



Estes Park • Fort Collins • Longmont • Loveland

Quarterly report

1st quarter 2022





Year-to-date March 2022 highlights

(Comparison to same period prior year)

Financial summary

Platte River reported year-to-date operating income of \$6.6 million compared with \$8.4 million reported in 2021. Change in net position was \$2.9 million, down from \$7.6 million reported in 2021. The bond service coverage ratio was 3.56 times compared to 3.69 times in 2021 and the fixed obligation charge coverage ratio was 2.23 times compared to 2.52 times in 2021.

Operating revenues increased \$4.5 million.

- Sales to owner communities increased \$3.7 million as a result of a 2022 rate increase and changes in load and demand profiles; \$2.7 million in higher energy charges, \$0.7 million in higher demand charges and \$0.3 million in higher base owner community charges.
- Sales for resale increased \$0.6 million due to an increase in volume as a result of a stronger market partially offset by decreased average pricing from the record cold weather in February 2021.
- Wheeling increased \$0.2 million due to point-to-point transmission sales in 2022.

Operating expenses increased \$6.3 million.

- Fuel increased \$2 million compared to 2021, representing the largest variance. Rawhide Unit 1's average price was higher in 2022 partially offset by lower generation due to planned and unplanned outages and replacements by wind and solar. The Craig units and the combustion turbine units' generation was higher due to replacing Rawhide Unit 1's generation during outages, serving load, cold weather testing on the combustion turbines and additional sales. Craig coal prices and natural gas prices were lower in 2022.
- Purchased power increased \$1.8 million compared to 2021 due to additional wind and solar generation, energy received from Tri-State Generation and Transmission Association, Inc under the forced outage assistance agreement, purchasing reserves in lieu of self-supplying reserve obligations, and an increase in other purchases. Partially offsetting the increase was a decrease in the outage accrual, less hydropower available from WAPA's Colorado River Storage Project, and a decrease in joint dispatch agreement (JDA) purchases.
- Production and transmission increased \$1 million primarily due to financing expenses recorded as operations and maintenance for the Windy Gap Firming Project (Chimney Hollow Reservoir) pooled financing arrangement, the scheduled maintenance outage of Rawhide Unit 1 and software maintenance.

- Depreciation, amortization and accretion increased \$0.9 million due to Craig decommissioning accretion, amortization of the Trapper Mine post-mining reclamation costs and Windy Gap Firming Project (Chimney Hollow Reservoir) and depreciation of new projects in service.
- Administrative and general increased \$0.6 million due to an increase in personnel expenses, computer equipment, software and hardware maintenance, insurance premiums, travel and training expenses and contracted services for resource planning and building maintenance.

Nonoperating revenues (expenses) decreased \$2.9 million compared to 2021 primarily due to unrealized losses on investments as interest rates have increased.

Sales statistics

	3 months ended March 31			12 months ended March 31		
	2022	2021	Change	2022	2021	Change
Owner community peak demand (kW)*	492,701	501,279	-1.7%	706,778	656,620	7.6%
Owner community energy sales (MWh)*	795,134	792,825	0.3%	3,219,016	3,177,076	1.3%
Other energy sales (MWh)	454,885	419,972	8.3%	1,655,092	1,537,569	7.6%

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

Resources

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

- Rawhide Unit 1 reported a net capacity factor of 70.7%, down from 74.7% reported in 2021. The primary reason for the lower capacity factor was due to planned and unplanned outages and replacement of generation by wind and solar resources.
- Craig units 1 and 2 reported a combined plant capacity factor of 69.6%, up from 46.9% reported in 2021 due to replacing Rawhide Unit 1's generation during outages and replacing the reduced energy from WAPA's Colorado River Storage Project. In addition, the Craig units coal price decreased making it more dispatchable in the market.
- Combustion turbines were used more in 2022 to serve load, complete unit testing and make surplus sales.
- Wind generation increased due to favorable wind conditions.
- Hydropower generation decreased due to drought conditions.
- Solar generation was higher in 2022 due to Rawhide Prairie Solar being fully operational. The site experienced solar panel damage in 2021 which delayed commercial operation.
- JDA purchases decreased in 2022 as a result of elevated pricing and more generation from the Roundhouse Wind Energy Center.
- Other purchases increased in 2022 due to planned and unplanned outages of Rawhide Unit 1 and overall lower prices.

MWh	3 months ended March 31			MWh	2022	2021	Change
	2022	2021	Change				
Rawhide Unit 1	427,283	451,861	-5.4%	Hydropower	110,500	174,310	-36.6%
Craig units 1 and 2	226,943	153,061	48.3%	Solar	23,474	18,733	25.3%
Combustion turbines	13,464	1,340	904.8%	JDA purchases	59,524	130,918	-54.5%
Wind	391,040	297,407	31.5%	Other purchases	11,989	6,977	71.8%

Condensed statements of net position

Unaudited

	(In thousands)	
	March 31	
	2022	2021
Assets		
Electric utility plant, net	\$ 581,813	\$ 596,342
Special funds and investments	156,110	130,996
Current assets	143,539	150,453
Noncurrent assets	131,198	36,366
Total assets	<u>1,012,660</u>	<u>914,157</u>
Deferred outflows of resources	27,871	27,509
Liabilities		
Noncurrent liabilities	289,145	215,138
Current liabilities	35,207	33,841
Total liabilities	324,352	248,979
Deferred inflows of resources	<u>62,003</u>	<u>69,524</u>
Net position	<u>\$ 654,176</u>	<u>\$ 623,163</u>

Condensed statements of revenues, expenses and changes in net position

Unaudited

	(In thousands)		12 months ended March 31	
	3 months ended March 31		2022	2021
	2022	2021	2022	2021
Operating revenues				
Sales to owner communities	\$ 50,832	\$ 47,148	\$ 202,892	\$ 196,678
Sales for resale and other	<u>15,034</u>	<u>14,238</u>	<u>66,966</u>	<u>50,508</u>
Total operating revenues	<u>65,866</u>	<u>61,386</u>	<u>269,858</u>	<u>247,186</u>
Operating expenses				
Operations and maintenance	50,609	45,177	196,599	184,543
Depreciation, amortization and accretion	<u>8,626</u>	<u>7,759</u>	<u>35,295</u>	<u>34,863</u>
Total operating expenses	<u>59,235</u>	<u>52,936</u>	<u>231,894</u>	<u>219,406</u>
Operating income	<u>6,631</u>	<u>8,450</u>	<u>37,964</u>	<u>27,780</u>
Nonoperating revenues (expenses)				
Interest and other income	603	671	2,198	3,025
Distribution to owner communities	-	-	-	(1,000)
Interest expense, net	(1,123)	(1,212)	(4,440)	(5,315)
Net decrease in fair value of investments	<u>(3,222)</u>	<u>(340)</u>	<u>(4,709)</u>	<u>(1,286)</u>
Total nonoperating revenues and expenses	<u>(3,742)</u>	<u>(881)</u>	<u>(6,951)</u>	<u>(4,576)</u>
Change in net position	<u>\$ 2,889</u>	<u>\$ 7,569</u>	<u>\$ 31,013</u>	<u>\$ 23,204</u>