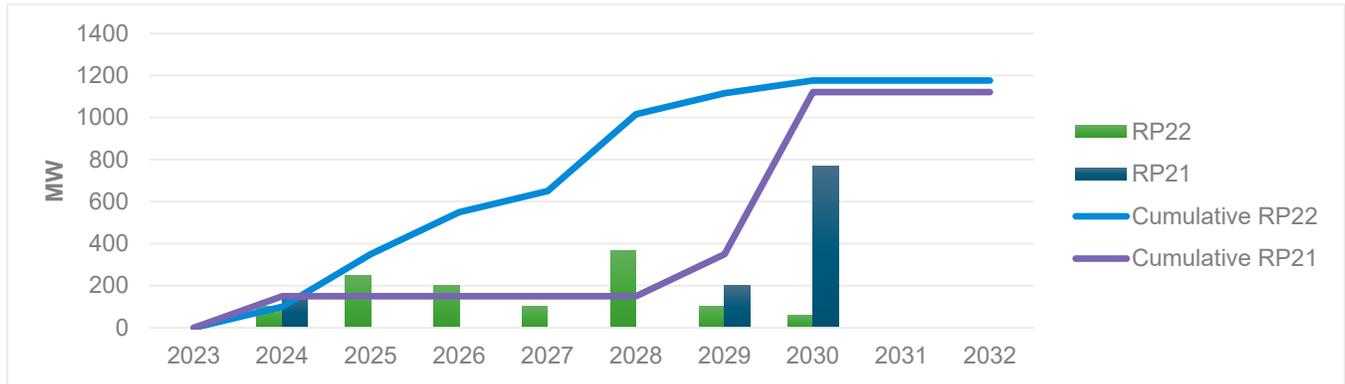
Rate increases help Platte River maintain a strong financial position and its AA credit rating which enable it to obtain favorable debt financing. Over the long term, rate increases fund continued general infrastructure investment, portfolio diversification, general inflationary expenses and market-based expenses.

## Resource planning updates

The 2020 Integrated Resource Plan (IRP) contains power supply portfolio 2 (P2), which the board adopted in October 2020. The P2 scenario has since served as the planning basis for budgetary and ratemaking purposes, as Platte River pursues the goals outlined in the Resource Diversification Plan. P2 called for the retirement of all coal-fired generation by the end of 2029, with all replacement generation (a combination of noncarbon generation, battery storage and gas-fired dispatchable generation) online in 2030. As detailed in the April 2022 board memorandum, *Resource diversification and system integration opportunities*, Resource Plan 2022 (RP22) is an update and refinement of the P2 case from the 2020 IRP. Staff has used RP22 to develop the initial 2023 budget and provides the foundation for the long-term rate projections included in this whitepaper. RP22 incorporates the latest load, market, wind and solar power purchase agreement, resource dispatch, and financial projections. RP22 is intended to more accurately represent Platte River's resource integration strategy by addressing the need to build or acquire all new resources before retiring coal-fired generation, fully testing the reliability and operational flexibility of the new low-carbon portfolio. Maintaining the assumed retirement of all coal-fired generation by the end of 2029, RP22 assumes procurement of new noncarbon and dispatchable thermal resources by Jan. 1, 2028. This accelerated asset integration schedule is the primary driver of increased and accelerated rate pressure.

As shown in Figure 1, previous modeling projected the majority of resource additions to occur in 2029 and 2030; the current expansion plan forecasts most resource additions occurring by 2028. The earlier integration of noncarbon resources accelerates resource portfolio diversification, reducing cumulative projected carbon emissions approximately 5% over the planning period relative to the previous resource plan (RP21).

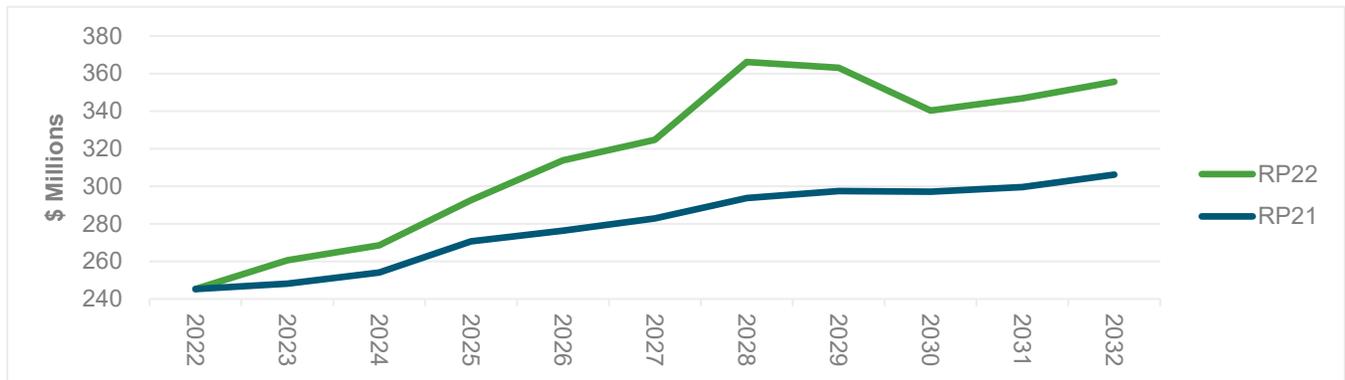
**Figure 1: Resource capacity additions**



## Rate drivers

The revised assumptions contained in RP22 project increased production expenses, reflecting current price forecasts, inflationary pressures, and the cost of operating more generation resources as new assets are integrated. Total operating expenses for the 2023 to 2032 planning period are projected to be \$406 million, 14.4% higher than the previous model (Figure 2).

**Figure 2: Operating expenses**



Expenses, net of surplus sales and interest income, are projected to increase \$296 million over the 2023 to 2032 period. The significant components driving rates from RP21 to RP22 are detailed below and shown in Figure 3.

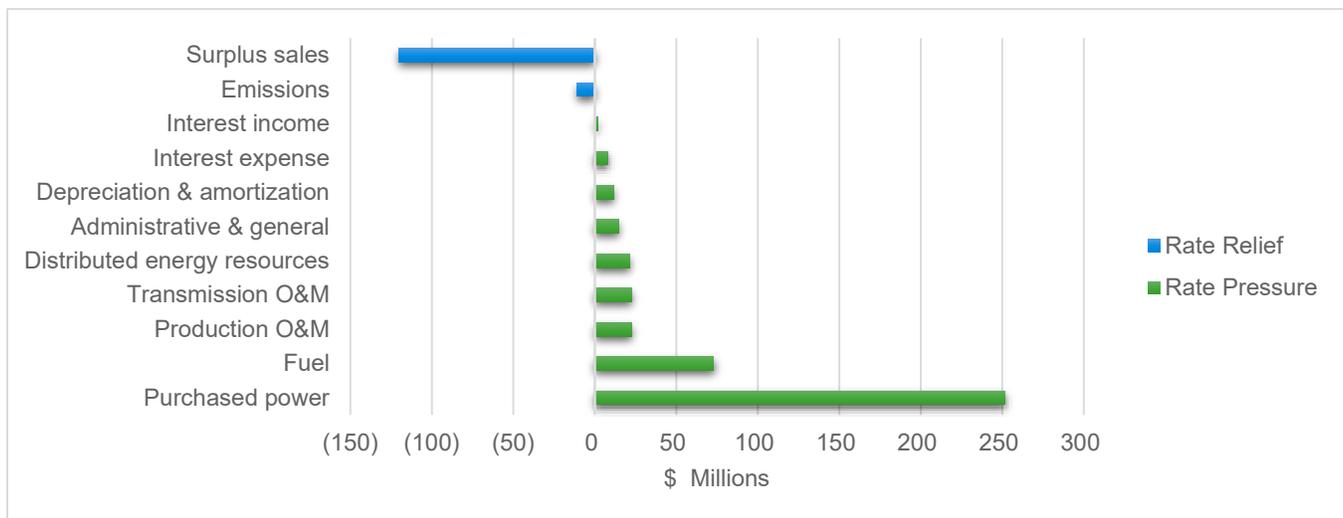
## Rate relief

- Surplus sales revenue increases are due to more energy from additional generation capacity available for sales and higher assumed market prices. Surplus sales revenue modeling projections frequently vary due to fluctuating market prices.

## Rate pressure

- Purchased power expense increases are due to updated price forecasts and accelerating the procurement of noncarbon resources and battery storage capacity. The increases are offset slightly by lower market purchases, due to more energy available from generation capacity additions. Cost estimates will continue to fluctuate until agreements are established with fixed quantities and prices.
- While overall fuel-based generation is decreasing, fuel expense is increasing due to higher commodity prices, firm natural gas costs and a shift from coal-fired generation to gas-fired generation (existing units and two dispatchable thermal resources projected to be online in 2028). The dispatchable gas-fired generation will replace coal-fired generation and is required for reliability.

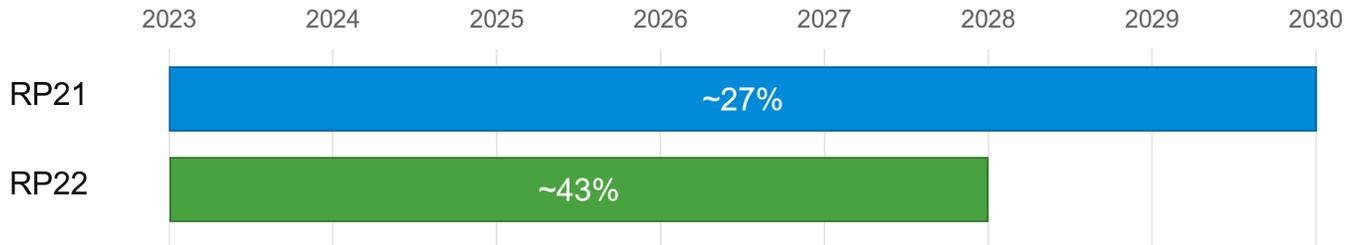
**Figure 3: Case comparison, rate drivers 2023 – 2032**



## Recommendation

The higher costs associated with the accelerated RP22 asset integration schedule and updated resource cost projections create greater rate pressure up to the peak period of 2028, as shown in Figure 2.

In recent years the board has approved annual rate increases to smooth projected future increases and avoid significant single/multiple year rate hikes while also providing greater rate certainty to the owner communities. But in 2020 there was no rate increase to accommodate the transition to the current rate structure. For 2021, the board approved a 1.5% increase, less than the smooth trajectory, to provide relief given the full economic impacts of the COVID-19 pandemic were unknown. The rate increase for 2022 was 3.2%. As shown in Figure 4, total rate pressure has increased approximately 16% over a shorter period due to the accelerated RP22 asset integration schedule and updated resource cost projections.

**Figure 4: Rate pressure**

Achieving this higher rate target can be accomplished through rate strategies including 5.1% increases from 2023 through 2026, followed by 8.3% increases in 2027 and 2028, or the recommended stable 6.1% increases from 2023 through 2028 (Figure 5). Staff recommends the higher 6.1% rate increase for 2023 due to significant uncertainty about cost projections, asset integration and pursuit of the Resource Diversification Policy goals. Uncertainty exists until agreements are in place or assets are fully integrated. Further, significant uncertainty exists with key assumptions that impact financial and rate projections, which are listed in the appendix to this white paper. As assumptions change, projections will be modified. To support rate smoothing strategies and due to substantial uncertainty in pursuit of the Resource Diversification Policy goal, financial projections over the planning horizon include minimum annual 2% rate increases post 2028.

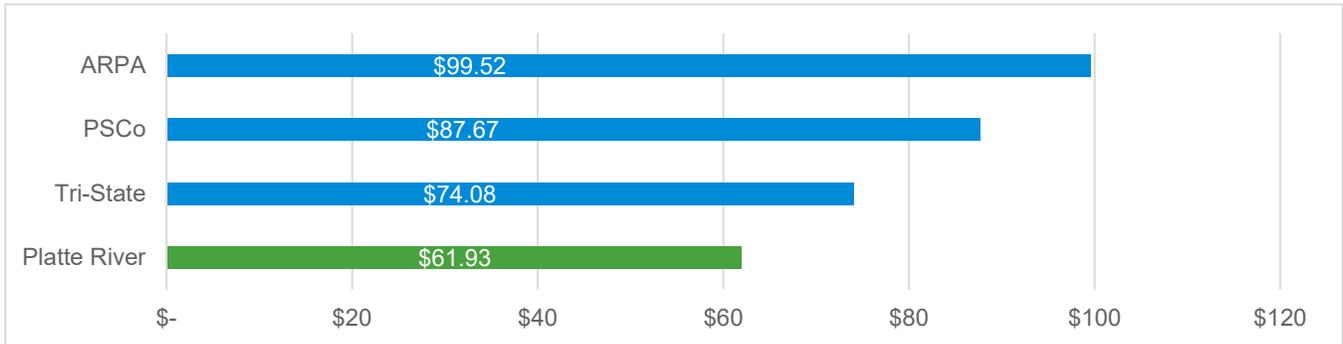
**Figure 5: Rate increase projections**

Case	2023	2028 cumulative	2032 cumulative
<b>Recommendation:</b> 6.1% (2023–2028), 2.0% (2029–2032)	6.1%	42.7%	54.4%
5.1% (2023 – 2026), 8.3% (2027 – 2028), 2.0% (2029-2032)	5.1%	43.1%	54.9%

\*April 2021 rate projections: 3.2% (2022 – 2026), 2.9% (2027 – 2030), 1.2% (2031)

## Rate competitiveness

The direction provided by the board and the SFP position Platte River to offer competitive rates. Wholesale rates for energy provided to Platte River’s owner communities were 16% lower than Tri-State Generation and Transmission Association (Tri-State) in 2021.

**Figure 6: 2021 average wholesale rate comparison (\$/MWh)**

## Schedule

Staff will present the information detailed in this whitepaper at the May board meeting. Staff also requests board direction to implement a 6.1% average wholesale rate increase for 2023.

Staff will update the allocation of individual Firm Power Service tariff charges following incorporation of the proposed 2023 budget. Individual owner communities' rate impacts will vary from the average wholesale 6.1% based on their unique load characteristics. This information will be presented at the August board meeting. Staff will then provide the draft 2023 rate tariff schedules in September and request adoption of the 2023 rate tariff schedules in October, with a Jan. 1, 2023 effective date.

Staff encourages and is available to support wholesale rate communications to stakeholders as requested by the owner communities. For additional current rates information, please visit [www.prpa.org/wholesale-rates](http://www.prpa.org/wholesale-rates).

## APPENDIX

### Modeling assumption uncertainties

Significant uncertainty exists with key assumptions. Potential assumption changes include, but are not limited to, the items detailed below.

Category	Explanation
<b>Asset integration schedule</b>	<p>Modeling assumptions include the following capacity additions. Changes to asset integration schedule will impact future results.</p> <ul style="list-style-type: none"> <li>• Wind: 100 MW (2024), 100 MW (2028), 100 MW (2029) and 60 MW (2030)</li> <li>• Solar: 250 MW (2025), 100 MW (2026) and 100 MW (2027)</li> <li>• Battery storage: 100 MW (2026) and 100 MW (2028)</li> <li>• Dispatchable thermal units: 166 MW (2028)</li> </ul>
<b>Capital forecast</b>	<p>The model incorporates the most recent long-term capital forecast. Revisions to the capital forecast will be integrated once available.</p>
<b>Coal inventory sales</b>	<p>To maximize the value of assets, coal inventory sales opportunities will be considered as coal-unit retirements near.</p>
<b>Commodity prices</b>	<p>Platte River's Power Supply Plan, which includes the hourly dispatch modeling and associated costs, is updated regularly throughout the year. Updates include Rawhide Unit 1 and the Craig units fuel assumptions, as well as market prices for electricity and natural gas. The updates change economic dispatch impacting fuel, variable operations and maintenance, purchased power and surplus sales.</p>
<b>Decommissioning</b>	<p>Craig decommissioning expenses are based on a budgetary estimate and will be refined later.</p> <p>While Rawhide Unit 1 is projected to retire by 2030, assumptions include decommissioning the entire Rawhide Energy Station in 2055 and associated decommissioning expenses accrued through 2055. If the decommissioning date shifts, expenses will be revised accordingly.</p>

Category	Explanation
<b>DER strategy</b>	DER, a collaborative process among the owner communities and Platte River, will be increasingly important to Platte River and its owner communities' ability to achieve noncarbon goals. Wide-spread adoption of DER is expected to provide benefits for the electric system and retail customers. Specific DER programs have not yet been established. Rate strategies to incorporate DER will be analyzed as programs evolve.
<b>Economic externalities</b>	Inflation, supply chain constraints and interest rate volatility will continue to impact financial results. Modeling assumptions will be revised accordingly, reflecting current conditions.
<b>Emissions expense</b>	Rate projections assume the implementation of the Clean Power Plan (or similar form of regulation) beginning in 2025. There is significant uncertainty about implementation of emission regulations and the associated future costs. Modeling assumptions include a tax applied to 100% of CO <sub>2</sub> emissions.
<b>Federal hydropower allocations</b>	Persistent drought conditions throughout the western United States have constrained hydropower resources, resulting in reduced energy allocations. Staff will continue to monitor federal developments and adjust model assumptions accordingly.
<b>IRP</b>	The IRP was completed in 2020 and approved by Western Area Power Administration in February 2021. The next IRP is planned for completion in 2024. The board will provide direction throughout the IRP process. Resource modeling assumption revisions will impact future rate projections.
<b>Load forecast</b>	The load forecast is updated at least annually. Energy growth is higher than previous forecasts, reflecting load growth and growth attributed to projected beneficial building electrification efforts.
<b>Organized energy markets</b>	Platte River is expected to join the Southwest Power Pool Western Energy Imbalance Service market. Rate projections do not currently include long-term costs and benefits associated with participation in a fully integrated "day 2" market due to the lack of data.

Category	Explanation
<b>Pandemic impacts</b>	While the COVID-19 pandemic led to unprecedented disruptions in supply, demand and productivity, Platte River was able to mitigate direct disruptions. Uncertainty still exists with the COVID-19 pandemic. Platte River will remain cautious in planning efforts and monitor developments.
<b>Resource Diversification Policy</b>	In December 2018 the board adopted a policy with a goal for Platte River to reach a 100% noncarbon resource mix by 2030, provided Platte River can maintain its three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services. Future decisions to achieve this goal will impact results.
<b>Staffing</b>	The model contains estimates for future staffing additions, including salary and benefits expenses, through 2029. These assumptions will be further analyzed and revised accordingly.
<b>Surplus sales</b>	In addition to electricity market commodity price risk, hourly dispatch modeling market depth assumptions (ability to sell excess, must-take generation) are reviewed and updated regularly throughout the year. As Platte River transitions to a more noncarbon resource portfolio the ability to sell surplus energy significantly impacts wholesale rate projections.



# Strategic Financial Plan

Platte River Power Authority's Strategic Financial Plan (SFP) provides direction to create long-term financial sustainability, manage financial risk and support Platte River's mission, vision and values. The priorities of the SFP are to generate adequate cash flows, maintain access to low-cost capital, provide wholesale rate stability and maintain sufficient liquidity for operational stability. To achieve long-term financial sustainability and the lowest practical cost of debt necessary to finance Platte River's long-term capital program, financial metrics have been established in consideration of rating agency guidelines. Additionally, to manage financial assets and risk, staff will continue to implement and maintain prudent business practices in the management of reserves, maintain the enterprise risk management program, and comply with financial policies and procedures.

Staff will review the SFP annually and make recommendations to the board as necessary.

## Rate Requirements and Practices

The general powers of Platte River, as stated by Colorado Revised Statute 29-1-204(3)(j), include the right to fix, maintain, and revise fees, rates, and charges for functions, services, or facilities provided. Platte River's board of directors have the exclusive authority to establish electric rates.

The Power Supply Agreements (PSAs) with the municipalities require the board to review rates at least once each calendar year. The PSAs also require that rates be sufficient to cover all operating and maintenance expenses, purchased power costs, debt service expenses, and to provide reasonable reserves and adequate earnings margins so Platte River may obtain favorable debt financing.

The General Power Bond Resolution requires that rates be sufficient to generate net revenues that cover debt service expense at a minimum 1.10 times. The General Power Bond Resolution also requires Platte River review rates and charges as necessary, no less than once each calendar year.

Platte River complies with all covenants under the Colorado Revised Statutes, Organic Contract, PSAs, General Power Bond Resolution, supplemental bond resolutions and all other legal requirements not specifically listed in this SFP.

Platte River strives to maintain long-term competitive rates relative to regional peer wholesale electric providers. Competitive wholesale rates provide the owner municipalities an economic advantage for their residential, commercial and industrial customers.

Platte River's tariffs and charges will be established to achieve SFP targeted financial metrics. Multi-year rate smoothing strategies will also be utilized, as deemed appropriate, to avoid greater single year rate impacts or to accomplish specified financial objectives.

## Financial Metrics

The financial metrics contained herein were identified as the metrics most suitable to achieving Platte River's obligations including those established by the Colorado Revised Statutes, PSAs, and General Power Bond Resolution and achieving long-term financial sustainability (liquidity, leverage, cash flow, earnings). Additionally, achieving strong financial metrics provides Platte River the flexibility to implement necessary rate changes and to change rates over longer periods of time to minimize short-term rate impacts. While the financial metrics are established and evaluated on an annual basis, multi-year performance is considered during the evaluation of rate action and decision making.

- Generate minimum 1.50 times fixed obligation charge coverage ratio
- Generate minimum net income equal to 3 percent of projected annual operating expenses
- Target debt ratio less than 50 percent
- Target minimum 200 days unrestricted cash on hand

### **Generate Minimum 1.50 Times Fixed Obligation Charge Coverage Ratio**

The fixed obligation charge coverage ratio (FOCCR) is a measurement of cash flows and the ability to repay annual debt service costs from recurring revenues net of recurring expenses excluding one-time revenues or extraordinary charges. FOCCR also incorporates debt-like obligations either related to the ownership of resource assets through take-or-pay contracts or off-balance-sheet financings. A minimum 1.50 times FOCCR provides sufficient annual cash flows to meet the legal minimum 1.10 times debt service coverage ratio requirement, partially fund future capital additions and maintain favorable credit ratings.

### **Generate Minimum Net Income Equal to 3 Percent of Projected Annual Operating Expenses**

Net income is a measurement of total earnings. The PSAs with the municipalities require Platte River to have an adequate earnings margin to obtain revenue bond financing on favorable terms. A target minimum net income equal to 3 percent of projected operating expenses is a sufficient earnings margin to maintain cash balances to fund capital investment sufficient to meet the target debt ratio over the long-term.

### **Target Debt Ratio Less Than 50 Percent**

Debt ratio is a measurement of leverage, or the ratio of debt used to fund assets net of depreciation. A debt ratio less than 50 percent provides Platte River with a strong balance sheet and reduces the risk of becoming over-leveraged in the debt market. Platte River operates in a capital-intensive industry, therefore utilizes a long-term planning horizon to evaluate appropriate debt levels.

### **Target Minimum 200 Days Unrestricted Cash on Hand**

Days of unrestricted cash on hand is a measurement of liquidity, or ability to meet daily operating cash flow requirements. It also serves as a hedge against unforeseen financial obligations resulting from significant events. A minimum 200 days of unrestricted cash-on-hand target ensures that adequate cash is generated and maintained. Cash that is unrestricted refers to total funds excluding legally required reserves. Bond required reserves include the Reserve & Contingency Fund, Bond Service funds and Bond Reserve funds.

Included in the days of unrestricted cash-on-hand target is a Rate Stabilization Fund which is provided for under the General Power Bond Resolution. The purpose of the Rate Stabilization Fund is to reduce or eliminate the rate impact due to an unforeseen event that affects Platte River's ability to meet the minimum legal debt service coverage ratio requirement.



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# Legal, environmental and compliance report

April 2022







## Overview of recent developments

### Legal matters

#### Stay lifted on subpart YYYY formaldehyde rule for turbines

On March 9, 2022, the Environmental Protection Agency (EPA) lifted an 18-year stay of a 2004 rule establishing standards for formaldehyde emissions from stationary combustion turbines. This means turbines installed after 2003 must demonstrate compliance with formaldehyde limits by Sept. 5, 2022. To demonstrate compliance, turbines without oxidation catalysts must petition the EPA for an alternative monitoring or control program before conducting formaldehyde testing. Platte River has two units, Unit D and Unit F, affected by the rule, neither of which have oxidation catalysts. Platte River will therefore need to petition the EPA before conducting its testing, currently planned for July. The full report is on [page 2](#) of this document.

### Environmental matters

There are no new environmental matters to report.

### Compliance matters

There are no new compliance matters to report.

## Monitoring – status unchanged

[Page 3](#) of this document provides a list of matters previously reported but unchanged since our last report.

## Recently concluded matters

[Page 5](#) of this document provides a list of matters that have concluded within the last three months.

## Grant Opportunities

[Page 6](#) of this document provides a list of potential energy- and utility-related grant opportunities we are tracking.



## Active matters

### Legal matters

#### Stay lifted on subpart YYYY formaldehyde rule for turbines

##### ***Background:***

On March 9, 2022, the Environmental Protection Agency (EPA) lifted an 18-year stay of a 2004 rule establishing standards for formaldehyde emissions from stationary combustion turbines (CT units). This means CT units installed after 2003 must demonstrate compliance with a 91 parts per billion threshold for formaldehyde emissions (the Formaldehyde Rule). Sources have 180 days, or until Sept. 5, 2022, to demonstrate compliance.

Platte River has two turbines affected by this rule: Units D and F. Platte River's internal testing shows the formaldehyde emissions from both units are well below the threshold. But the Formaldehyde Rule also requires owners of CT units without an emissions technology known as an "oxidation catalyst" petition the EPA for alternative monitoring or controls. The EPA will not accept results from testing performed on units without oxidation catalysts without an approved petition. Neither of Platte River's affected CT units have oxidation catalysts. Platte River must therefore petition the EPA to gain approval of its proposal for no further controls with enough time to conduct testing and meet the compliance deadline. Platte River plans to conduct its formaldehyde testing in late July.

##### ***Current Status:***

Platte River's legal and environmental teams are working with a consultant to draft a petition for no further controls. Platte River staff has met with representatives from the EPA and from the Colorado Department of Public Health and Environment to discuss its proposed approach. Platte River plans to submit its petition by May 23, 2022, to provide 60 days' advance notice for its July test date. We will update the board once the EPA acts on this petition.

### Environmental matters

There are no new environmental matters to report.

### Compliance matters

There are no new compliance related matters to report.



## Monitoring – status unchanged

### Legal matters

#### **El Paso Electric Co. v. Federal Energy Regulatory Commission**

LS Power, a non-settling entity, filed a motion to intervene at FERC opposing the WestConnect settlement. While the CTOs oppose the LS Power intervention as not timely, the LS Power protest means FERC is unlikely to approve the settlement before briefing is due in the Fifth Circuit case. Should FERC approve the settlement, the litigation should be withdrawn. But appellate litigation will continue in parallel with the FERC docket in the meantime.

#### **Public Service Company of Colorado settlement on rates and terms for ancillary services**

There are no new developments in this matter since our last report. We will update the board when FERC acts on the proposed settlement.

#### **Colorado's Power Pathway**

There are no new developments in this matter since our last report.

#### **FERC order on PJM Interconnection, LLC to expand minimum offer price rule**

There have been no new filings or actions related to this case since our last report.

#### **Grand Lake clarity National Environmental Policy Act process**

There are no new developments in this matter since our last report.

#### **Save the Colorado v. Bureau of Reclamation (Glen Canyon Dam)**

CREDA has filed an intervenor brief in support of the Bureau and hydropower. Briefing will end on June 8, 2022, after which the court could take months or even years to decide the case. Platte River, working with CREDA, will closely monitor any developments and will update the board when the court issues a decision.

#### **Western wholesale market activities**

On Jan. 25, 2022, the JDA members in the PSCo balancing authority, including Platte River, announced they will join the Southwest Power Pool Western Energy Imbalance Service (WEIS) market in April 2023. FERC has approved the Third Amended Western Joint Dispatch Agreement that supports entry into the WEIS for the PSCo balancing authority members. PSCo also filed an update in the PUC Transmission Act docket on March 24, 2022, announcing its decision to join the WEIS.



### **Environmental matters**

There are no new developments in this matter since our last report.

### **Compliance matters**

There are no compliance related matters being monitored this month.



## Recently concluded matters (last three months)

### Legal matters

#### Gallagher litigation

***Background:***

Platte River sued its former benefits provider, Gallagher Benefits Services, Inc. (Gallagher), claiming Gallagher failed to adequately advise Platte River with respect to insurance needs and exposure to large long-term medical claims. Platte River filed its complaint against Gallagher and several of its employees on July 21, 2020. Platte River and Gallagher finalized a confidential settlement and the lawsuit was dismissed on May 3, 2022.

### Environmental matters

There are no recently completed environmental matters to report.

### Compliance matters

There are no recently completed environmental matters to report.



## Grant opportunities

### Infrastructure Investment and Jobs Act competitive grants

***Current status:***

These grants and cooperative agreements are administered through the Department of Energy. The federal grant application process is technically complex and requires grant recipients to follow federal laws and guidelines. Platte River does not currently anticipate applying for any IJJA grants due to this complexity; should it choose to apply, the application windows are expected to open in fall 2022.



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# Operating report

April 2022





## Executive Summary

### Owner community load

Demand and energy were near budget for the month. Year to date, owner community demand is above budget and energy is near budget. The overall net variable cost to serve owner community load was below budget. The lower cost was primarily due to market energy sales made at higher than budgeted prices and JDA energy purchased at lower than budgeted prices. Year to date, the net variable cost to serve owner community load is near budget.

### Thermal resources

Rawhide Unit 1 ran well all month with few minimal curtailments. As a result, both equivalent availability factor and net capacity factor came in above budget. Year to date, Rawhide equivalent availability factor and net capacity factor are below budget.

Both Craig units ran well during the month, although both units were derated due to the limitations of a Craig 345 kV bus outage, forced draft fan and induced draft fan issues, baghouse issues, and operating instructions issued to limit the output of the plant due to transmission congestion on the system. Craig equivalent availability factor and net capacity factor were above budget for the month. Year to date, Craig equivalent availability factor is slightly below budget and net capacity factor is above budget.

CT Unit F operated for 24 hours over a three-day period to ensure that proper gas pressure was retained during the inspection of a Platte River-owned gas pipeline. As a result, net capacity factor came in above budget for the month of April. The inspection, along with other annual preventative maintenance work, borescope inspections, and breaker maintenance resulted in one or multiple CTs being unavailable over a four-week period. This resulted in equivalent availability factor being below budget for the month. Year to date, CT equivalent availability factor is below budget and net capacity factor is above budget.

### Renewable resources

Wind generation and solar generation came in above budget for the month. Net capacity factors for both wind generation and solar generation came in above budget. Similarly, net capacity factors for both wind and solar are above budget, year to date. The battery associated with the solar farm was charged and discharged daily throughout the month of April.

### Surplus sales

Surplus sales volume was below budget, primarily due to coal conservation efforts which began in early April. Surplus sales pricing was significantly above budget, due to above budget joint dispatch and bilateral sale prices. Surplus sales volume is below budget and surplus sales pricing is above budget, year to date.

## Purchased power

Purchase volume was significantly below budget for the month due to above budget renewable generation. All market purchases were made through joint dispatch. Pricing came in below budget. Purchase volume is below budget and purchase pricing is slightly below budget, year to date.

## Total resources

Total blended resource costs, including both variable and fixed costs, were above budget for the month, primarily due to above budget natural gas expenses. Total blended resource costs are near budget, year to date.

## Variations

Category	April variance		YTD variance	
Owner community demand	1.1%	◆	4.2%	●
Owner community energy	(1.1%)	◆	0.6%	◆
Wind generation	10.0%	●	5.7%	●
Solar generation	10.7%	●	10.5%	●
Net variable cost to serve owner community load	16.2%	●	0.9%	◆

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

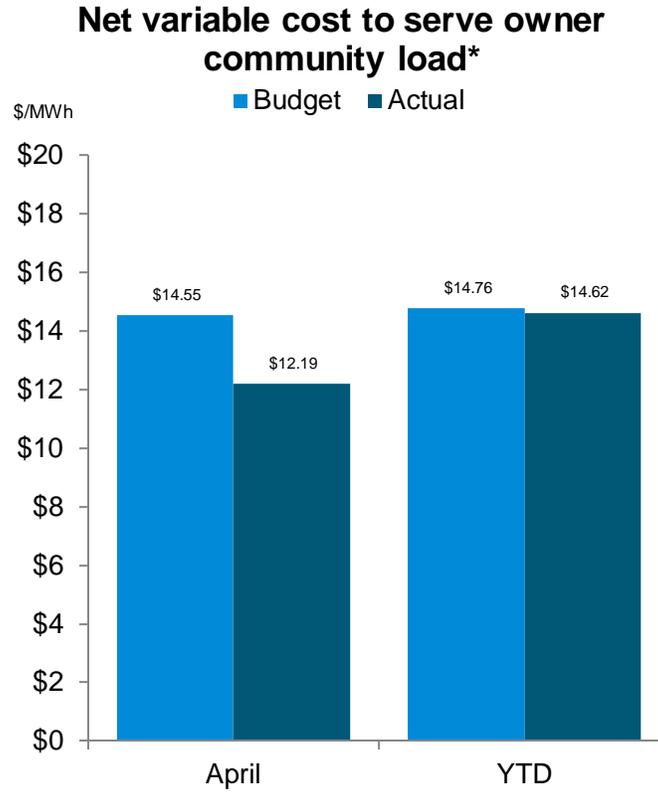
## Loss of load

### System disturbances

There were no system disturbances resulting in loss of load during the month of April.

2022 goal		April actual		YTD total	
0	●	0	●	0	●

## Net variable cost to serve owner community load



\* The net variable operating cost to serve owner community load is equal to the sum of fuel, renewable purchases, energy purchases less surplus energy sales. The net variable cost is divided by total owner community load to determine average net variable cost to serve owner community load.

## Events of significance

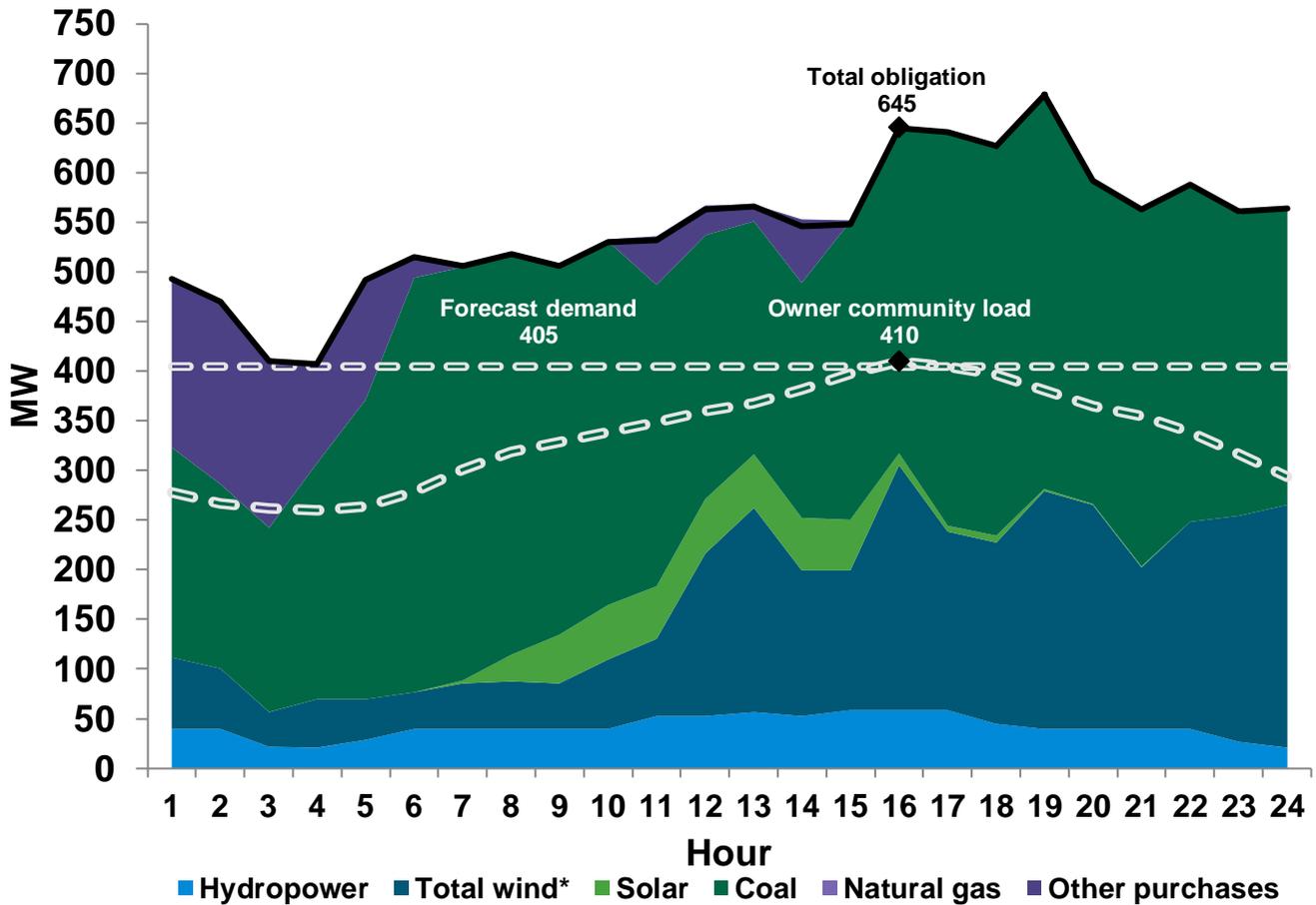
- Transmission power system operators had 1,864 phone and radio interactions during the month of April.
- The Richards Lake – Waverly 115 kV line tripped on April 3 and reclosed. No loss of load occurred as a result of the trip.
- Third-party transmission capacity sales and third-party network transmission usage brought in over \$1.69M in revenue during the first quarter.
- Natural gas prices increased by approximately 25% which resulted in the price of delivered gas to Rawhide rising to approximately \$7.38/MBTU in late April.
- All relay testing and commissioning work with Xcel Energy was completed on the Avery Substation. Xcel has not yet requested that the lines be energized.
- CT Unit F operated for 24 hours over three days to ensure that proper gas pressure was retained during an inspection of a Platte River-owned gas pipeline.
- April surplus sales were reduced due to coal conservation efforts at Craig which were made to ensure that an adequate coal supply is maintained going into the summer months.
- There were 99 switching events scheduled in April. Of those events, 22 were canceled, rescheduled, or reworked, 65 were completed and 12 remained active.
- All system-wide scheduled line maintenance was completed for 2022 on the College Lake-Laporte, College Lake-Dixon and Laporte-Timberline tap transmission lines.
- The Airport-Boyd 115 kV line tripped on April 25, as the result of a dump truck bed having gotten too close to the conductor, although contact was not made with the conductor. No injuries were reported. Incidents such as these may become more frequent, as more construction activity is conducted around Platte River facilities.
- A 3- to 5-acre grass fire occurred under array 9 at the Prairie Solar project site located at Rawhide. The fire was caused by a wiring harness that was caught in the mechanism which allows the panels to rotate. The DEPCOM site manager did a full site inspection and found wiring issues which were isolated to array 9. The issues have since been corrected to prevent future failures. In addition, DEPCOM will conduct solar field fire response training with Platte River's Emergency Response Team and the Wellington Fire Department.
- A fire started at a mulching facility in north Fort Collins on April 29 which led to a fire under the Linden-Timberline 115 kV and Timberline-Laporte 230 kV lines. At the request of the Poudre Fire Authority, the lines were de-energized. Both lines returned to service on April 30. There have been several fires near Platte River facilities in the last year. Fires are a greater threat to communities and Platte River facilities located in or near forested areas. However, as drought-like conditions continue, fires are expected to become a more frequent threat in and around urban areas.

## Peak day

### Peak day obligation

Peak demand for the month was 410 megawatts which occurred April 22, 2022, at hour ending 16:00 and was 5 megawatts above budget. Platte River’s obligation at the time of the peak totaled 645 megawatts. Demand response was not called upon at the time of peak.

### Peak day obligation: April 22, 2022



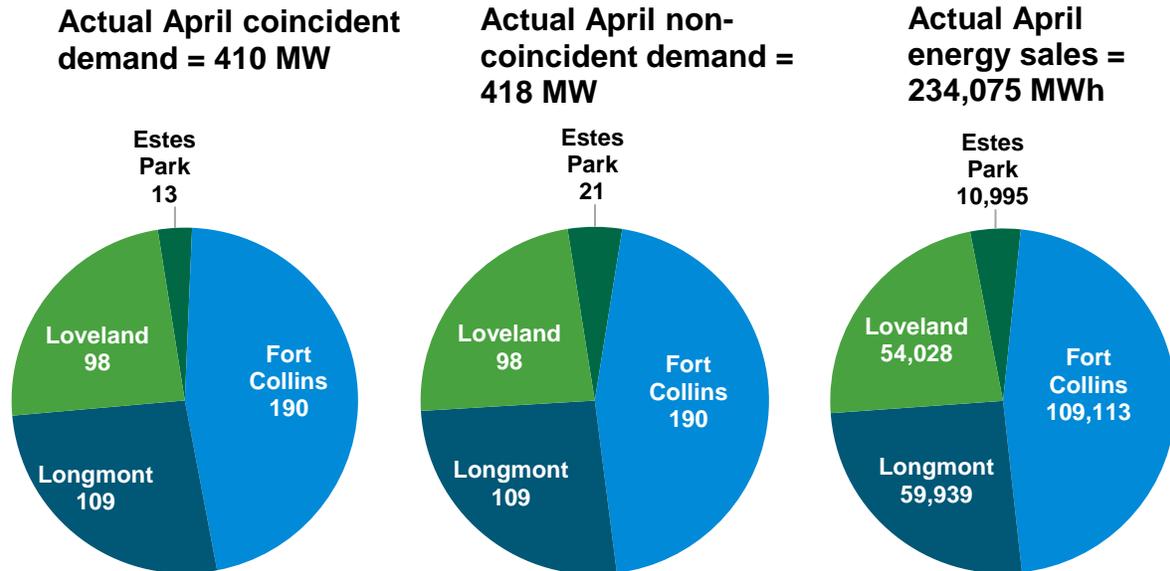
\* Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

## Owner community loads

	April budget	April actual	Minimum	Actual variance	
<b>Coincident demand (MW)</b>	405	410	496	1.2%	◆
Estes Park	19	13	<b>14</b>	(31.6%)	■
Fort Collins	191	190	<b>229</b>	(0.5%)	◆
Longmont	102	109	<b>139</b>	6.9%	●
Loveland	93	98	<b>114</b>	5.4%	●
<b>Non-coincident demand (MW)</b>	410	418	502	2.0%	◆
Estes Park	20	<b>21</b>	20	5.0%	●
Fort Collins	192	190	<b>229</b>	(1.0%)	◆
Longmont	105	109	<b>139</b>	3.8%	●
Loveland	93	98	<b>114</b>	5.4%	●
<b>Energy sales (MWh)</b>	236,791	234,075		(1.1%)	◆
Estes Park	10,469	10,995		5.0%	●
Fort Collins	112,928	109,113		(3.4%)	■
Longmont	60,206	59,939		(0.4%)	◆
Loveland	53,188	54,028		1.6%	◆

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

**Note:** The bolded values above were those billed to the owner communities, based on the maximum of either the actual metered demand or the annual minimum ratchet.

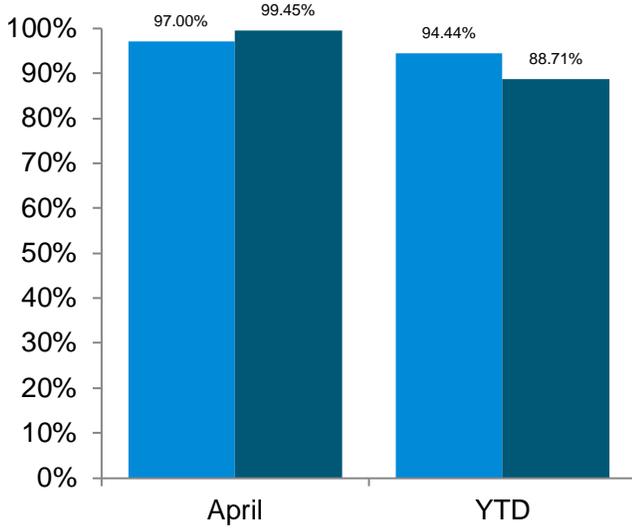


## Thermal resources

### Power generation - Rawhide

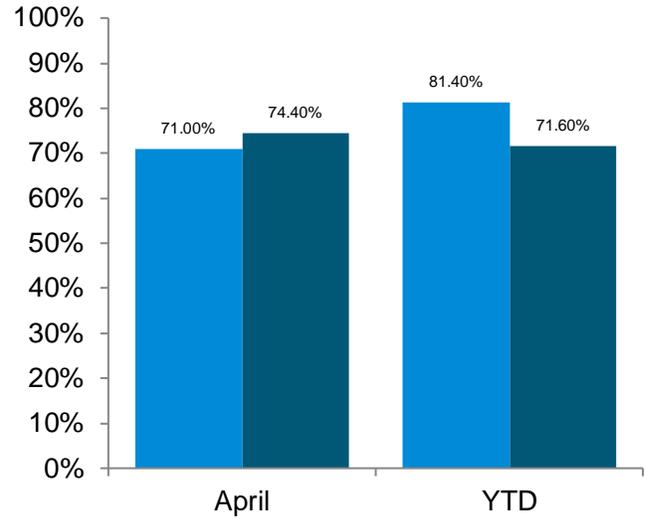
**Equivalent availability factor**

■ Budget ■ Actual



**Net capacity factor**

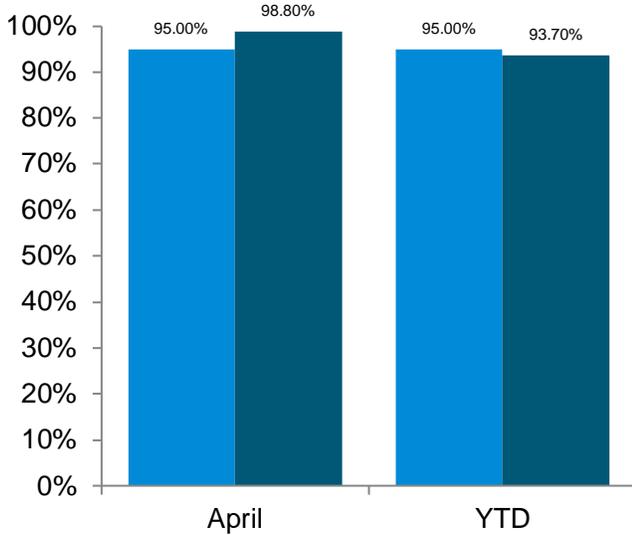
■ Budget ■ Actual



### Power generation - Craig

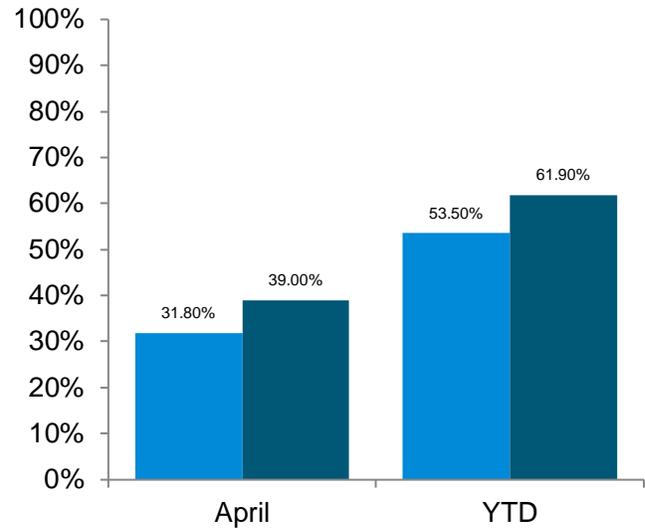
**Equivalent availability factor\***

■ Budget ■ Actual



**Net capacity factor**

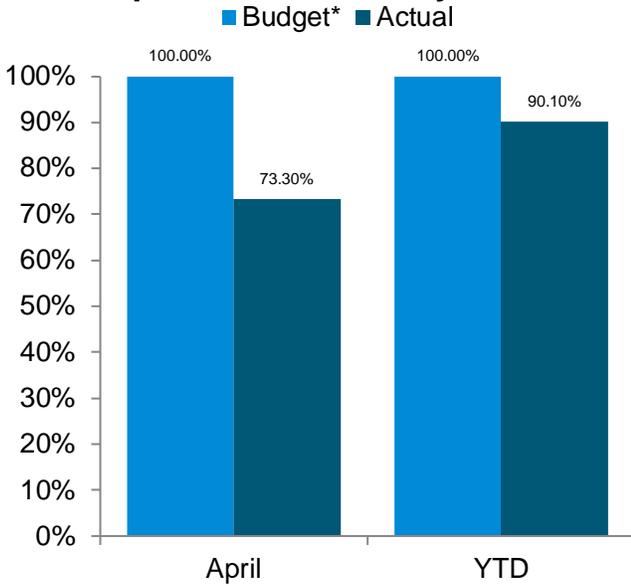
■ Budget ■ Actual



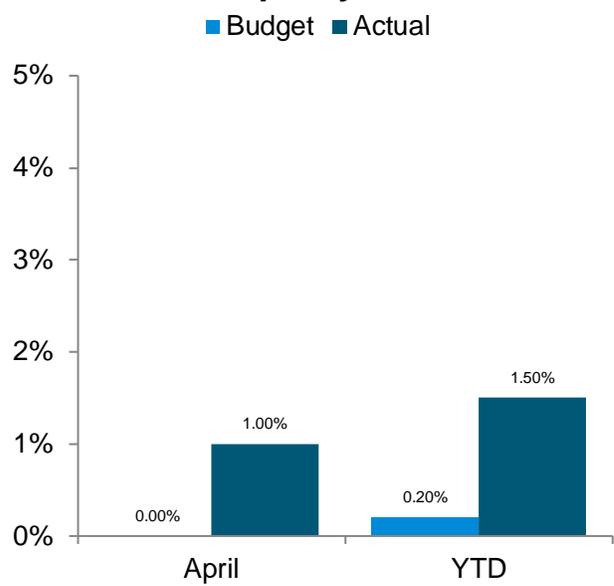
\* Estimated due to a delay of the actual results

### Power generation – combustion turbines

#### Equivalent availability factor



#### Net capacity factor

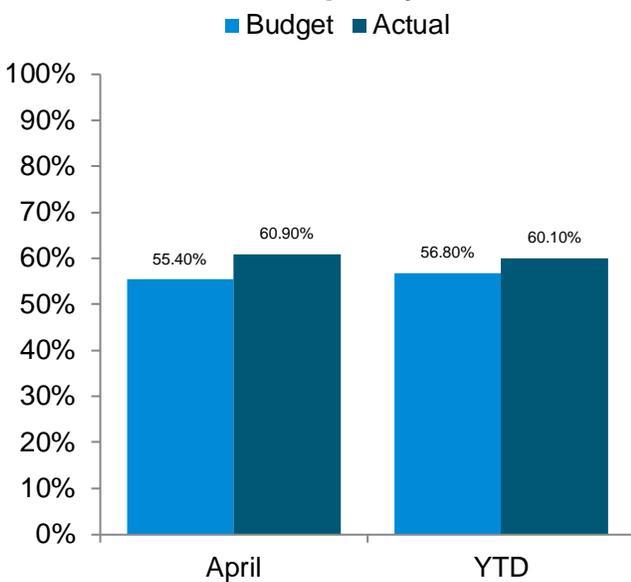


\* No budgeted outages

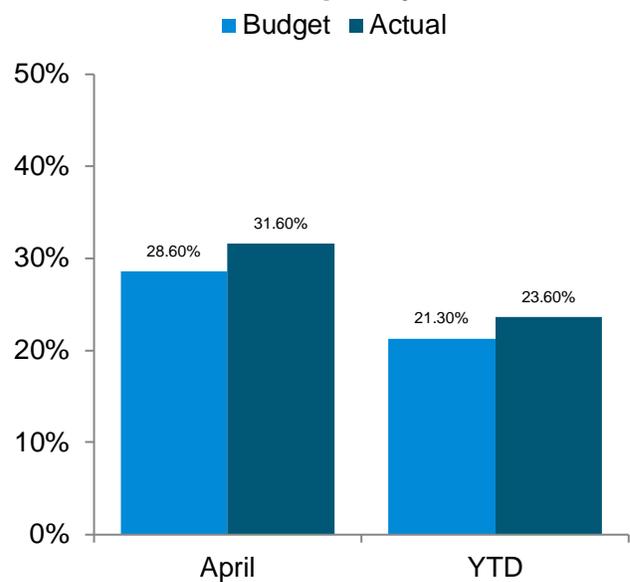
## Renewable resources

### Power generation – wind and solar production

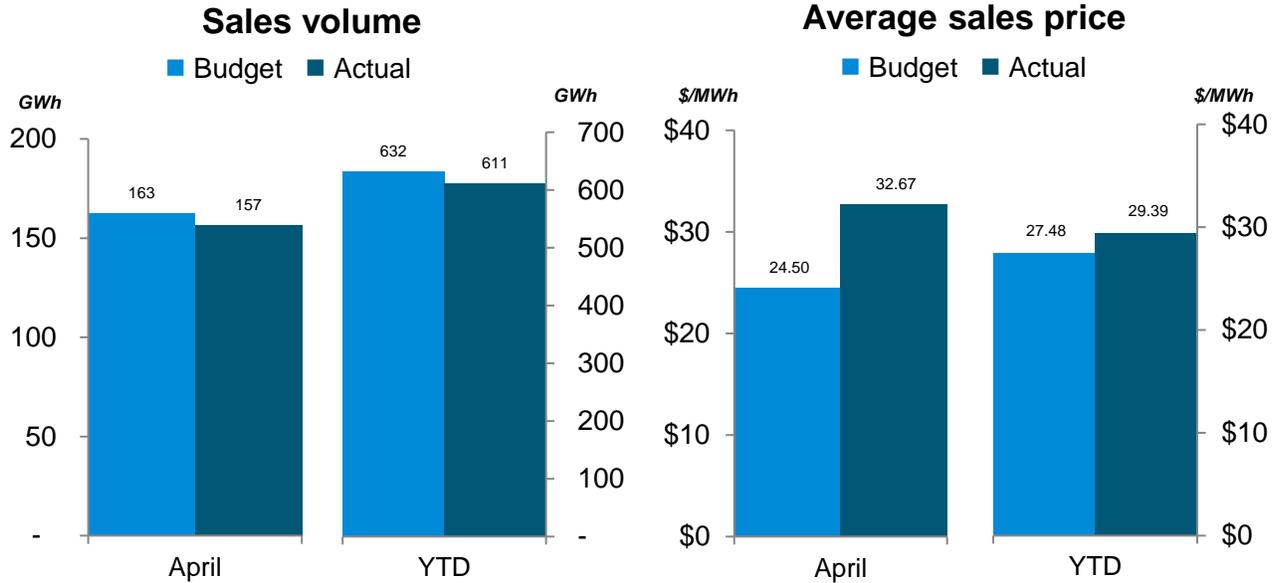
#### Wind net capacity factor



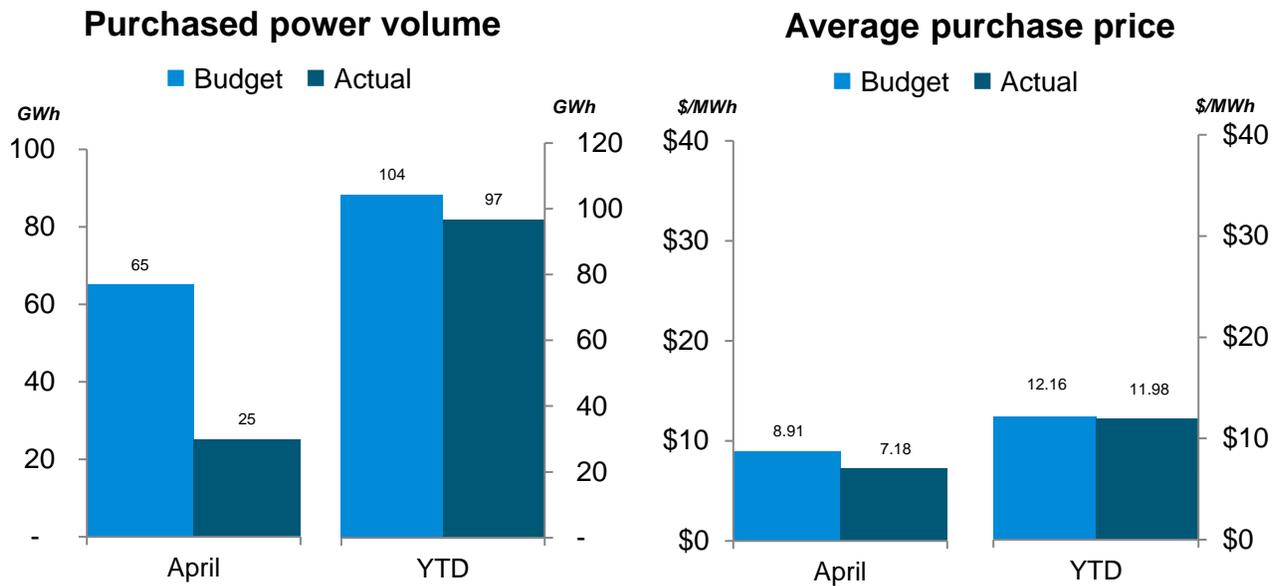
#### Solar net capacity factor



## Surplus sales

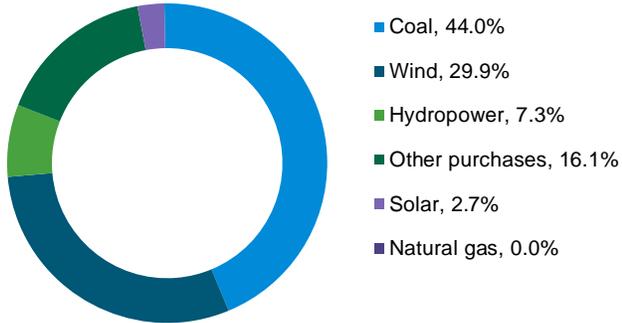


## Purchased power

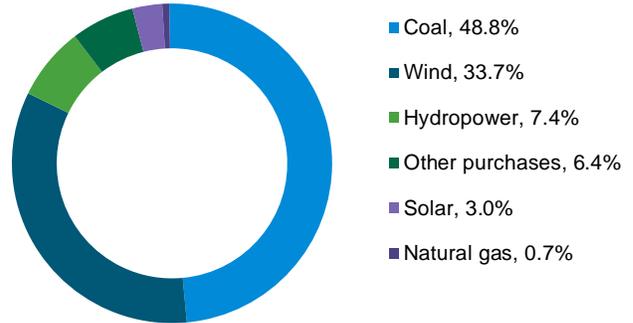


# Total resources

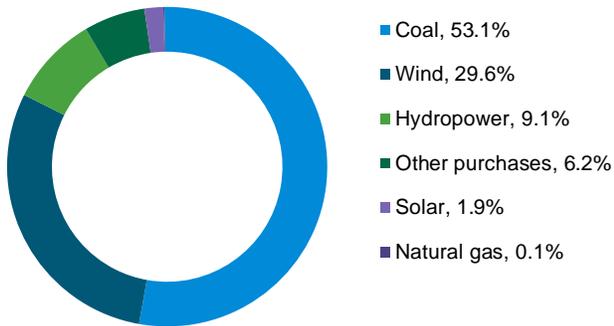
### April budget



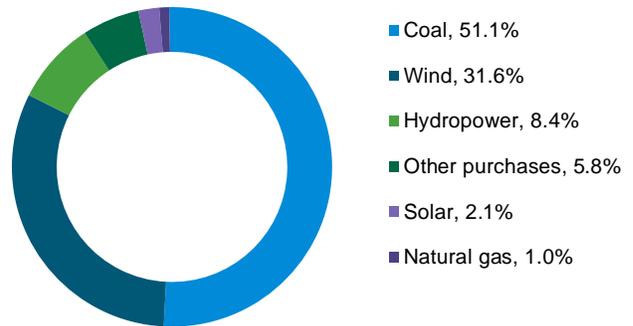
### April actual

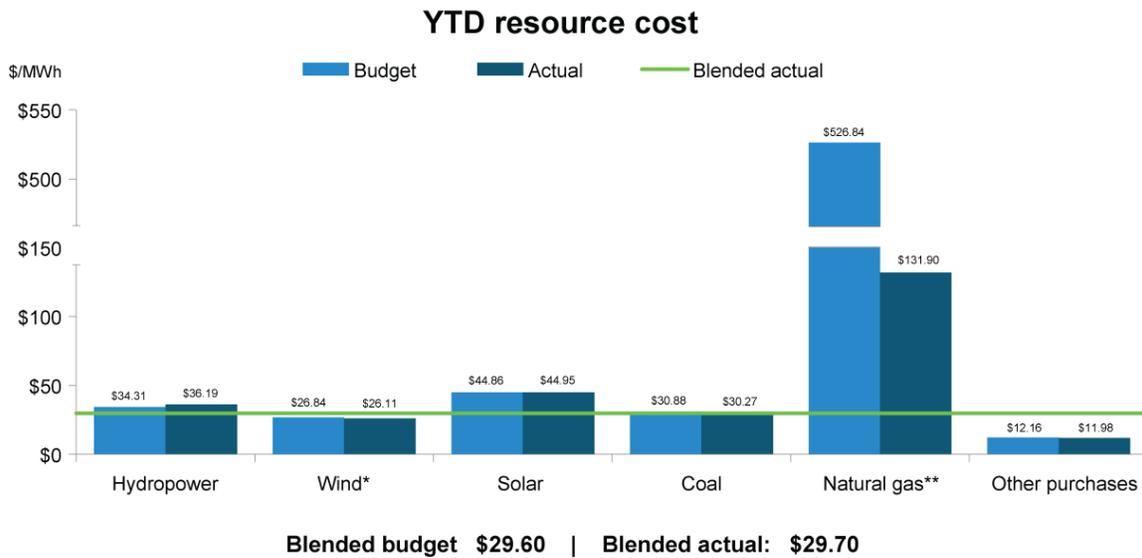
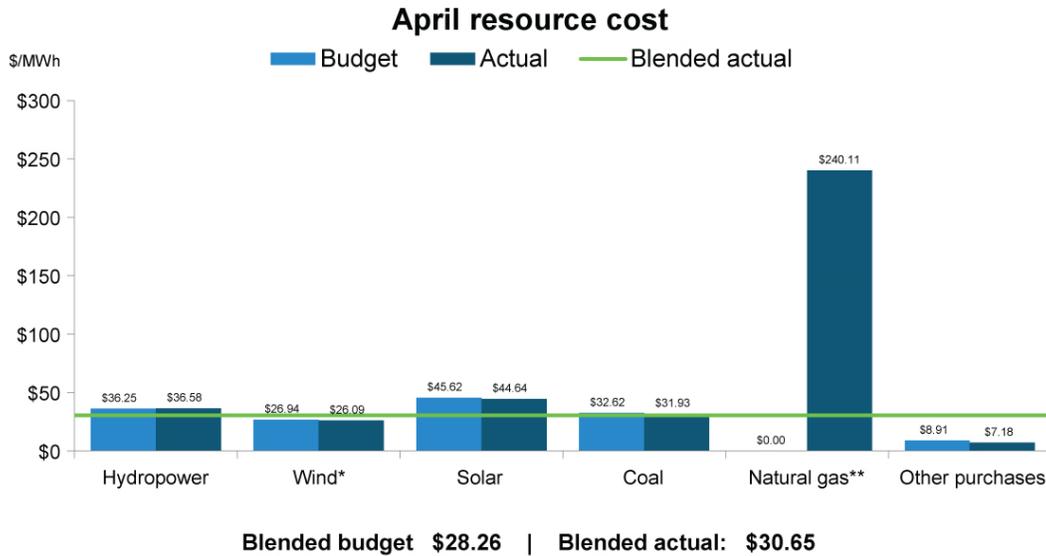


### YTD budget



### YTD actual





\* Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

\*\* April budgeted natural gas pricing was \$0/MBtu while actual was \$7.80/MBtu. YTD budgeted natural gas pricing was \$5.12/MBtu while actual was \$6.00/MBtu. 2022 annual budgeted natural gas pricing is \$4.21/MBtu.





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# Financial report

April 2022





## Financial highlights year to date

Platte River reported favorable results year to date. Net income of \$3.7 million was favorable by \$0.8 million compared to budget due to below-budget operating expenses and above-budget revenues partially offset by unrealized losses on investments as interest rates have increased. Other significant events and details of the revenue and expense variances for 2022 are described in the sections below.

The current estimate for year-end net income is \$22.2 million, but ranges from \$12.7 million to \$31.7 million. The expected projection includes overall higher operating revenues due to higher sales for resale and sales to owner communities. Current sales for resale were higher than anticipated due to general market conditions and are anticipated to end the year above budget. Wind and solar generation continues to be above budget, however a rate decrease in reserves is anticipated which may result in purchased power ending the year below budget. Fuel is anticipated to end the year above budget due to higher coal and natural gas prices. Other operating expenses are anticipated to end the year below budget primarily due to distributed energy resources discussed in the key variances of this report. The low and high projections are based on higher variability in revenues and expenses than the expected projection.

Financial projection	YTD result April 30, 2022	Overall impact (May-Dec)	Total variance	Net income	Variance from budget *
Expected	\$ 0.8	\$ 7.7	\$ 8.5	\$ 22.2	62%
Low	\$ 0.8	\$ (1.8)	\$ (1.0)	\$ 12.7	-7%
High	\$ 0.8	\$ 17.2	\$ 18.0	\$ 31.7	131%

Amounts above are in millions

\*Net income budget = \$13.7 million

Key financial results (\$ millions)	April		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
<b>Net income</b>	\$ 0.4	\$ 0.8	●	\$ 0.4	100.0%	\$ 2.9	\$ 3.7	●	\$ 0.8	27.6%	\$ 13.7
<b>Bond service coverage</b>	2.56x	3.31x	●	.75x	29.3%	2.72x	3.49x	●	.77x	28.3%	3.01x
<b>Fixed obligation charge coverage</b>	1.77x	2.12x	●	.35x	19.8%	1.84x	2.20x	●	.36x	19.6%	2.03x
<b>Budget results</b>											
<b>Total revenues</b>	\$ 20.6	\$ 22.0	●	\$ 1.4	6.8%	\$ 86.4	\$ 88.4	●	\$ 2.0	2.3%	\$ 263.2
Sales to owner communities	15.9	16.0	◆	0.1	0.6%	65.9	66.8	◆	0.9	1.4%	208.0
Sales for resale - long-term	1.6	1.6	◆	0.0	0.0%	6.5	6.1	■	(0.4)	(6.2%)	18.7
Sales for resale - short-term	2.5	3.7	●	1.2	48.0%	11.5	12.5	●	1.0	8.7%	29.6
Wheeling	0.5	0.5	◆	0.0	0.0%	2.0	2.2	●	0.2	10.0%	5.9
Interest and other income	0.1	0.2	●	0.1	100.0%	0.5	0.8	●	0.3	60.0%	1.0
<b>Total operating expenses</b>	\$ 16.8	\$ 16.9	◆	\$ (0.1)	(0.6%)	\$ 70.3	\$ 67.5	●	\$ 2.8	4.0%	\$ 209.7
Purchased power	5.1	5.1	◆	-	0.0%	20.2	20.9	■	(0.7)	(3.5%)	57.7
Fuel	2.7	3.4	■	(0.7)	(25.9%)	14.5	14.7	◆	(0.2)	(1.4%)	44.5
Production	4.0	4.0	◆	0.0	0.0%	17.1	15.5	●	1.6	9.4%	50.4
Transmission	1.7	1.4	●	0.3	17.6%	6.5	6.2	●	0.3	4.6%	18.7
Administrative and general	2.3	2.4	■	(0.1)	(4.3%)	8.8	8.0	●	0.8	9.1%	26.0
Distributed energy resources	1.0	0.6	●	0.4	40.0%	3.2	2.2	●	1.0	31.3%	12.4
<b>Capital additions</b>	\$ 4.2	\$ 1.3	●	\$ 2.9	69.0%	\$ 13.9	\$ 3.5	●	\$ 10.4	74.8%	\$ 38.9

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

## Key budget variances year to date

(greater or less than 2% variance)

### Total revenues

- **Sales for resale - long-term** were below budget \$0.4 million due to lower available baseload and wind generation that serve contracts.
- **Sales for resale - short-term** were above budget \$1 million as average prices were 10.2% above budget, partially offset by 1.3% below-budget energy volume.
- **Wheeling** was above budget \$0.2 million primarily due to unplanned point-to-point transmission sales, partially offset by network customers' actual demand being lower than projected.
- **Interest and other income** was above budget \$0.3 million due to higher interest income earned on investments, unplanned sales of inventory and interconnection agreement applications.

### Total operating expenses

- **Production, transmission, and administrative and general** were \$2.7 million below budget. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) market expenses, 2) Rawhide non-routine projects, 3) IT hardware and software maintenance, 4) IT consulting, 5) chemicals, 6) environmental expenses and 7) wheeling. Personnel was above budget. Of the net below-budget variance, at least \$2 million is expected to catch up by the end of the year.
- **Distributed energy resources** were \$1 million below budget due to the unpredictability of the completion of customers' energy efficiency projects, below-budget personnel expenses and consulting services. The energy efficiency rebates and incentives will finish the year below budget due to slow participation in programs, which is driven by the continued effects of the COVID-19 pandemic.
- **Purchased power** was \$0.7 million above budget. Purchased reserves were above budget due to higher than planned rate increases and holding fewer reserves on the coal units. In addition, wind and solar generation were above budget. Partially offsetting the above-budget variance was below-budget hydropower purchases due to drought conditions. Purchases made under the joint dispatch agreement were also below budget due to favorable pricing and below-budget volume.

### Other financial information

- **Accounting standard** - Platte River is subject to the new lease reporting model applicable under GASB 87 *Leases*. Results presented in the financial statements may not represent full implementation of the standard as staff evaluates leases throughout 2022. Implementation will occur throughout 2022.
- **Debt** - The outstanding principal for Series II, JJ and KK represents debt associated with transmission assets (\$126.2 million) and the Rawhide Energy Station (\$23.5 million). Principal and interest payments are made June 1 and interest only payments are made Dec. 1. The table below shows current debt outstanding.

Series	Debt outstanding \$/thousands	Par issued \$/thousands	True interest cost	Maturity date	Callable date	Purpose
Series II - February 2012	\$ 720	\$ 65,475	3.2%	6/1/2022	N/A	\$30M new money for transmission projects & refund remaining of Series EE (\$4.6M NPV/10.9% savings)
Series JJ - April 2016	124,125	\$ 147,230	2.2%	6/1/2036	6/1/2026	\$60M new money for Rawhide & transmission projects & refund portion of Series HH (\$13.7M NPV/12.9% savings)
Series KK - December 2020	24,900	\$ 25,230	1.6%	6/1/2037	N/A*	Refund a portion of Series II (\$6.5M NPV/27.6% savings)
Total par outstanding	149,745					
Unamortized bond premium	13,680					
Total revenue bonds outstanding	163,425					
Less: due within one year	(11,660)					
Total long-term debt, net	\$ 151,765					

Fixed rate bond premium costs are amortized over the terms of the related bond issues.

\*Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

### Capital additions (year-end estimates as of April 2022)

The projects listed below are projected to end the year with a budget variance of more than \$100,000. In addition, the amounts below are costs for 2022 and may not represent the total cost of the project. Further changes to capital projections are anticipated and staff will continue to monitor spending estimates to ensure capital projects are appropriately funded.

Project (\$ in thousands)	Budget	Estimate	Favorable (unfavorable)	Carryover request
<b>Below budget projects</b>				
* <b>Solar substation 230 kV</b> - This project will be below budget due to an amendment in the power purchase agreement resulting in a delay in the commercial operation date. In addition, acquiring land rights has taken longer than anticipated. Major equipment will be ordered this year to ensure delivery times do not impact the overall revised project schedule. <i>The below-budget funds will be requested to be carried over into 2023.</i>	\$ 6,464	\$ 500	\$ 5,964	\$ 5,964
* <b>Transformer T3 replacement - Timberline Substation</b> - This project will be below budget due to a delay in vendor selection and supply chain issues. <i>The below-budget funds will be requested to be carried over into 2023.</i>	\$ 2,316	\$ 661	\$ 1,655	\$ 1,655
** <b>Station service 230-12.47 kV transformer replacement - Rawhide Substation</b> - This project will be below budget and was placed on hold to accommodate resource needs on higher priority projects. The project is expected to resume in 2023. <i>The below-budget funds will be requested to be carried over into 2023.</i>	\$ 467	\$ 8	\$ 459	\$ 459
<b>Telecom PBX replacement</b> - This project will be below budget due to a change in scope. The equipment will be upgraded and a full replacement is not required. The project will also include upgrades at the data recovery center and Rawhide.	\$ 363	\$ 200	\$ 163	\$ -
<b>Above budget projects</b>				
<b>SCADA and energy management system</b> - This project will be above budget due to additional consulting services needed to support technical components of the project. Software and hardware costs also increased due to additional software module and server requirements that were uncertain at budget submission.	\$ 2,500	\$ 4,739	\$ (2,239)	\$ -

Project (\$ in thousands)	Budget	Estimate	Favorable (unfavorable)	Carryover request
** <b>Energy Engagement Center</b> - This multiyear project will be completed below total construction estimates. However, due to timing of expenses, additional funds in the 2022 budget were needed to complete final components of the project.	\$ 180	\$ 287	\$ (107)	\$ -
<b>Out-of-budget projects</b>				
<b>Transformer T1 replacement - Longs Peak Substation -</b> This project will replace the existing three single-phase transformers with a single three-phase unit in order to maintain reliability and reduce maintenance costs. To keep the project on schedule for 2025, transformer procurement will begin in 2022 due to long lead times.	\$ -	\$ 662	\$ (662)	\$ -

\* Project details or amounts have changed since last report.

\*\* Project is new to the report.

## Budget schedules

## Schedule of revenues and expenditures, budget to actual

April 2022

Non-GAAP budgetary basis (in thousands)

	Month of April		Favorable (unfavorable)
	Budget	Actual	
<b>Revenues</b>			
<i>Operating revenues</i>			
Sales to owner communities	\$ 15,879	\$ 16,014	\$ 135
Sales for resale - long-term	1,602	1,625	23
Sales for resale - short-term	2,546	3,652	1,106
Wheeling	486	521	35
Total operating revenues	20,513	21,812	1,299
<i>Other revenues</i>			
Interest income <sup>(1)</sup>	67	130	63
Other income	19	67	48
Total other revenues	86	197	111
Total revenues	\$ 20,599	\$ 22,009	\$ 1,410
<b>Expenditures</b>			
<i>Operating expenses</i>			
Purchased power	\$ 5,103	\$ 5,071	\$ 32
Fuel	2,716	3,404	(688)
Production	4,019	4,034	(15)
Transmission	1,624	1,377	247
Administrative and general	2,326	2,459	(133)
Distributed energy resources	1,021	588	433
Total operating expenses	16,809	16,933	(124)
<i>Capital additions</i>			
Production	2,333	150	2,183
Transmission	856	140	716
General	975	969	6
Total capital additions	4,164	1,259	2,905
<i>Debt expense</i>			
Principal	972	972	-
Interest expense	511	511	-
Total debt expense	1,483	1,483	-
Total expenditures	\$ 22,456	\$ 19,675	\$ 2,781
<b>Revenues less expenditures</b>	\$ (1,857)	\$ 2,334	\$ 4,191

<sup>(1)</sup> Excludes unrealized holding gains and losses on investments.

## Schedule of revenues and expenditures, budget to actual

### April 2022 year-to-date

Non-GAAP budgetary basis (in thousands)

	April year to date		Favorable (unfavorable)	Annual budget
	Budget	Actual		
<b>Revenues</b>				
<i>Operating revenues</i>				
Sales to owner communities	\$ 65,945	\$ <b>66,845</b>	\$ 900	\$ 208,017
Sales for resale - long-term	6,518	<b>6,121</b>	(397)	18,687
Sales for resale - short-term	11,488	<b>12,497</b>	1,009	29,557
Wheeling	1,969	<b>2,215</b>	246	5,930
Total operating revenues	85,920	<b>87,678</b>	1,758	262,191
<i>Other revenues</i>				
Interest income <sup>(1)</sup>	235	<b>363</b>	128	608
Other income	272	<b>400</b>	128	371
Total other revenues	507	<b>763</b>	256	979
Total revenues	<u>\$ 86,427</u>	<u>\$ <b>88,441</b></u>	<u>\$ 2,014</u>	<u>\$ 263,170</u>
<b>Expenditures</b>				
<i>Operating expenses</i>				
Purchased power	\$ 20,201	\$ <b>20,950</b>	\$ (749)	\$ 57,733
Fuel	14,473	<b>14,727</b>	(254)	44,526
Production	17,084	<b>15,498</b>	1,586	50,386
Transmission	6,497	<b>6,182</b>	315	18,634
Administrative and general	8,782	<b>7,976</b>	806	26,020
Distributed energy resources	3,265	<b>2,200</b>	1,065	12,378
Total operating expenses	70,302	<b>67,533</b>	2,769	209,677
<i>Capital additions</i>				
Production	5,020	<b>1,201</b>	3,819	16,706
Transmission	4,363	<b>347</b>	4,016	14,666
General	4,548	<b>2,000</b>	2,548	7,547
Total capital additions	13,931	<b>3,548</b>	10,383	38,919
<i>Debt expense</i>				
Principal	3,887	<b>3,887</b>	-	11,984
Interest expense	2,044	<b>2,044</b>	-	5,803
Total debt expense	5,931	<b>5,931</b>	-	17,787
Total expenditures	<u>\$ 90,164</u>	<u>\$ <b>77,012</b></u>	<u>\$ 13,152</u>	<u>\$ 266,383</u>
Contingency reserved to board	-	-	-	24,000
Total expenditures and contingency	<u>\$ 90,164</u>	<u>\$ <b>77,012</b></u>	<u>\$ 13,152</u>	<u>\$ 290,383</u>
<b>Revenues less expenditures and contingency</b>	\$ (3,737)	\$ <b>11,429</b>	\$ 15,166	\$ (27,213)

<sup>(1)</sup> Excludes unrealized holding gains and losses on investments.



## Financial statements

## Statements of net position

Unaudited (in thousands)

	April 30	
	2022	2021
<b>Assets</b>		
<i>Electric utility plant, at original cost</i>		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,452,567	1,432,932
Less: accumulated depreciation and amortization	<u>(912,025)</u>	<u>(879,910)</u>
Plant in service, net	559,988	572,468
Construction work in progress	<u>19,765</u>	<u>22,118</u>
Total electric utility plant	579,753	594,586
<i>Special funds and investments</i>		
Restricted funds and investments	25,220	25,351
Dedicated funds and investments	<u>131,918</u>	<u>107,186</u>
Total special funds and investments	157,138	132,537
<i>Current assets</i>		
Cash and cash equivalents	51,240	54,901
Other temporary investments	40,366	37,354
Accounts receivable - owner communities	15,983	14,870
Accounts receivable - other	9,003	7,018
Fuel inventory, at last-in, first-out cost	7,845	14,246
Materials and supplies inventory, at average cost	15,739	15,384
Prepayments and other assets	<u>5,761</u>	<u>3,411</u>
Total current assets	145,937	147,184
<i>Noncurrent assets</i>		
Regulatory assets	125,884	36,271
Other long-term assets	<u>5,163</u>	<u>13</u>
Total noncurrent assets	131,047	36,284
Total assets	1,013,875	910,591
<b>Deferred outflows of resources</b>		
Deferred loss on debt refundings	3,674	4,639
Pension deferrals	2,116	2,024
Asset retirement obligations	<u>24,084</u>	<u>23,262</u>
Total deferred outflows of resources	29,874	29,925
<b>Liabilities</b>		
<i>Noncurrent liabilities</i>		
Long-term debt, net	151,765	166,237
Other long-term obligations	94,295	-
Net pension liability	7,770	15,605
Asset retirement obligations	29,771	29,164
Other liabilities and credits	<u>7,468</u>	<u>6,528</u>
Total noncurrent liabilities	291,069	217,534
<i>Current liabilities</i>		
Current maturities of long-term debt	11,660	11,145
Current portion of other long-term obligations	889	-
Current portion of asset retirement obligations	1,706	1,066
Accounts payable	16,753	12,619
Accrued interest	2,555	2,749
Accrued liabilities and other	<u>2,416</u>	<u>2,587</u>
Total current liabilities	35,979	30,166
Total liabilities	327,048	247,700
<b>Deferred inflows of resources</b>		
Deferred gain on debt refundings	135	149
Regulatory credits	55,573	69,170
Pension deferrals	<u>6,024</u>	<u>-</u>
Total deferred inflows of resources	61,732	69,319
<b>Net position</b>		
Net investment in capital assets	393,326	388,800
Restricted	22,665	22,603
Unrestricted	<u>238,978</u>	<u>212,094</u>
Total net position	<u>\$ 654,969</u>	<u>\$ 623,497</u>

## Statements of revenues, expenses and changes in net position

Unaudited (in thousands)

	Month of April	April year to date		Twelve months ended April 30	
		2022	2021	2022	2021
<b>Operating revenues</b>					
Sales to owner communities	\$ 16,014	\$ 66,845	\$ 62,043	\$ 204,011	\$ 197,227
Sales for resale	5,277	18,618	16,071	62,969	45,914
Wheeling	521	2,215	2,038	5,924	6,297
Total operating revenues	<u>21,812</u>	<u>87,678</u>	<u>80,152</u>	<u>272,904</u>	<u>249,438</u>
<b>Operating expenses</b>					
Purchased power	5,071	20,950	18,327	57,229	52,138
Fuel	3,404	14,727	12,339	49,912	41,295
Operations and maintenance	5,440	21,707	20,809	61,403	63,500
Administrative and general	2,598	8,126	7,092	22,619	20,870
Distributed energy resources	595	2,208	2,108	7,045	8,765
Depreciation, amortization and accretion	3,043	11,669	10,430	35,668	35,613
Total operating expenses	<u>20,151</u>	<u>79,387</u>	<u>71,105</u>	<u>233,876</u>	<u>222,181</u>
Operating income	<u>1,661</u>	<u>8,291</u>	<u>9,047</u>	<u>39,028</u>	<u>27,257</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	118	389	531	1,209	1,946
Other income	67	400	356	956	1,025
Distribution to owner communities	-	-	-	-	(1,000)
Interest expense	(511)	(2,044)	(2,225)	(6,178)	(7,206)
Amortization of bond financing costs	136	547	610	1,767	1,976
Net decrease in fair value of investments	(678)	(3,901)	(416)	(5,310)	(1,325)
Total nonoperating revenues (expenses)	<u>(868)</u>	<u>(4,609)</u>	<u>(1,144)</u>	<u>(7,556)</u>	<u>(4,584)</u>
Change in net position	<u>793</u>	<u>3,682</u>	<u>7,903</u>	<u>31,472</u>	<u>22,673</u>
Net position at beginning of period, as previously reported	<u>654,176</u>	<u>651,287</u>	<u>615,594</u>	<u>623,497</u>	<u>600,824</u>
Net position at end of period	<u>\$ 654,969</u>	<u>\$ 654,969</u>	<u>\$ 623,497</u>	<u>\$ 654,969</u>	<u>\$ 623,497</u>

## Statements of cash flows

Unaudited (in thousands)

	Month of April	April year to date		Twelve months ended April 30	
		2022	2021	2022	2021
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 22,109	\$ 89,371	\$ 83,173	\$ 270,129	\$ 248,717
Payments for operating goods and services	(12,329)	(51,816)	(50,789)	(153,937)	(133,738)
Payments for employee services	(3,877)	(15,826)	(14,747)	(46,437)	(47,057)
Net cash provided by operating activities	5,903	21,729	17,637	69,755	67,922
<b>Cash flows from capital and related financing activities</b>					
Additions to electric utility plant	(664)	(2,956)	(4,431)	(23,849)	(34,440)
Payments from accounts payable incurred for electric utility plant additions	(1,382)	(1,581)	(1,271)	(579)	(2,449)
Proceeds from disposal of electric utility plant	13	16	52	242	27,136
Deposits into escrow for bond defeasance	-	-	-	-	(238)
Proceeds from issuance of long-term debt	-	-	-	-	243
Principal payments on long-term debt	-	-	-	(11,145)	(10,310)
Interest payments on long-term debt	-	-	-	(6,371)	(7,756)
Payments on other long-term obligations	-	(889)	-	(889)	-
Net cash used in capital and related financing activities	(2,033)	(5,410)	(5,650)	(42,591)	(27,814)
<b>Cash flows from investing activities</b>					
Purchases and sales of temporary and restricted investments, net	1,421	(6,227)	(10,553)	(32,904)	(21,761)
Interest and other income, including realized gains and losses	191	741	874	2,079	2,921
Distribution to owner communities	-	-	-	-	(1,000)
Net cash provided by/(used in) investing activities	1,612	(5,486)	(9,679)	(30,825)	(19,840)
Increase/(decrease) in cash and cash equivalents	5,482	10,833	2,308	(3,661)	20,268
Balance at beginning of period in cash and cash equivalents	45,758	40,407	52,593	54,901	34,633
Balance at end of period in cash and cash equivalents	\$ 51,240	\$ 51,240	\$ 54,901	\$ 51,240	\$ 54,901
<b>Reconciliation of net operating income to net cash provided by operating activities</b>					
Operating income	\$ 1,661	\$ 8,291	\$ 9,047	\$ 39,028	\$ 27,257
<i>Adjustments to reconcile operating income to net cash provided by operating activities</i>					
Depreciation	3,302	12,703	12,287	37,600	33,742
Amortization	(516)	(2,065)	(2,296)	(3,740)	(2,296)
<i>Changes in assets and liabilities that provided/(used) cash</i>					
Accounts receivable	297	1,716	2,744	(3,098)	(790)
Fuel and materials and supplies inventories	(448)	2,276	(1,094)	6,045	3,569
Prepayments and other assets	95	(4,198)	(1,135)	(2,654)	108
Regulatory assets	86	344	328	1,002	(575)
Deferred outflows of resources	(2,077)	(1,636)	(2,204)	(913)	607
Accounts payable	468	677	(4,439)	4,105	1,677
Net pension liability	-	-	-	(7,834)	(3,075)
Asset retirement obligations	2,221	2,221	2,637	1,247	(833)
Other liabilities	492	(34)	81	835	71
Deferred inflows of resources	322	1,434	1,681	(1,868)	8,460
Net cash provided by operating activities	\$ 5,903	\$ 21,729	\$ 17,637	\$ 69,755	\$ 67,922
<b>Noncash capital and related financing activities</b>					
Additions of electric utility plant through incurrence of accounts payable	608	608	579	608	579
Additions to regulatory assets and other assets through incurrence of other long-term obligations	-	-	-	96,073	-
Amortization of regulatory asset (debt issuance costs)	7	29	32	94	79
Amortization of bond premiums, deferred loss and deferred gain on refundings	(144)	(576)	(643)	(1,861)	(2,056)
Net proceeds from refunding bond issuance deposited directly into irrevocable trust	-	-	-	-	25,182

Note: Certain previously stated line items have been updated and reclassified to reflect audited financial statement presentation.

## Schedule of net revenues for bond service and fixed obligations

Unaudited (in thousands)

	Month of April	April year to date		Twelve months ended April 30	
		2022	2021	2022	2021
<b>Bond service coverage</b>					
<b>Net revenues</b>					
Operating revenues	\$ 21,812	\$ 87,678	\$ 80,152	\$ 272,904	\$ 249,438
Operations and maintenance expenses, excluding depreciation and amortization	<u>17,108</u>	<u>67,718</u>	<u>60,675</u>	<u>198,208</u>	<u>186,568</u>
Net operating revenues	4,704	19,960	19,477	74,696	62,870
Plus interest income on bond accounts, other income and distribution to owner communities <sup>(1)</sup>	<u>197</u>	<u>763</u>	<u>896</u>	<u>2,145</u>	<u>1,987</u>
Net revenues before rate stabilization	4,901	20,723	20,373	76,841	64,857
Rate stabilization					
Deposits	-	-	-	-	-
Withdrawals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net revenues	<u>\$ 4,901</u>	<u>\$ 20,723</u>	<u>\$ 20,373</u>	<u>\$ 76,841</u>	<u>\$ 64,857</u>
<b>Bond service</b>					
Power revenue bonds	<u>\$ 1,483</u>	<u>\$ 5,931</u>	<u>\$ 6,094</u>	<u>\$ 17,834</u>	<u>\$ 18,243</u>
<b>Coverage</b>					
Bond service coverage ratio	3.31	3.49	3.34	4.31	3.56
<b>Fixed obligation charge coverage</b>					
<b>Fixed obligation charge coverage</b>					
Total net revenues, above	\$ 4,901	\$ 20,723	\$ 20,373	\$ 76,841	\$ 64,857
Fixed obligation charges included in operating expenses <sup>(2)</sup>	<u>1,581</u>	<u>6,350</u>	<u>4,579</u>	<u>16,205</u>	<u>12,392</u>
Adjusted net revenues before fixed obligation charges	<u>\$ 6,482</u>	<u>\$ 27,073</u>	<u>\$ 24,952</u>	<u>\$ 93,046</u>	<u>\$ 77,249</u>
<b>Fixed obligation charges</b>					
Power revenue bonds, above	\$ 1,483	\$ 5,931	\$ 6,094	\$ 17,834	\$ 18,243
Fixed obligation charges	<u>1,581</u>	<u>6,350</u>	<u>4,579</u>	<u>16,205</u>	<u>12,392</u>
Total fixed obligation charges	<u>\$ 3,064</u>	<u>\$ 12,281</u>	<u>\$ 10,673</u>	<u>\$ 34,039</u>	<u>\$ 30,635</u>
<b>Coverage</b>					
Fixed obligation charge coverage ratio	2.12	2.20	2.34	2.73	2.52

<sup>(1)</sup> Excludes unrealized holding gains and losses on investments.

<sup>(2)</sup> Fixed obligation charges include debt-like obligations either related to the ownership of resource assets or off-balance-sheet financings. Platte River considers 30% of amounts due for energy under hydropower, solar and wind power purchase agreements to be fixed obligation charges for this purpose.





**Platte River**  
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

# General management report

April 2022





## Business Strategies

### Communications and marketing

- Coordinated with teachers, students, volunteers and vendors throughout the month and held the third NoCo Time Trials at headquarters. Approximately 250 people, including 49 student teams, raced solar- and battery-powered cars during the event.
- Finalized the annual report, delivered it to leadership to gain board acceptance and posted it on the Platte River website.
- Issued a news release announcing Raj Singam Setti as Platte River's new CTIO. Staff also drafted a news release announcing Kevin Gertig as the board's new vice chair, to be issued in May.
- Accepted recognition on behalf of Platte River for support of Arbor Day activities in Fort Collins.
- Volunteered with Loveland Youth Gardeners and collected \$210 in donations from staff, which were matched by Platte River. The combined contributions will help purchase new gardening tools.
- Produced regular internal communications including the Power Source, Loo News, NewsFeed and business meeting email, and supported weekly video updates from the general manager/CEO.

#### Efficiency Works™ marketing staff:

- Completed a short brand awareness campaign, using both digital and traditional tactics, that received nearly 2 million digital impressions and 5,126 clicks in 60 days.
- Prepared a news release that announced the amount of energy saved in 2021 from participation in Efficiency Works programs, including the amount of carbon emissions prevented. The release will be issued in May.
- Developed outreach materials for the Estes Park media market, including a bill stuffer and traditional news advertising.

### Human resources

The senior leadership team is now fully staffed with the addition of the new chief strategy officer, Eddie Gutiérrez, who started in April. Recruitment for a director of public and external affairs, strategic communications and social marketing was launched.

Platte River's formal return to work with a hybrid schedule began for those who had been working 100% remote. This return was marked by a week-long celebration that included food and activity events at headquarters and food events at Rawhide. Staff provided positive feedback about these events bringing everyone together after being apart for two years.

Together with communications and marketing staff, the human resources (HR) team recorded a video to reintroduce the HR team to the organization. Footage was filmed at both headquarters and Rawhide. The video will be released sometime this summer.

HR kicked off its compensation study during the last week of April. The specifics of the compensation study will be discussed with employees in the June business meetings with the study scheduled to be finalized in September.

## Safety

Rawhide and headquarters safety staff partnered with communications and marketing to complete a series of new safety training videos for internal use.

Rawhide safety staff supported inspections and maintenance operations of Platte River's natural gas pipeline during the combustible turbine outage. Safety staff also initiated trainings on fire protection systems and safety resources with unit operations crews. Staff also conducted ergonomic evaluations at several staff workstations at headquarters.

Injury statistics	2020 year end	2021 year end	YTD through April 2021	YTD through April 2022
Recordable injury rate	1.29	1.67	1.24	2.44
DART	0.43	0.00	1.24	1.22
Lost time rate	0.43	0.00	0.00	0.00

There were no recordable or lost time injuries for Platte River in April.

## Emergency Response Team

- Emergency medical helicopter training was conducted with LifeLine air medical for response to Rawhide.
- ERT members, with assistance from Wellington Fire Protection, responded to a grass fire within the Rawhide Prairie Solar (Buffalo Flats) solar field.
- Required annual testing and inspection of fire protection systems were coordinated and completed during the scheduled outage of CT-F.

## Financial

### 2022 capital – board contingency

Capital projects are tracked closely throughout the year and revisions are expected as projects' scope and schedules change, and new projects arise. At this time, capital expenditures are expected to be approximately \$5.3 million below budget at the end of the year.

Some projects will not be completed during 2022 and the remaining funds for those projects, approximately \$8.2 million, will need to be carried over into 2023. These projects are summarized in the financial report included in the board packet. Thus far in 2022, several additional requests for funds have occurred due to changes in the schedule and scope of projects. As a result of the need to carry over funds to 2023, current estimates show \$2.9 million may be required as a budget contingency appropriation to cover the additional capital project expenses.

Further changes to capital projections are anticipated and staff will continue to monitor spending estimates to determine the appropriate amount needed. Project managers are continuously improving work planning and budgeting by better aligning scope, schedules and available resources. The following table represents the estimates for capital expenditures as of April 30, 2022.

<b>Capital summary</b>	<b>\$ million</b>
2022 capital budget	\$ 38.9
Estimated capital expenses at 04/30/2022	33.6
Under budget variance	\$ 5.3
Estimated capital carryovers from 2022 to 2023	(8.2)
<b>Estimated contingency transfer request</b>	<b>\$ (2.9)</b>

## 2023 budget update

Platte River's 2023 budget process is well underway. We continually look for ways to improve the existing process and to improve work planning and budgeting by better aligning scope, schedules and available resources. Staff submitted their initial department budgets and the next steps include review by management that will occur over the next couple of months.

Below is a condensed schedule to show the overall budget process.

March to May	Kickoff presentations and preparation of budget details by departments
June	Data compilation, division budget reviews and reporting
July	Senior leadership and GM/CEO budget review
August	Refine budget and document preparation
September	Budget work session with board
October	Public hearing and board review of budget modifications
November	Prepare final budget document
December	Final budget review with board and request adoption

## Financial audit report filing

An electronic copy of Platte River's audited financial report for Dec. 31, 2021, was filed in April with Colorado's Office of the State Auditor as required by the Local Government Audit Law.

## **EIA-861 filing**

Form EIA-861, Annual Electric Utility Report, was updated for the reporting year 2021 and submitted to the Energy Information Administration, a division of the U.S. Department of Energy. The form collects information such as peak load, generation, electric purchases, sales, revenues, customer counts and demand-side management programs, green pricing and net metering programs, and distributed generation capacity. The form is required reporting and Platte River completed its submission for the April 2022 deadline.

## **Continuing disclosure filing**

Pursuant to the continuing disclosure certificates executed by Platte River in issuing its Series II, JJ and KK bonds, Platte River's audited financial report and annual report for Dec. 31, 2021, were filed with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access Dataport.

## **Credit rating agencies update**

In an annual letter to the credit rating agencies, Platte River provided a financial summary and significant events for 2021. The report also included environmental, social and governance factors and performance indicators specific to Platte River. Rating agencies use the information to conduct their annual surveillance of Platte River. No rating actions/changes are expected as a result of the surveillance.

## **Certificate of no default filing**

As required by Platte River's General Power Bond Resolution No. 5-87, a certificate of no default, a certificate of insurance compliance and 2021 audited financial statements were filed with Platte River's bond trustee, Computershare Corporate Trust. Computershare Corporate Trust became Platte River's bond trustee when it acquired Wells Fargo US corporate trust business on Nov. 3, 2021.

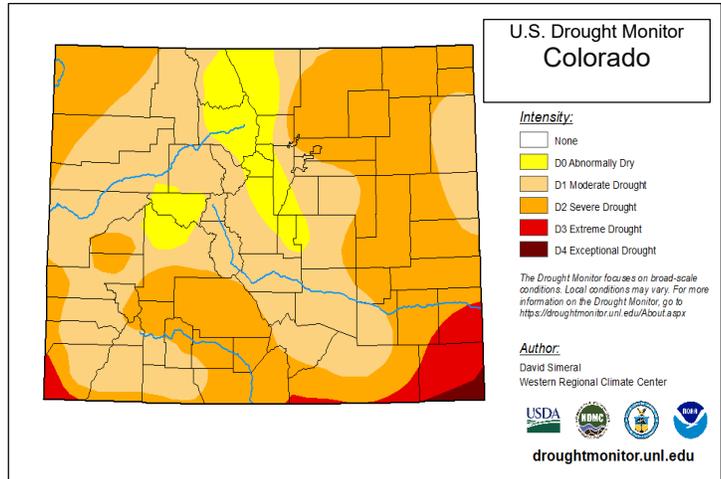
## **Post-closure reclamation liability filing**

Platte River is required to file a solid waste facilities closure estimate and proof of financial assurance annual report with the state of Colorado. The report estimates the current closure and post-closure care costs for the Rawhide ash disposal facility and the post-closure costs of other impoundments on-site and demonstrates Platte River's ability to pay the future costs. The report, filed in April, estimated closure costs to be \$11,450,452. This was a \$2.2 million decrease from the prior year because the footprint of the Rawhide ash disposal was downsized due to the expected closure of the coal-fired Rawhide Unit 1.

## Operations

### Fuels and water

In northern Colorado, drought conditions continue to worsen due to persistent dry weather, putting early pressure on regional water supply systems. In the Colorado river headwaters region, snowpack ultimately peaked near average in mid-April. Since then, snowmelt has progressed rapidly amid high temperatures and windy conditions. With the dry underlying soil conditions, the resulting runoff has been inconsistent, fluctuating between above and below normal rates. Lake Granby has sufficient storage availability for Windy Gap water and the Windy Gap project has been able to pump since late April, during periods of higher runoff. By early May, pumping was sufficient to repay all in-lieu Colorado-Big Thompson debt from the first half of the water year, which began Oct. 1, 2021, and to begin accumulating pumped water in Lake Granby. Pumping will continue based on water availability, water rights priorities, and environmental mitigation criteria. This is a positive situation for Windy Gap participants and the pumping will enable Platte River to revert to regular Reuse Plan operations with the City of Fort Collins for the remainder of the 2022 water year.



Over the past month, Chimney Hollow construction continued to focus on dam foundation preparation, inlet/outlet tunnel construction, and quarry development. Along the centerline of the main dam, grouting operations continue to be refined to minimize seepage through the dam foundation. On the surface, the concrete plinth is being constructed on top of a prepared bedrock surface. At the quarry, the permanent crushing operation is set up and ready to produce aggregates for the asphalt core and other project needs. The site is changing rapidly, and Northern Water hosts regular tours for project participants to observe construction and learn more about the project. If Platte River board members are interested in seeing the site, Platte River staff can coordinate with Northern Water to set up a tour.



Concrete plinth placement along main dam centerline

The Craig Station coal supply is from Trapper Mine, which is located adjacent to the power plant. Platte River has partial ownership of Trapper Mine, which helps mitigate fuel cost volatility. In early 2022, Trapper Mine began transitioning to a more cost-effective mining technique called highwall mining. There were some unanticipated production challenges during the transition to this new mining method, which resulted in below forecast production levels and below target coal inventory levels at the Craig Station. Trapper Mine is working through these challenges and production levels have improved

significantly in the past month. The fuels team is communicating closely with Trapper Mine management and is working directly with the Platte River dispatch team to manage plant operations to help improve coal inventory levels. Other coal supply options include a potential spot coal purchase from another source in the month of May. Our goal is to ensure an adequate coal inventory is for the summer months when owner community loads are high.

## Transition and integration

### Energy solutions

The Energy Solutions department continues to collaborate with owner community staff and other Platte River departments to increase participation in the Efficiency Works program. In April, the business efficiency program increased outreach efforts through its energy advisors and targeted marketing. The residential retrofit efficiency programs improved the process flow for landlords to participate and upgrade tenant properties while increasing the participation rates of residential properties upgraded through the income qualified CARE program. Through the end of April, over 30 residential properties have participated in the CARE program, exceeding the participation rates in all of 2021. The energy innovation program also partnered with the Platte River communications and marketing department to offer efficiency product kits to students participating at the NoCoTime Trials.

Through April 2022, Efficiency Works programs have achieved 5,209 MWh of energy savings with \$2.3 million in overall incentives and administrative costs. Platte River has budgeted \$10.7 million for efficiency programs and administration with a goal of achieving 27,800 MWh energy savings. Owner communities may provide as much as \$2.8 million additional funding, including about \$2.1 million of direct funding and \$0.7 million in supplemental funds, which are earmarked only if an individual owner community exceeds Platte River's budget.

### Distributed energy resources

The DER teams continue to investigate distributed energy resource management systems (DERMS) as a key enabler of DER integration. Our focus is developing a shared understanding of what DERMS can do to support DER integration through improved DER visibility, analytics, forecasting and dispatching. The teams are also learning about the DERMS architecture that can support different business needs or use cases on behalf of Platte River and its owner communities. The teams invited multiple DERMS vendors to provide overviews of their capabilities. The first presentation was held in April.

Staff is preparing to perform a DER integration gap assessment and gap-closure roadmap. The gap assessment will consider the current state and desired future state of DER integration with a focus on enabling systems, data communication, cyber security requirements, processes and staffing. This work will also help us develop functional and technical requirements for a Platte River DERMS. In addition, it will consider DERMS and related system architecture options that support Platte River and its owner communities' requirements. Staff is seeking quotes from consulting firms with experience in this area to support this work. Owner community staff will be consulted and kept informed throughout the process via the DER teams.

## Resource planning update

Staff completed the new power supply plan (PSP) based on the 2022 resource plan (RP22) that was completed last month. The PSP includes some of the recent cost increases in gas, coal, and power prices and is being used to develop the first look at 2023 power supply budget planning as well as the long-term wholesale rate outlook to be presented to the board in May. There will be two additional updates to the 2023 budget during the course of the year. The Plexos model is now being updated to offer more flexibility in resource optimization, using input from RP22 and the new PSP.

Planning to develop the 2024 Integrated Resource Plan (2024 IRP) has begun. The high-level plan calls for various studies and public discussions to provide input for the modeling process by the summer of 2023. The 2024 IRP will be developed by the first quarter of 2024 and filed with the Western Area Power Administration, following the board's approval, in 2024.

Staff initiated a summer 2022 portfolio reliability study to support summer load planning. The study relies on historical weather profiles to generate various scenarios of renewable supply and hourly loads. The load and renewable supply variations are being simulated with different levels of market power availability and outages of coal units, testing for any hours when supply would not be able to meet demand. After running hundreds of simulations, staff will estimate the expected loss of load hours, a common industry criterion used to estimate portfolio reliability. The study will be completed in May, and the results will be shared with Platte River's operations department to support their summer planning shortly thereafter.