Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525
Thursday, Oct. 27, 2022, 9 a.m.

Call to order

1. Consent agenda — *Motion to approve*
    a. Minutes of the regular meeting of Sept. 29, 2022
    b. 2022 and 2023 rate tariff schedules — *Resolution 08-22*
    c. Deferred revenue and expense accounting policy — *Resolution 09-22*

Public comment

Board action items

2. 2022 FORVIS financial audit plan
    a. Audit engagement letter — *Motion to Authorize*
3. Proposed Family and Medical Leave Insurance program — *Resolution 10-22*
4. Executive Session – personnel matter and matters subject to negotiation — *Motion (2/3 vote required)*
    a. Personnel matter
    b. Solar request for proposal results

    Reconvene regular session

Management presentations

5. Proposed 2023 Strategic Budget update – public hearing
6. Strategic Plan update
7. Distributed solar and storage options

September informational reports

8. Q3 performance dashboard
9. Legal, environmental and compliance report
10. Transition and integration report
11. Operating report
12. Financial report
13. General management report

Strategic discussions

Adjournment

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

2022 board meeting planning calendar

Updated Oct. 3, 2022

November 2022

Retirement committee meeting

No board of directors meeting

Dec. 8, 2022

Board action items	Management presentations	Management reports	Monthly informational reports
2023 Strategic Budget review and adoption	Dispatchability/reliability renewable firmness	Benefits update (memo only)	Legal, environmental and compliance report
2022 budget contingency appropriation transfer (if required)	Distributed Energy Resources update		Operating report
2023 proposed board of directors regular meeting schedule	Strategic Plan update		Financial report
			Transition and integration report
Committee reports			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.

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

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

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

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.

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

To: Board of directors

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

Subject: **October consent agenda**

Staff requests approval of the following items on the consent agenda. The supporting documents are included for the items listed below. 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 Sept. 29, 2022
- 2022 and 2023 rate tariff schedules — Resolution 08-22
- Deferred revenue and expense accounting policy — Resolution 09-22

Attachments

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, Sept. 29, 2022

Attendance

Board members
Representing Estes Park: Mayor Wendy Koenig[1] and Reuben Bergsten[2]
Representing Fort Collins: Kendall Minor
Representing Longmont: Mayor Joan Peck and David Hornbacher
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

Absent
Mayor Jeni Arndt

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)
Josh Pinsky (IT service desk technician II)
Shelley Nywall (director of finance)
Jason Harris (controller)
Wade Hancock (financial planning and rates manager)
Libby Clark (director of human services and safety)
Staci Sears (human resources manager)

Guests
None

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 board meetings are now open for the public to attend in person, but staff will continue to offer a hybrid meeting option for those

[1] Left meeting at 10:59 a.m.
[2] Left meeting at 11:32 a.m.

who wish to attend via Zoom Webinar. Chair Bergsten announced that due to a time constraint, he and Director Koenig will be leaving the meeting early to attend a commitment in Estes Park.

Action items

1. Consent agenda

a. Approval of the regular meeting minutes of Aug. 25, 2022

Director Marsh moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 7-0.

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.

Committee reports

2. Retirement committee report

Committee treasurer Dave Smalley provided the retirement committee report from Aug. 25, 2022. A plan amendment to clarify indexing IRS benefits limits for retired participants was included on the agenda, but a voting quorum was not present at the meeting and the amendment was postponed to the November meeting.

Mr. Smalley summarized discussions about the process to implement a qualified governmental excess benefit or QEB plan designed to partially resolve IRS benefit limitations. Due to the cost and complexity of setting up and administering this plan for a limited number of participants, staff recommended, and the committee agreed not to move forward with a QEB plan.

The investment consultant, Northern Trust reported on the plan’s performance for the second quarter noting decreased assets of $12.7 million and portfolio return down 11% for the quarter. The portfolio’s exposure to high quality, low volatility equities provided downside protection during the turbulent markets. Northern Trust provided an asset liability study designed to assist the retirement committee in reviewing the investment strategy and explore opportunities for improvement. Northern Trust also provided an educational session on the benefits of investing in high yield.

Mr. Smalley noted that no board action was required, and the next committee meeting is scheduled for Nov. 18, 2022.

Chair Bergsten asked when the defined benefit plan was closed to new employees. Mr. Smalley

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

stated that it closed in 2009 or 2010 and Platte River now has a defined contribution plan for employees hired after the defined benefit plan closed. Director Marsh asked why a retirement committee meeting is scheduled in November when no board meeting is scheduled in November. Jason Frisbie, general manager and CEO, responded that because board action is needed before the end of the year, the committee will meet ahead of the last board meeting to discuss the needed actions. That meeting will include any actions that require a full quorum to vote, and those items will be presented to the full board for approval in December.

Management presentations

3. Proposed Family and Medical Leave Insurance program (presenter: Libby Clark)

Libby Clark, director of human resources and safety, summarized the information for the state-provided paid Family and Medical Leave Insurance (FAMLI) program set to begin in 2024. She outlined Platte River's recommendation for the board to approve Platte River opting out of the program to implement a paid family leave program with benefits that will exceed those provided through the FMLA and FAMLI programs. Ms. Clark stated the board will be asked to approve a resolution at the October board meeting.

Director Peck asked if an employee survey was provided to see what they prefer. Ms. Clark responded that a full compensation and benefits package survey was provided and the survey reflected a resounding request for a paid leave program. Director Peck asked if the employer is participating, or the individual employee can participate. Ms. Clark confirmed it would be a Platte River funded program. Mr. Frisbie asked if the board approves Platte River opting out of the state-provided plan, could individual employees still elect to opt into the state plan. Ms. Clark clarified that an employee could chose to participate in the state-provided program but could not do both (resulting in 'double dipping') and would be obligated to participate with the state program for three full years. Director Marsh asked whether, if Platte River is paying for the premium, the benefits would be taxed (compared to employees contributing their own money to the state program). Ms. Clark noted the proposed Platte River plan would pay employees their wages and they would be subject to normal taxation. Chair Bergsten asked if the state-provided program capped at a certain dollar per week. Ms. Clark confirmed the state-provided benefits are capped but there would be no cap in the Platte River plan and Platte River would continue to pay employees' regular straight time wages.

4. Deferred revenue and expense accounting policy (presenter: Shelley Nywall)

Shelley Nywall, director of finance, provided an overview of the proposed deferred revenue and expense accounting policy to strategically manage the resource transition plan and to smooth rate impacts to the owner communities. Staff will recommend approval of the policy at the October board meeting.

Mr. Frisbie commented on staff's continued work to evaluate how this policy will affect the Strategic Financial Plan and how the flexibility will work. Ms. Nywall noted the policy gives staff flexibility to use this mechanism when needed, not tying it to a project or a certain timeframe. Mr. Frisbie confirmed staff would provide future updates on how the deferred revenues are used

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

and why they were deferred. Mr. Smalley added the policy allows for a course correction if needed. Chair Bergsten commented on the communities wanting to reach the goal of 100% noncarbon generation and the benefits the policy will provide to the communities to stabilize rates and thanked staff for the policy and the work involved. Director Hornbacher complimented the use of tools to manage year-to-year rate changes and looking at different options to provide benefits to the owner communities. Director Koenig supported the approval of the policy in October. Mr. Frisbie reflected on discussions in April with the board and utility directors and thanked the utility directors for the robust discussions on what the policy will accomplish.

5. 2022 and 2023 rate tariff schedules and policy Governing Purchases from PURPA Qualified Facilities (presenter: Shelley Nywall)

Ms. Nywall provided a recap for the proposed revision to the 2022 firm power tariff schedule, the 2023 rate tariff schedule review and the Standard Offer Energy Purchase Tariff (which is subject to the policy Governing Purchases for Public Utilities PURPA Qualified Facilities). Mr. Frisbie clarified that all intermittent energy is provided to the owner communities. The balance to serve load comes from the dispatchable units and the PURPA policy does not change that.

Director Peck asked why energy is charged at a higher rate when wind is over producing. Mr. Frisbie explained forecasting capacity factors and what each owner community is going to use within the budget year. When there is more wind than budgeted Platte River bills more dollars per megawatt hour because there is more volume at the higher intermittent rate. He also explained that, going forward, Platte River will manage the risk in renewable production volatility.

Ms. Nywall discussed the 2023 Firm Power Service rate tariff schedule and the Standard Offer Energy Purchase Tariff and stated that staff will ask for approval of all three tariffs during the October board meeting. Sarah Leonard, general counsel, pointed out that Platte River currently has no qualifying facilities selling energy to Platte River at the PURPA policy rate.

15-minute break at 9:51 a.m.

6. 2023 proposed Strategic Budget work session (presenter: Jason Harris)

Ms. Nywall introduced the 2023 proposed Strategic Budget, highlighting how the budget supports other Platte River documents such as the Resource Diversification Policy, the Strategic Plan and strategic initiatives, and providing an overview of the major components in the 2023 proposed Strategic Budget. She thanked the board members for their support going into 2023.

Jason Harris, controller, presented the 2023 proposed Strategic Budget, including the budget schedule, process, the overall document content, trends, a 2023 overview and the five-year capital forecast.

Mr. Frisbie discussed costs to build generation resources and how it compares to power purchase agreements. Chair Bergsten asked if long-term contracts and the joint dispatch agreement (JDA) will remain once Platte River moves into the market. Melie Vincent, chief

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

operating officer, responded that the market will replace the JDA, but existing long-term power purchase agreements (and the option to enter future long-term agreements) will remain intact.

Chair Bergsten asked how net income will change with the proposed deferred revenue and expense accounting policy. Mr. Harris responded that there is no impact to the 2022 and 2023 budgets. In the future, the accounting policy will provide flexibility to recognize revenues when needed to help offset expenses (and defer expenses against future revenues). Mr. Frisbie reiterated there will be further work on the reconciliation process to compare future years.

Director Peck asked why there is no increase in solar production in 2023. Mr. Harris explained that there is no new renewable generation facility coming online or commercially operational in 2023. Mr. Frisbie elaborated that the Black Hollow solar project was delayed about 16 months due to permitting and COVID-related issues, but staff continues to forecast the project coming online in 2024. Raj Singam Setti, chief transition and integration officer, emphasized staff's continued work on four potential solar projects; they will be shown in the budgets starting in 2024. Discussion ensued among directors and staff on supply chain issues, solar projects, storage, efforts related to distributed energy resources within the owner communities and how Platte River supports surrounding utilities during challenging weather events.

Director Bergsten commented on rate pressures felt in the owner communities that are beyond the wholesale and retail electric rates. Mr. Frisbie committed to a comprehensive approach in communicating the benefits to the owner communities with the rate increase on the electric side. Director Marsh commented on environmental changes that also impact end user bills. Director Minor commented on costs associated with the transition to reach the 2030 goals and transparency of the reliability factors in a zero-carbon portfolio. Mr. Frisbie discussed other ways to conserve energy consumption including using the Efficiency Works program to help people use less electricity. Discussion ensued among directors and staff on energy efficiency and carbon reduction.

Management Reports

7. Staffing plan update (presenter: Libby Clark)

Ms. Clark outlined the 12 net new employee positions that are included in the proposed 2023 Strategic Budget. Mr. Frisbie commented on why the board reviews staffing based on a 2017 board request. Chair Bergsten thanked staff for bringing on more staff to help Platte River and the owner communities reach the 2030 goal.

August 2022 informational reports

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

Ms. Leonard highlighted the Environmental Protection Agency's approval of Platte River's petition to demonstrate compliance with the formaldehyde emissions limits for the combustion turbine units D and F. There were no questions from the board.

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

9. Transition and integration report (presenter: Raj Singam Setti)

Mr. Singam Setti highlighted the evaluation process for the request for proposals (RFP) for additional solar and storage, evaluating how the Inflation Reduction Act may affect any RFP pricing and the status of the DER gap assessment process. Director Gertig asked about advanced metering infrastructure integration data and alignment within the four owner communities and Platte River. Mr. Singam Setti responded that the ongoing data discussions are heading in the right direction and the confidence level is much higher than it was three months ago.

10. Operating report (presenter: Melie Vincent)

Ms. Vincent highlighted the warm weather for August resulting in higher energy and demand for the month. Wind generation was below budget, solar generation was above budget and surplus sales were above budget. She also noted that Platte River hosted the first Joint Technical Advisory Committee meeting since 2019. Owner community staff and Platte River attended and discussed initiatives and infrastructure needs, the Western Energy Imbalance Service activity implementing new software, moving toward a commitment agreement for next spring and preparing for winter. There were no questions from the board.

11. Financial report (presenter: Dave Smalley)

Mr. Smalley commented on favorable financial results for August due to above-budget revenues from municipal sales and surplus sales. He also pointed out expenses were above budget due to fuel expenses. He anticipated requesting a contingency transfer by the end of the year. There were no questions from the board.

12. General management report (presenter: Jason Frisbie)

Mr. Frisbie provided an update on the impact of Hurricane Ian for the utilities in Florida and discussed the handout of key terms and acronyms previously requested by directors. He also noted that Chair Bergsten will be absent during the October board meeting.

Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Adjournment

With no further business, the meeting adjourned at 11:45 a.m. The next regular board meeting is scheduled for Thursday, Oct. 27, 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

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

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: **2022 and 2023 rate tariff schedules**

The Amended Contracts for the Supply of Electric Power and Energy between Platte River and each of the four owner communities require Platte River's Board of Directors to review the rate for electric power and energy furnished to the owner communities at least once each calendar year. The 2023 Rate Tariff Schedules were distributed and discussed at the September board meeting. Staff also presented the details of the 2023 charges at the August board meeting. In addition, as discussed at the September board meeting, the language for the Policy Governing Purchases from PURPA Qualified Facilities is merged with the Standard Offer Energy Purchase (Tariff SO-23) for transparency and ease of future updates.

Staff also presented in September the Firm Power Service Tariff (Tariff FP-22) proposed revision for a true-up calculation for the 2022 variable energy charges.

Accompanying this memorandum as attachments are the 2023 rate tariff schedules and the revised Tariff FP-22 for which staff requests approval at the October board meeting.

The tariffs include the rate recommendations outlined below. The August 2022 staff whitepaper (included in the October board packet for ease of reference) provides more detailed explanations of the rate recommendations.

Firm Power Service (Tariff FP-23)

- Charges were adjusted for an average wholesale rate increase of 5.0%.

Standard Offer Energy Purchase (Tariff SO-23)

- Avoided energy rate increase of 25.5%.

Staff recommends the board adopt resolution as proposed. If adopted, the 2023 Rate Tariff Schedules will become effective Jan. 1, 2023, and the revision to Tariff FP-22 will become effective Dec. 15, 2022. Platte River will give each owner community written notice of the revised rates not less than 30 days before the effective dates.

Attachments

Tariff schedules and resolution

- Firm Power Service Tariff (Tariff FP-22)
- 2023 Rate Tariff Schedules
- Standard Offer Energy Purchase Tariff (Tariff SO-23) redline
- Resolution

Background information

- Proposed 2023 rate tariff schedule charges whitepaper – August 2022
- 2023 wholesale rates at a glance

Firm Power Service (Tariff FP-22)

Applicability:

The Firm Power Service Tariff (Tariff FP-22) will apply to all firm electric service furnished to an Owner Community for distribution and resale pursuant to its contract with Platte River Power Authority (Platte River), unless the Owner Community purchases a portion of its electricity requirements under another tariff schedule. 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.

This tariff will not be available to an Owner Community for service to (a) any retail customer that requests new service entrance capacity of 10,000 kilowatts or greater or (b) any retail customer that has a new load of an unusual nature that cannot be readily served from the Owner Community's distribution system. Electric power and energy services that are provided to an Owner Community for resale to customers that are excluded from service under this tariff will be provided under the terms and conditions of the Large Customer Service Tariff.

Character of Service:

Alternating current 60 hertz; three-phase; delivery at 115 kilovolt or at other voltages subject to conditions as agreed upon; metering at each delivery point.

Monthly Rate:

The Monthly Rate charged to Owner Communities, as approved by the Platte River board of directors, will be as follows:

Owner Community Charge:
Owner Community rate of $11,520 per month per Owner Community Allocation

Transmission Demand Charge
$6.62 per kilowatt of Noncoincident Billing Demand

Generation Demand Charge:

Summer Season	$6.10 per kilowatt of Coincident Billing Demand
Nonsummer Season	$4.48 per kilowatt of Coincident Billing Demand

Fixed Cost Energy Charge:
$0.01572 per kilowatt hour for all energy supplied

Dispatchable Variable Cost Energy Charge:
$0.01520 per kilowatt-hour for all Dispatchable Energy supplied

Intermittent Energy Charge:
$0.03200 per kilowatt hour for Owner Community's Allocated Share of Intermittent Energy

2022 Year-end True-up Calculation:

Promptly after verifying data for actual energy sales to each Owner Community under this Tariff FP-22, Platte River will calculate the amount Platte River would have charged to each Owner Community during calendar year 2022 if Platte River had applied a single variable energy charge of $0.02067 per kilowatt hour (Variable Cost Energy Charge) to actual energy sales made to each Owner Community during calendar year 2022 rather than applying the separate Dispatchable Variable Cost Energy Charge and Intermittent Energy Charge. If the total charges applied to an Owner Community based on the Dispatchable Variable Cost Energy Charge and Intermittent Energy Charge exceed those that result from applying the Variable Cost Energy Charge, Platte River will true up the amount billed to the Owner Community to reflect application of the Variable Cost Energy Charge. Platte River will issue a one-time, lump-sum credit for the positive difference on the wholesale energy bill for December 2022. If applying the Variable Cost Energy Charge to an Owner Community's actual energy sales during calendar year 2022 does not produce a positive difference, that Owner Community's charges under this Tariff FP-22 will not be subject to true-up.

Summer / Nonsummer Season:

The Summer Season will be the period June 1 through September 30 of each year. The Nonsummer Season will be the period January 1 through May 31 and October 1 through December 31.

Owner Community Allocation:

The Owner Community Allocation represents each Owner Community's share of Platte River's total Owner Community energy sales over the previous six-year period as determined at the end of the year. The Owner Community Allocation is calculated as the sum of each Owner Community's energy sales over the previous six-year period divided by the total Owner Community energy sales during that time, utilizing the year-end sales values as determined by Platte River. The resulting ratio is multiplied by 100 to create a value to be utilized as the Owner Community Allocation which is multiplied by the Owner Community Charge.

Billing Demand:

The Coincident Billing Demand will be the 60-minute average kilowatt demand of the electric system of the Owner Community, computed as the sum of 60-minute average kilowatt demands recorded simultaneously at all delivery points through which such Owner Community receives electric power and energy, measured coincident with the Monthly System Peak Demand for Platte River.

The Monthly System Peak Demand for Platte River will be the maximum coincident sum of the hourly demands for the Owner Communities recorded during the billing month subject to a minimum demand calculation. The minimum demand for the Coincident Billing Demand will be equal to 75 percent of the Owner Community's average maximum Coincident Demand during the three preceding summer periods beginning with the most recent completed year. Each summer period will have one peak Coincident Demand value, which is the peak Coincident Demand value during the summer period. The average is the total of the peak Coincident Demand values for the three preceding summer periods divided by three.

The Noncoincident Billing Demand will be the maximum 60-minute average kilowatt demand of the electric system of the Owner Community, computed as the sum of 60-minute average kilowatt demands recorded simultaneously at all delivery points through which such Owner Community receives electric power and energy, without regard to the timing of the Monthly System Peak Demand subject to a minimum demand calculation. The minimum demand for the Noncoincident Billing Demand will be equal to 75 percent of the Owner Community's average maximum Noncoincident Demand during the three preceding annual periods beginning with the most recent completed year. Similarly, each annual period will have one peak Noncoincident Demand value, which is the peak Noncoincident Demand value during that period. The average is the total of the Noncoincident Demand values for the three preceding annual periods divided by three.

Energy:

Intermittent Energy will be the kilowatt-hours supplied to the Owner Communities from Platte River's wind and solar energy resources excluding energy supplied from community solar resources.

Dispatchable Energy will be all kilowatt-hours supplied from all sources that are not Intermittent Energy, including energy supplied from community solar resources.

Owner Community's Allocated Share of Intermittent Energy will be all kilowatt-hours of Intermittent Energy allocated monthly based on each Owner Community's pro rata share of the total kilowatt-hours of electricity sold to all of the Owner Communities for that month.

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

2023 Rate Tariff Schedules

Firm Power Service Tariff (Tariff FP-23)

Applicability:

The Firm Power Service Tariff (Tariff FP-23) will apply to all firm electric service furnished to an Owner Community for distribution and resale pursuant to its contract with Platte River Power Authority (Platte River), unless the Owner Community purchases a portion of its electricity requirements under another tariff schedule. 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.

This tariff will not be available to an Owner Community for service to (a) any retail customer that requests new service entrance capacity of 10,000 kilowatts or greater or (b) any retail customer that has a new load of an unusual nature that cannot be readily served from the Owner Community’s distribution system. Electric power and energy services that are provided to an Owner Community for resale to customers that are excluded from service under this tariff will be provided under the terms and conditions of the Large Customer Service Tariff.

Character of Service:

Alternating current 60 hertz; three-phase; delivery at 115 kilovolt or at other voltages subject to conditions as agreed upon; metering at each delivery point.

Monthly Rate:

The Monthly Rate charged to Owner Communities, as approved by the Platte River board of directors, will be as follows:

Owner Community Charge:
Owner Community rate of $13,229 per month per Owner Community Allocation

Transmission Demand Charge
$6.72 per kilowatt of Noncoincident Billing Demand

Generation Demand Charge:

Summer Season	$6.15 per kilowatt of Coincident Billing Demand
Nonsummer Season	$4.60 per kilowatt of Coincident Billing Demand

Fixed Cost Energy Charge:
$0.01586 per kilowatt-hour for all energy supplied

Variable Cost Energy Charge:
$0.02273 per kilowatt-hour for all energy supplied

Summer / Nonsummer Season:

The Summer Season will be the period June 1 through September 30 of each year. The Nonsummer Season will be the period January 1 through May 31 and October 1 through December 31.

Owner Community Allocation:

The Owner Community Allocation represents each Owner Community’s share of Platte River’s total Owner Community energy sales over the previous six-year period as determined at the end of the year. The Owner Community Allocation is calculated as the sum of each Owner Community’s energy sales over the previous six-year period divided by the total Owner

Community energy sales during that time, utilizing the year-end sales values as determined by Platte River. The resulting ratio is multiplied by 100 to create a value to be utilized as the Owner Community Allocation which is multiplied by the Owner Community Charge.

Billing Demand:

The Coincident Billing Demand will be the 60-minute average kilowatt demand of the electric system of the Owner Community, computed as the sum of 60-minute average kilowatt demands recorded simultaneously at all delivery points through which such Owner Community receives electric power and energy, measured coincident with the Monthly System Peak Demand for Platte River.

The Monthly System Peak Demand for Platte River will be the maximum coincident sum of the hourly demands for the Owner Communities recorded during the billing month subject to a minimum demand calculation. The minimum demand for the Coincident Billing Demand will be equal to 75% of the Owner Community's average maximum Coincident Demand during the three preceding summer periods beginning with the most recent completed year. Each summer period will have one peak Coincident Demand value, which is the peak Coincident Demand value during the summer period. The average is the total of the peak Coincident Demand values for the three preceding summer periods divided by three.

The Noncoincident Billing Demand will be the maximum 60-minute average kilowatt demand of the electric system of the Owner Community, computed as the sum of 60-minute average kilowatt demands recorded simultaneously at all delivery points through which such Owner Community receives electric power and energy, without regard to the timing of the Monthly System Peak Demand subject to a minimum demand calculation. The minimum demand for the Noncoincident Billing Demand will be equal to 75% of the Owner Community's average maximum Noncoincident Demand during the three preceding annual periods beginning with the most recent completed year. Similarly, each annual period will have one peak Noncoincident Demand value, which is the peak Noncoincident Demand value during that period. The average is the total of the Noncoincident Demand values for the three preceding annual periods divided by three.

Standard Offer Energy Purchase Tariff (Tariff SO-23)

Applicability:

The Standard Offer Energy Purchase Tariff (Tariff SO-23) applies to power production facilities that (1) have registered with the Federal Energy Regulatory Commission (FERC) as Qualifying Facilities (QFs) under the Public Utility 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). Any Platte River purchase of output from a QF is subject to Platte River's policy governing purchase from QFs, as stated below.

Platte River's policy governing purchases from PURPA QFs

Capacity Forecast:

Platte River prepares an Integrated Resource Plan as required by 10 Code Federal Regulations (CFR) part 905. The Integrated Resource Plan forecasts Platte River's load, identifies and compares all practicable distributed energy resources and energy supply resource options to meet that load, and includes an action plan and timing to implement any additional capacity requirements. The Integrated Resource Plan is used to determine how much additional capacity Platte River will require and when. Platte River will maintain for public inspection its plans for capacity additions, by amount and type, for purchases of firm energy and capacity and for its capacity requirements.

Obligation to Purchase Energy:

Platte River will purchase, on a nondiscriminatory basis, the output from any QFs subject to the following limitations:

a) Firm energy. Platte River is under no obligation to purchase firm energy or capacity offered by a QF under a "legally enforceable obligation" for a period greater than five years.

b) Non-firm energy. Platte River is under no obligation to enter into a contract or "legally enforceable obligation" to purchase non-firm energy offered by a QF. For purposes of this policy, "non-firm" energy means power provided under an arrangement that does not guarantee scheduled availability for a specified term. At its discretion, Platte River may negotiate with a QF to develop mutually acceptable contract terms under which Platte River would purchase non-firm energy offered by the QF.

During a system emergency, Platte River may discontinue purchases of energy or capacity (or both) where necessary to protect the safety and reliability of the Platte River system. Platte River will have no obligation to purchase or accept delivery of energy or capacity for as long as an emergency condition exist.

Pricing:

Each QF has the option either:

a) To provide energy as the QF determines to be available for purchases, in which case the rates for the energy will be based on Platte River's avoided costs calculated at the time of delivery; or

b) To provide energy or capacity under a legally enforceable obligation for delivery of energy or capacity over a specified term, in which case the rates for the energy will be either of the following (at the QF's option, exercised before the specified term begins):

   i) Platte River's Avoided Energy Rate ($0.02033 per kilowatt-hour for electricity made available to Platte River); or

   ii) Platte River's avoided energy rate calculated at the time the obligation is incurred.

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.

Capacity Payments:

The capacity value of firm QF power offered for sale to Platte River during periods where Platte River has no projected needs for additional capacity will be zero dollars ($0.00). During these periods, QFs offering to sell firm capacity to Platte River will not be entitled to any capacity payments, and will be entitled only to avoided energy costs. Platte River will not enter into any new written contracts to make capacity payments to QFs in any year when Platte River has no projected resource deficit. In any year in which Platte River determines it needs to procure additional capacity, Platte River will calculate its avoided capacity costs using the information available to it and will publish the result of its studies. Platte River will not, in any event, be obligated to make capacity payments for any capacity greater than the resource deficit projected.

Interconnection:

A QF seeking to interconnect with Platte River's electric system for the delivery of energy and/or capacity to Platte River or a third party must sign an interconnection agreement with Platte River. The terms and conditions of such interconnection will be governed by Platte River's then-current interconnection policies and procedures applicable to third party providers. A QF must pay any interconnection costs Platte River assesses to customers with similar facility and operational characteristics.

Wholesale Transmission Service Tariff (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

Large Customer Service Tariff (Tariff LC-23)

Applicability:

The Large Customer Service Tariff (Tariff LC-23) is available and may be required for firm and interruptible energy furnished by Platte River Power Authority (Platte River) to Owner Communities for resale to Large Customers. 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. Large Customers are end-use customers meeting any of the following criteria:

- Customer requests new service entrance capacity of 10,000 kilowatts or greater.
- Customer has a new load that cannot be readily served from the Owner Community's distribution system under the Firm Power Service Tariff or its successor due to the unusual nature of the load.
- Customer metered demand is anticipated to reach 1,000 kilowatts at a single site within 12 months of requesting such service as demonstrated to the Owner Community and Platte River's satisfaction; provided, however, that if the metered demand does not reach 1,000 kilowatts within a 12-month time frame, the customer must receive service under another tariff offered by the Owner Community until the metered demand reaches 1,000 kilowatts for a continuous 12-month period.
- Customer with load at a single site with a single meter measuring a minimum metered demand of 1,000 kilowatts or greater.
- Customer with load at a single site with multiple meters, where the sum of the coincident metered demand for such meters is 1,000 kilowatts or greater.
- Total load for a customer with multiple, non-contiguous sites aggregated under a single Service Agreement with the Owner Community provided that the customer has at least one site where the minimum metered demand is 1,000 kilowatts or greater and all loads are located within the Owner Community's service territory.

Prior to receiving service pursuant to this tariff, the Large Customer must enter into an agreement for electric service (Service Agreement) with the Owner Community in which their load is located. The Service Agreement will identify Platte River as a third-party beneficiary of the Service Agreement. The Service Agreement will address, at a minimum, the following material terms:

- Charges for service, including responsibility for infrastructure costs
- Term of Service Agreement
- Initial date of service under this tariff
- Rate adjustments
- Amount and timing of curtailments or interruptions (if any)
- Standby provisions

Each of these terms and conditions will be established in consultation with Platte River and will be confirmed in a letter from the Platte River General Manager/CEO to the Owner Community. The Owner Community will negotiate the specific form of the Service Agreement with the Large Customer.

Charges for Service:

The monthly charges to an Owner Community for service by Platte River under this tariff will be determined based on the unique load characteristics, service requirements, and related costs to serve the Large Customer and will be approved by the Platte River board of directors.

Adjustment of Charges:
Unless otherwise agreed, adjustments to the charges will be made on an annual basis at a minimum and will reflect actual changes in Platte River's cost of service including, but not limited to, financing costs, fuel (including delivery), operation and maintenance, environmental management, and purchased power.

Character of Service:
Alternating current at approximately 60 hertz; three-phase; delivery at 115 kilovolts or at other voltages subject to conditions as agreed upon; metering at each delivery point.

Metering, Invoicing and Losses:
The Owner Community will provide to Platte River the monthly demand, energy, power factor and other usage characteristics as may be required for billing the Owner Community on a calendar month basis, for the Large Customer usage. The Owner Community should provide this information to Platte River within five business days of obtaining such data. Following its receipt of the monthly billing data for the Large Customer, Platte River will prepare and send to the Owner Community an invoice for the electric power service provided to the Owner Community for the Large Customer, with the appropriate charges.

The Owner Community, at its discretion, may opt to include in the Large Customer's monthly energy usage the distribution losses that occur between the Platte River point of delivery to the Owner Community and the point of delivery to the Large Customer. In such case, the Owner Community will provide to Platte River the total energy usage including losses of the Large Customer and an appropriate charge will be invoiced.

Standard Offer Energy Purchase Tariff (Tariff SO-~~22~~23)

Applicability:

The Standard Offer Energy Purchase Tariff (Tariff SO-~~22~~23) applies to power production facilities that (1) have registered with the Federal Energy Regulatory Commission (FERC) as Qualifying Facilities (QFs) under the Public ~~Utilities~~ Utility 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.~~ Any Platte River purchase of output from a QF is subject to Platte River's policy governing purchase from QFs, as stated below.

Platte River's policy governing purchases from PURPA QFs

Capacity Forecast:

Platte River prepares an Integrated Resource Plan as required by 10 Code Federal Regulations (CFR) part 905. The Integrated Resource Plan forecasts Platte River's load, identifies and compares all practicable distributed energy resources and energy supply resource options to meet that load, and includes an action plan and timing to implement any additional capacity requirements. The Integrated Resource Plan is used to determine how much additional capacity Platte River will require and when. Platte River will maintain for public inspection its plans for capacity additions, by amount and type, for purchases of firm energy and capacity and for its capacity requirements.

Obligation to Purchase Energy:

Platte River will purchase, on a nondiscriminatory basis, the output from any QFs subject to the following limitations:

a) Firm energy. Platte River is under no obligation to purchase firm energy or capacity offered by a QF under a "legally enforceable obligation" for a period greater than five years.

b) Non-firm energy. Platte River is under no obligation to enter into a contract or "legally enforceable obligation" to purchase non-firm energy offered by a QF. For purposes of this policy, "non-firm" energy means power provided under an arrangement that does not guarantee scheduled availability for a specified term. At its discretion, Platte River may negotiate with a QF to develop mutually acceptable contract terms under which Platte River would purchase non-firm energy offered by the QF.

During a system emergency, Platte River may discontinue purchases of energy or capacity (or both) where necessary to protect the safety and reliability of the Platte River system. Platte River will have no obligation to purchase or accept delivery of energy or capacity for as long as an emergency condition exist.

Pricing:

Each QF has the option either:

a) To provide energy as the QF determines to be available for purchases, in which case the rates for the energy will be based on Platte River's avoided costs calculated at the time of delivery; or

b) To provide energy or capacity under a legally enforceable obligation for delivery of energy or capacity over a specified term, in which case the rates for the energy will be either of the following (at the QF's option, exercised before the specified term begins):

   i) Platte River's Avoided Energy Rate ($0.02033 per kilowatt-hour for electricity made available to Platte River); or

   ii) Platte River's avoided energy rate calculated at the time the obligation is incurred.

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.

Capacity Payments:

The capacity value of firm QF power offered for sale to Platte River during periods where Platte River has no projected needs for additional capacity will be zero dollars ($0.00). During these periods, QFs offering to sell firm capacity to Platte River will not be entitled to any capacity payments, and will be entitled only to avoided energy costs. Platte River will not enter into any new written contracts to make capacity payments to QFs in any year when Platte River has no projected resource deficit. In any year in which Platte River determines it needs to procure additional capacity, Platte River will calculate its avoided capacity costs using the information available to it and will publish the result of its studies. Platte River will not, in any event, be obligated to make capacity payments for any capacity greater than the resource deficit projected.

Interconnection:

A QF seeking to interconnect with Platte River's electric system for the delivery of energy and/or capacity to Platte River or a third party must sign an interconnection agreement with Platte River. The terms and conditions of such interconnection will be governed by Platte River's then-current interconnection policies and procedures applicable to third party providers. A QF must pay any interconnection costs Platte River assesses to customers with similar facility and operational characteristics.~~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. __-22

Background

A. Platte River Power Authority (Platte River) was formed to provide electric generation and transmission services to the municipalities of Estes Park, Fort Collins, Longmont and Loveland (collectively, the owner communities).

B. The Amended Contracts for the Supply of Electric Power and Energy (power supply agreements) dated May 30, 2019 between Platte River and each of the owner communities require Platte River's board of directors (board) to review Platte River's wholesale rates for electric power and energy supplied to the owner communities at least once each calendar year.

C. The power supply agreements require the board, if necessary, to revise rates to produce revenues sufficient (but only sufficient), together with the revenues from all other sources, to (1) meet the cost of operation and maintenance, (2) meet the cost of purchased power, (3) make payments on indebtedness and provide an earnings margin adequate to obtain revenue bond financing on favorable terms, and (4) provide for reasonable reserves.

D. Platte River's management has estimated electric energy sales and the costs of service for 2023 and has submitted to the board a proposed strategic budget for 2023.

E. To make the text of Platte River's Policy Governing Purchases from PURPA Qualifying Facilities more accessible to the entities to which it applies (customers under Platte River's Standard Offer Energy Purchase Tariff), Platte River staff has recommended that the policy text, with minor administrative edits for readability, be embedded in the Standard Offer Energy Purchase Tariff.

F. Platte River staff has developed, based on discussions with the board, language for the Firm Power Service Tariff (FP-22) to enable Platte River to (1) calculate actual 2022 energy charges to the owner communities based on separate charges for dispatchable variable cost energy and intermittent energy, (2) compare those actual charges to the amounts the owner communities would have paid during 2022 based on a single variable cost energy charge for all energy sales, and (3) if applying the single variable cost energy charge results in lower costs to the owner communities, credit the difference to the owner communities on their December 2022 wholesale energy bills.

G. Platte River's management has advised the board that the tariff schedules as attached, combined with prior period reserves, will provide sufficient revenues to comply with the power supply agreements and Section 6.12 of the General Power Bond Resolution (No. 5-87).

H. Staff recommends the following:

a. for calendar year 2022, the Firm Power Service Tariff (FP-22) be revised to include language providing for a year-end true-up for 2022 variable cost energy charges,

b. for calendar year 2023, the Firm Power Service Tariff (FP-23) replaces the Firm Power Service Tariff (FP-22),

c. for calendar year 2023, the Standard Offer Energy Purchase Tariff (SO-23) replaces the Standard Offer Energy Purchase Tariff (SO-22),

d. the text of Platte River's Policy Governing Purchases from PURPA Qualifying Facilities (with minor administrative edits for readability), which the board previously approved by Resolution 08-19, be embedded in the Standard Offer Energy Purchase Tariff, and

e. for calendar year 2023, the Large Customer Service Tariff (LC-23) replaces the Large Customer Service Tariff (LC-22).

Resolution

The board of directors of Platte River Power Authority therefore resolves that:

1. The 2022 Firm Power Service Tariff (FP-22) is amended to include true-up language as presented to the board at this meeting, effective Dec. 15, 2022,
2. The 2023 Rate Tariff Schedules, as attached, are adopted with all changes effective Jan. 1, 2023,
3. The text of Platte River's Policy Governing Purchases from PURPA Qualifying Facilities (with minor administrative edits for readability), which the board previously approved by Resolution 08-19, will be embedded in the Standard Offer Energy Purchase Tariff,
4. With respect to Platte River's Policy Governing Purchases from PURPA Qualifying Facilities, this resolution supersedes Resolution No. 08-19, and

5. The general manager is authorized and directed, on behalf of Platte River, to give written notice to the owner communities of the Firm Power Service Tariff (FP-22 and FP-23) revised rates and terms applicable under the power supply agreements and to take any further actions, consistent with this resolution, he determines necessary.

AS WITNESS, I have signed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this 27th day of October, 2022.

____
Secretary

Proposed 2023 tariff schedule charges

White paper by Platte River Power Authority

It is Platte River's policy to establish service offerings and supporting rate structures that complement the strategic objectives, underlying policies, and values of the organization. Platte River's tariffs and charges are established to achieve Strategic Financial Plan (SFP) targeted financial metrics.

Under the Amended Contracts for the Supply of Electric Power and Energy between Platte River and each of the four owner communities, Platte River's Board of Directors is required to review the rate for electric power and energy furnished to the owner communities at least once each calendar year.

In recent years the board has approved annual rate increases to smooth projected future increases and avoid significant single or multiple year rate hikes while also providing greater rate certainty to the owner communities. However, 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 because the full economic impacts of the COVID-19 pandemic were unknown. In 2022, rates increases returned to the long-term smoothing trajectory with an 3.2% increase. The 2023 average wholesale rate recommendation is a 5.0% increase, which assumes the board adopts the accounting deferred revenue and deferred expense policy later in 2022. This accounting policy helps reduce rate pressure during the resource transition plan period with greater long-term rate stability.

The Firm Power Service tariff charges have been updated (Appendix) to reflect cost of service based on the 2023 preliminary budget and incorporate Platte River's long-term rate smoothing strategy. Due to the intermittent nature of renewable generation, staff recommends the current dispatchable variable and intermittent charges be combined into a single variable cost energy charge beginning in 2023. By combining the variable energy charges, Platte River assumes the risk of intermittent generation variances and associated costs, not the owner communities. This will help reduce purchased power expense budget uncertainty for the owner communities. The owner communities will continue to receive their load ratio allocations of delivered intermittent energy.

The changes to the individual Firm Power Service tariff charges will have varying impacts to each owner community (Figure 1) due to each owner community's unique load characteristics. The projected overall impacts of the forecasted average rate, load growth and total revenues collected have been provided to the Utility Directors and owner community rate staffs.

The 2023 proposed Firm Power Service tariff charges and the Standard Offer Energy Purchase tariff avoided energy rate for large facilities are described in this white paper. There are no changes to the Wholesale Transmission Service. The Large Customer Service charges are established under a separate contract.

Proposed 2023 rate tariff schedule charges overview

Platte River's revenue requirement and charges are unbundled into Platte River's business functions: owner community services, transmission and generation. Charges have been unbundled further by fixed and variable costs.

Firm Power Service charges (Tariff FP-23)

The individual charges are changing due to the proposed average wholesale rate increase, cost of service updates among the different charges and changes to projected energy and demand growth. Significant changes from 2022 to 2023 include, but are not limited to, the following:

- Increased distributed energy resources investment
- Increased operations and maintenance expenses
- Increased fuel expense for coal and natural gas
- Increased personnel additions
- Updated market price assumptions

Pending board direction and barring any significant unanticipated events, the recommended rates in Appendix will remain unchanged and will be Platte River's recommendation for the October adoption of the tariffs, to be effective Jan. 1, 2023.

Following is an overview of the firm power service charges.

Owner charge

The owner charge is a monthly flat rate multiplied by each owner's share of Platte River's owner community kilowatt hour sales based on the six most recent year-end values. The owner charge is intended to recover fixed costs including distributed energy resources, which are long-term behavioral shifting programs. The six-year period allows owner communities to see change over time, without dramatically impacting year-to-year changes.

Demand charges

The demand charges are unbundled between transmission and generation and employ minimum billing demands designed to address owner community demand fluctuations to provide greater monthly invoice stability for each owner community as well as revenue certainty for Platte River. The minimum billing demands also emphasizes the efficient use of infrastructure to maximize short-term marginal cost savings (avoiding expensive purchases or generation at time of peak) and long-term marginal cost savings (delaying or avoiding future capital investment, such as new generation or transmission resources). The minimum billing demands concentrate the signal to reduce consumption at time of peak, giving the owner communities a greater financial incentive to lower peaks during months with high demands, with less financial incentives to lower peaks during nonpeak months.

Energy charges

The energy charges are unbundled into fixed and variable components. The fixed energy charge is a transparent mechanism to highlight to cost of firm-energy service. As discussed previously, due to the intermittent nature of renewable generation, staff recommends the dispatchable variable and intermittent charges be combined into a single variable cost energy charge in the 2023 rate tariff schedules. By combining the variable energy charges, Platte River assumes the risk of intermittent generation variances and associated costs, not the owner communities. Monthly invoices will continue to display load share intermittent energy delivered and indicative cost to allow for flexible service offerings to retail customers.

Figure 1 includes a high-level summary of the cost components of each charge.

Figure 1: Firm power service cost components

Monthly charge	Cost Category	Cost allocations
Owner charge	Fixed	Administrative & general, distributed energy resources, debt coverage margin, other credits
Demand charges		
Transmission	Fixed	Administrative & general, operations & maintenance, debt, debt coverage margin, other credits
Generation	Fixed	Administrative & general, fixed operations & maintenance, debt, debt coverage margin, reserves, surplus sales margin credit, hydro demand, baseload, combustion turbine, other credits
Energy charges		
Fixed	Fixed	Administrative & general, fixed operations & maintenance, debt, debt coverage margin, reserves, surplus sales margin credit, hydro demand, baseload, other credits
Variable	Variable	Fuel, hydro energy, variable operations & maintenance, purchased power, wheeling, ancillary services, generation specific transmission, other credits

Owner community impacts

The impact of the recommended 5.0% average wholesale rate increase and the recommended charges from the Appendix vary among the owner communities based on their unique load characteristics, including projected load growth among the owner communities. The change in the total invoice for each owner community will not be the same as the average rate increase. Forecasted demand and energy growth increases the projected total amount invoiced more than the average rate increase. Figure 2 below shows the 2023 estimated impact of the rate changes relative to the 2022 Strategic Budget.

Following are the significant drivers of the varying owner community rate impacts:

- Transmission and generation minimum billing demand
- Energy consumption
- Load factors

The minimum billing demands concentrate the signal to avoid consumption at time of peak, which is the summer season peak for generation, and the annual peak for transmission regardless of season. The lower annual coincident and noncoincident peak demand results in lower annual billing demands. Improvements in billing demand, relative to the other owner communities, can also lower an owner community's rate increase relative to the average. As individual owner communities lower billing demands, the associated cost recovery will shift proportionally.

Total energy consumption increases can create downward pressure on the average rate by spreading fixed costs over more energy.

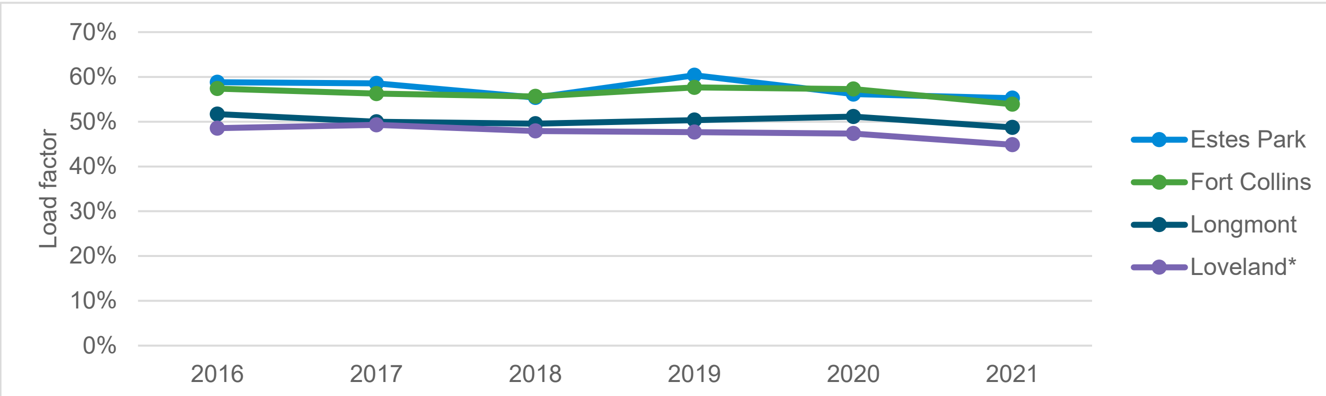
The owner communities with the lowest average rate (Figure 2) also have the highest load factors (Figure 3) and the lowest billing demand in excess of metered demand (Figure 4). Load factor is a measure of electric system efficiency.

Figure 2: Owner community impact

		Estes Park	Fort Collins	Longmont	Loveland*	Platte River
2022	Revenues (millions)	$8.5	$96.8	$54.8	$48.0	$208.0
	Energy sales (GWh)	136.2	1,523.7	826.5	732.1	3,218.5
	Average rate ($/MWh)	$62.17	$63.51	$66.29	$65.55	$64.63
2023	Revenues (millions)	$9.1	$103.8	$59.2	$52.0	$224.1
	Energy sales (GWh)	139.9	1,558.1	852.0	751.4	3,301.4
	Average rate ($/MWh)	$64.91	$66.60	$69.47	$69.26	$67.88
	Average $/MWh change	4.4%	4.9%	4.8%	5.7%	5.0%

**Loveland includes large customer; otherwise Loveland's rate impact would be 6%.*

FIGURE 3: Owner community noncoincident peak load factors



**Loveland excludes large customer*

FIGURE 4: Billing demand in excess of metered demand

	Estes Park	Fort Collins	Longmont	Loveland*
Generation demand				
2022	0.2%	3.8%	10.8%	11.7%
2023	0.1%	3.3%	10.7%	12.4%
Favorable/(Unfavorable)	0.1%	0.5%	0.1%	(0.7%)
Transmission demand				
2022	4.9%	3.5%	10.5%	11.4%
2023	4.0%	3.2%	10.8%	12.9%
Favorable/(Unfavorable)	0.9%	0.3%	(0.3%)	(1.5%)

Standard Offer Energy Purchase (Tariff SO-23)

The Standard Offer Energy Purchase tariff rate applies to the purchase of available electricity from power production facilities that have registered with the Federal Energy Regulatory Commission as Qualifying Facilities under the Public Utility Regulatory Policies Act and are electrically connected to Platte River's transmission system or the distribution system of one of Platte River's owner communities. No customers currently receive service under this tariff.

The avoided energy rate is based on an hourly resource model marginal cost analysis of coal-fired generation, natural gas-fired generation and market purchases to serve the balance of load after ‘must-take’ energy projections, including hydropower, renewables and joint dispatch agreement energy. The avoided energy rate for large facilities is increasing 25.5% from $0.01620 to $0.02033. The rate increased primarily due to higher fuel and market price projections. There was also increased frequency of combustion turbines and market purchases as the marginal cost resource.

Wholesale Transmission Service (Tariff WT-23)

The Wholesale Transmission Service tariff under which Platte River offers transmission service to third parties is reviewed and updated 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. The board most recently adopted revisions to the Wholesale Transmission Service (Tariff WT-23) in May; therefore, charges will remain unchanged. This tariff is effective June of each year.

Large Customer Service (Tariff LC-23)

Charges under this tariff are established through a separate contract.

Schedule

Staff will present the information detailed in this white paper at the August board meeting.

In September, staff will provide the draft 2023 rate tariff schedules. In October, staff will ask the board to approve the 2023 rate tariff schedules 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 rates information, please visit www.prpa.org/wholesale-rates.

APPENDIX

Rate tariff schedule charges

Firm Power Service charges	2022	2023 recommendation	$ change	% change
Owner community charge	$11,520	$13,229	$1,709	14.8%
Demand charges				
Transmission	$6.62	$6.72	$0.10	1.5%
Generation: summer	$6.10	$6.15	$0.05	0.8%
Generation: nonsummer	$4.48	$4.60	$0.12	2.7%
Energy charges				
Fixed cost	$0.01572	$0.01586	$0.00014	0.9%
Dispatchable variable cost	$0.01520			
Intermittent	$0.03200			
Variable	~~$0.02067*~~	$0.02273	$0.00206	10.0%

* The 2022 variable charge is informational only for comparison to the proposed 2023 variable cost energy charge

Standard Offer Energy Purchase	2022	2023 recommendation	$ change	% change
Avoided energy rate	$0.01620	$0.02033	$0.0413	25.5%

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

2023 wholesale rates at a glance

Platte River will increase the average wholesale rate 5.0% in 2023 to achieve rate strategy objectives in pursuit of a noncarbon future. The board's preference is to approve annual rate increases to smooth projected future increases and avoid significant single or multiple year rate hikes while also providing greater rate certainty to the owner communities.

The 2023 long-term rate pressure is higher than 2022 due to the accelerated asset integration schedule and updated resource cost projections. The accelerated asset integration schedule more accurately represents 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. In response, the board adopted a deferred revenue and expense accounting policy to help reduce rate pressure and achieve rate smoothing.

Reliability

Environmental responsibility

Financial sustainability

A means to achieve Platte River's core pillars

Platte River is committed to:

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

Rate strategy objectives

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

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

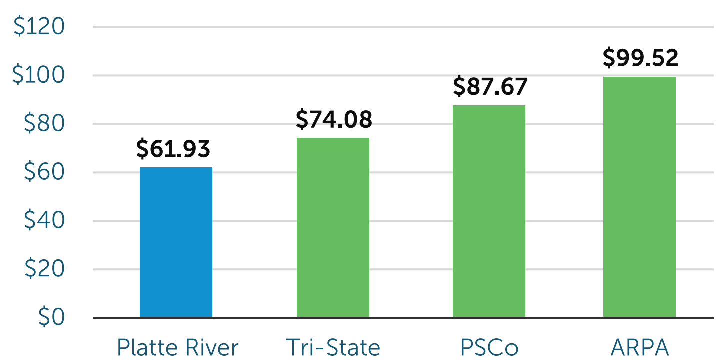
Platte River's rate structure strives to meet the following objectives:

- Alignment of wholesale pricing signals with cost of service
- Flexibility to adapt to cost structure changes and integrate noncarbon resource additions
- Maximize marginal cost savings through pricing signals that provide system benefits and revenue stability

Rate competitiveness

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

2021 average wholesale rates ($/MWh)



prpa.org/wholesale-rates

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

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
Jason Harris, controller

Subject: **Deferred revenue and expense accounting policy**

As presented at prior board meetings, Platte River is transitioning its resource portfolio by retiring coal-fired units and replacing those units with noncarbon or low-emitting carbon resources. Costs are expected to increase during the transition creating rate pressure. Staff presented at the August and September board meetings a proposed rate increase in combination with a deferred revenue and expense accounting policy to help reduce rate pressure and achieve rate smoothing.

Staff presented the deferred revenue and expense accounting policy at the September board meeting. Staff recommends the board adopt this accounting policy at the October board meeting.

Attachments

- Deferred revenue and expense accounting policy
- Resolution

Platte River Power Authority	Policy	Version #: 1.0 Original effective date: 10/27/2022 Next review date: 10/27/2027
	Deferred revenue and expense accounting policy	Page 1 of 3

Purpose:

To achieve the Resource Diversification Policy goal, Platte River is transitioning its resource portfolio by retiring coal-fired units and replacing those units with noncarbon or low-emitting carbon resources. It is expected costs will be higher as noncarbon resources are added and operational before Rawhide Unit 1 retires. The expected cost increase will create rate pressure.

The purpose of this accounting policy is to help reduce rate pressure and achieve rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. This policy will apply during this transition.

Policy:

This policy describes the process of deferring revenues earned and expenses incurred in one period to be recognized in one or more future periods. The finance staff will recommend when to exercise this policy, and request General Manager/CEO approval, based on financial results and long-term financial and rate projections to reduce rate pressure, achieve rate smoothing and ensure financial sustainability.

Deferral and recognition period

The deferral and recognition period begins with the year ending Dec. 31, 2022. The end of the deferral and recognition period is expected to be no later than the year ending Dec. 31, 2034, which is five years after the planned retirement of Rawhide Unit 1 in 2029.

Deferred revenue

After the financial statements are prepared at year end (before the financial statement audit), any amount of change in net position above the minimum required to achieve the strategic financial plan targets can be deducted from operating revenues and held on the statement of net position to be recorded as revenue in one or more future periods. The amount deferred will be determined by then-current financial results and will be informed by long-term financial and rate projections. The amount and period of the deferred revenues to be recognized will also be informed by long-term financial and rate projections.

Deferred expenses

If the deferred revenues are projected to insufficiently reduce rates to achieve rate smoothing and financial sustainability, expenses may be deferred and deducted from operating expenses and held on the statement of net position to be recorded as expenses in one or more future periods. The amount deferred and the amount and period of the deferred expenses to be recognized will be informed by long-term financial and rate projections. Expense recognition is not expected to exceed five years after the planned retirement of Rawhide Unit 1 in 2029.

Platte River Power Authority	Policy	Version #: 1.0 Original effective date: 10/27/2022 Next review date: 10/27/2027
	Deferred revenue and expense accounting policy	Page 2 of 3

Accounting treatment

Operating revenues and expenses on the statement of revenues, expenses and changes in net position

- A separate revenue account will be used to reflect reduced operating revenues in a period of deferral and will be additive in a period of recognition.
- A separate expense account will be used to reflect reduced operating expenses in a period of deferral and will be additive in a period of recognition.

Regulatory credit and asset on the statement of net position

- A regulatory credit account classified as a deferred inflow of resources will be used to hold the deferred revenues until they are to be recognized.
- A regulatory asset account will be used to hold the deferred expenses until they are to be recognized.

The finance staff will, at least annually, report to the board of directors the deferred amounts and the timing of recognition of the deferred revenues and expenses.

As discussed with Platte River's auditors, this policy accords with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, Regulated Operations, paragraph 476-500, which allows certain expenses or revenues to be recognized when included in wholesale rates charged to the owner communities rather than when normally recorded.

Implementing Parties and Assigned Responsibilities:

The controller, director of finance and chief financial officer review this policy. Staff will bring necessary revisions before the Platte River Board of Directors for approval.

Associated Items (if applicable):

Deferred revenue and deferred expense accounting procedure
Resolution No. xx-xx

Definitions (if applicable):

Platte River Power Authority	Policy	Version #: 1.0 Original effective date: 10/27/2022 Next review date: 10/27/2027
	Deferred revenue and expense accounting policy	Page 3 of 3

Document owner: Controller	**Original effective date:** 10/27/2022
Authority: Board of Directors	**Review frequency:** Every 5 years
Counsel review: General Counsel	**Current effective date:** 10/27/2022
Reviews:	

Version	Date	Action	Author	Change Tracking (new, review, revision)
1.0	10/27/2022	Board resolution xx-22	Shelley Nywall	New

RESOLUTION NO. __-22

Background

A. The board of directors (board) of Platte River Power Authority (Platte River) adopted the Resource Diversification Policy in 2018, calling for Platte River to proactively work toward achieving a 100% noncarbon resource mix by 2030 while maintaining Platte River's three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services.

B. To achieve the Resource Diversification Policy goal, Platte River will need to rapidly replace existing thermal resources with noncarbon resources, while simultaneously protecting reliability and financial sustainability, which is expected to increase costs and create rate pressure.

C. Platte River staff has proposed a deferred revenue and expense accounting policy to help reduce rate pressure and achieve rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods.

D. Platte River staff provided information to the board and answered questions about the proposed deferred revenue and expense accounting policy at the August and September 2022 board meetings.

E. Platte River staff recommends the board adopt the proposed deferred revenue and expense accounting policy.

Resolution

The board of directors of Platte River Power Authority therefore approves the deferred revenue and expense accounting policy as presented at this meeting, effective immediately.

AS WITNESS, I have signed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this 27th day of October, 2022.

____

Secretary

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

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
Jason Harris, controller

Subject: 2022 FORVIS audit plan

At the October board meeting, Chris Telli and Anna Thigpen from FORVIS will discuss the planning and timing of the 2022 annual audit of the financial statements and defined benefit plan. Included in the board packet are copies of the pre-audit letter and engagement letter describing the scope of services and arrangements proposed for the audit. Platte River will implement GASB Statement No. 87, Leases, which is effective for year-end 2022.

The board authorized Platte River to enter into a five-year agreement with BKD LLP, which is now operating as FORVIS, to provide audit services for 2021-2025 year-end financial results for both the financial statement and defined benefit pension plan audits. The base fee stated in the attached engagement letter is $96,900 for the combined audit, which represents a 2% increase from 2021 as agreed upon in the five-year agreement. There will be additional charges for actual travel costs and an administrative fee of 4%. Additional fees based on actual time expended may be required due to implementing the above accounting standard.

Staff recommends a motion authorizing the board chair to execute the engagement letter.

Attachments

FORV/S

1801 California Street, Suite 2900 / Denver, CO 80202
P 303.861.4545 / **F** 303.832.5705
forvis.com

October 12, 2022

Board of Directors
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, Colorado 80525-5721

The purpose of this communication is to summarize various matters related to the planned scope and timing for the December 31, 2022 audit of the financial statements of Platte River Power Authority (the Authority).

Please refer to our contract dated October 12, 2022, for additional information and the terms of our engagement.

Overview

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

If for whatever reason we determine that it is necessary to issue an adverse opinion, or if we disclaim on issuing an opinion on the financial statements, then we will not communicate any key audit matters, in accordance with our professional standards.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are expected to be presented along with management's annual report. Management, or those charged with governance, is responsible for preparing the annual report. We are not being engaged to audit the information contained in the annual report, and as a result, our opinion will not provide assurance as to the completeness and accuracy of the information contained therein. Instead, our objectives with regard to such information are to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- Remain alert for indications that:
  - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
  - A material misstatement of fact exists or the other information is otherwise misleading

- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency.

- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained

To assist us with the timely completion of these procedures, we request that drafts of the annual report be provided to us as soon as practical. In addition, in the event we issue a disclaimer of opinion on the financial statements, then our auditor's report will not make any reference to the annual report or to any procedures that may have been performed.

Planned Scope & Timing

Significant Risk Areas

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and propose to address these areas as described:

Risk Area	Audit Approach
Risk of management override of controls	Review accounting estimates for bias, electronic review of journal entries and evaluate business rationale for unusual transactions
Revenue recognition	Test the cutoff of revenue to determine that the amounts tested are properly recognized
GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements,* Regulated Operations, Paragraphs 476-500	Review accounting estimates for bias, review board approval of accounting treatment and test supporting documentation for reasonableness
Implementation of new accounting standard GASB 87, *Leases*	Evaluate proper implementation and application of the standard including all required disclosures

We welcome any input you may have regarding the information discussed above. We also welcome any insight you have related to any other risk areas, or other significant risk areas, that you believe warrant particular attention.

We propose the following timeline:

- Interim fieldwork is scheduled for November 28-30, 2022
- Final fieldwork is scheduled for February 20-March 7, 2023
- Drafts of the financial statements and management letter, together with our letter regarding auditor responsibilities, will be furnished by April 7, 2023
- Final report will be issued by April 13, 2023
- Audit presentation to the board is preliminarily scheduled for April 27, 2023

Our engagement team will be comprised of the following:

- Christopher Telli, Partner
- Anna Thigpen, Director
- Grant Schumm, Manager

Contacts

We understand the appropriate person in the governance structure with whom to communicate is Mr. Reuben Bergsten, Chairman of the Board of Directors.

If for any reason, any member of the Board of Directors would need to contact us, please call Mr. Christopher Telli or Ms. Anna Thigpen, at 303.861.4545.

Accounting & Auditing Matters

The following matters are, in our judgment, relevant to the planned scope of the audit as well as your responsibilities in overseeing the financial reporting process.

- Segregation of duties
- Revenue recognition
- Receivables
- Third-party service providers
- Restricted assets
- Cash and investments
- Electric utility plant
- Debt
- Accrued liabilities
- Pension plan and related accounts
- Regulatory assets and liabilities
- Commitments and contingencies
- Related-party transactions

Consideration of Error or Fraud

One of the most common questions we receive from audit committees is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.

Our audit approach includes such procedures as:

- Engagement team brainstorming
  - Discussions include how and where we believe the Authority’s financial statements might be susceptible to material misstatement due to error or fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the Authority could be misappropriated

- An emphasis is placed on the importance of maintaining the proper state of mind throughout the audit regarding the potential for material misstatement due to error or fraud

- Inquiries of management and others
  - Personnel interviewed include the Board Chair, the General Manager/Chief Executive Officer, the Chief Financial Officer/Deputy General Manager, the Director of Finance, the Controller, and others
  - Inquiries are directed towards the risks of error or fraud and whether personnel have knowledge of any fraud or suspected fraud affecting the Authority

- Reviewing accounting estimates for bias

- Considering the risk that management may attempt to present disclosures to the financial statements in a manner that may obscure a proper understanding of the matters disclosed (for example, by using unclear or ambiguous language)

- Evaluating business rationale for significant unusual transactions

- Evaluating business rationale for significant transactions with related parties

- Incorporating an element of unpredictability into the audit each year

* * * * *

This communication is intended solely for the information and use of those charged with governance, Board of Directors, and management and is not intended to be and should not be used by anyone other than these parties.

Sincerely,

Christopher J Telli

Christopher Telli, CPA
Partner

Anna Thigpen

Anna Thigpen, CPA
Director

FORVIS

1801 California Street, Suite 2900 / Denver, CO 80202
P 303.861.4545 / **F** 303.832.5705
forvis.com

October 12, 2022

Mr. Reuben Bergsten
Chairman of the Board of Directors
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, Colorado 80525-5721

We appreciate your selection of **FORVIS, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience.**

In addition to the terms set forth in this contract, including the detailed **Scope of Services,** our engagement is governed by the following, incorporated fully by this reference:

- Terms and Conditions Addendum

Summary Scope of Services

As described in the attached **Scope of Services,** our services will include the following:

Platte River Power Authority
- Audit Services for the year ended December 31, 2022

Engagement Fees

The fee for our services will be $96,900.

Our fees will be based on time, skill, and resources, including our proprietary information required to complete the services. In addition, you will be billed travel costs and fees for services from other professionals, if any, as well as an administrative fee of four (4) percent to cover certain technology and administrative costs associated with our services.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt. We will issue progress billings during the course of our engagement.

Our timely completion of services and the fees thereon depends on the assistance you provide us in accumulating information and responding to our inquiries. Inaccuracies or delays in providing this information or the responses may result in additional billings, untimely filings, or inability to meet other deadlines.

Assistance with New Standards

Assistance and additional time as a result of the adoption of the following new standards are not included within our standard engagement fees. These fees will be based on time expended and will vary based on the level of assistance and procedures required.

Leases

Governmental Accounting Standards Board Statement No. 87, *Leases*, is effective for fiscal years beginning after June 15, 2021. Early application is encouraged.

Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. We can assist you with the adoption by providing services which may include, but are not limited to:

- Assessing your readiness by assisting with the evaluation of your:
    - Current controls and policies
    - Current internal resources and system capabilities
- Assisting with changes required to adopt Statement No. 87, including:
    - Assisting with information gathering to develop an inventory of all lease agreements, service contracts, and other arrangements that may contain right-to-use lease assets
    - Recommending enhancements to existing controls and policies or suggesting new controls and policies to address Statement No. 87
    - Documenting any changes from your previous lease recognition and reporting methods
    - Drafting the required disclosures

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statement, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by us.

Contract Agreement

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

FORVIS, LLP

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services** and **Terms and Conditions Addendum**, on behalf of Platte River Power Authority.

BY ___________________________________
Reuben Bergsten
Chairman of the Board of Directors

DATE ________________________________

BY ___________________________________
David Smalley,
Chief Financial Officer and Deputy General Manager

DATE ________________________________

Approved as to form:

BY___________________________________
Sarah Leonard,
General Counsel

DATE_________________________________

Scope of Services – Audit Services

We will audit the basic financial statements and related disclosures, which collectively comprise the basic financial statements for the following entity:

Platte River Power Authority as of and for the year ended December 31, 2022

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

You have informed us that the audited financial statements are expected to be presented along with management's annual report. Management is responsible for the other information included in the annual report. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements will not cover the other information, and we will not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Anna Thigpen, Director, will oversee and coordinate the engagement. Christopher Telli, Partner, is responsible for supervising the engagement team and authorizing the signing of reports.

We will issue a written report(s) upon completion of our audit(s), addressed to the following parties:

Entity Name	Party Name
Platte River Power Authority	Board of Directors of Platte River Power Authority

The following apply for the audit services described above:

Our Responsibilities

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). We will exercise professional judgment and maintain professional skepticism throughout the audit.

We will identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We will also conclude, based on audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Limitations & Fraud

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by you and FORVIS, LLP.

Opinion

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to our auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If we discover conditions that may prohibit us from issuing a standard report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

Your Responsibilities

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

- **Audit Support** – to provide us with:
  - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance, and component auditors) from whom we determine it necessary to obtain audit evidence
  - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
  - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
  - Information about any known or suspected fraud affecting the entity involving management, employees with significant roles in internal control, and others where fraud could have a material effect on the financials

- Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
- Additional information that we may request for the purpose of the audit

- **Internal Control and Compliance** – for the:
  - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - Alignment of internal control to ensure that appropriate goals and objectives are met, that management and financial information is reliable and properly reported and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved
  - Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts, or other agreements reported by the auditor
  - Establishment and maintenance of processes to track the status and address findings and recommendations of auditors

- **Accounting and Reporting** – for the:
  - Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
  - Adjustment of the financial statements to correct material misstatements and confirmation to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
  - Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (or other basis if indicated in the contract)
  - Inclusion of the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us
  - Distribution of audit reports to any necessary parties

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

Written Confirmations Required

As part of our audit process, we will request from management and, if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

FORVIS, LLP Terms and Conditions Addendum

GENERAL

1. **Overview.** This addendum describes **FORVIS LLP's** standard terms and conditions ("Terms and Conditions") applicable to Our provision of services to the Client ("You"). The Terms and Conditions are a part of the contract between You and FORVIS, LLP. For the purposes of the Terms and Conditions, any reference to "Firm," "We," "Us," or "Our" is a reference to FORVIS, LLP ("FORVIS"), and any reference to "You" or "Your" is a reference to the party or parties that have engaged Us to provide services and the party or parties ultimately responsible for payment of Our fees and costs.

BILLING, PAYMENT, & TERMINATION

2. **Billing and Payment Terms.** We will bill You for Our professional fees and costs as outlined in Our contract. Unless otherwise provided in Our contract, payment is due upon receipt of Our billing statement. Interest will be charged on any unpaid balance after 30 days at the rate of 10 percent per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10 percent. All fees, charges, and other amounts payable to FORVIS hereunder do not include any sales, use, excise, value-added, or other applicable taxes, tariffs, or duties, payment of which shall be Your sole responsibility, and do not include any applicable taxes based on FORVIS' net income or taxes arising from the employment or independent contractor relationship between FORVIS and FORVIS' personnel.

   We reserve the right to suspend or terminate Our work for this engagement or any other engagement for nonpayment of fees. If Our work is suspended or terminated, You agree that We will not be responsible for Your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against You resulting from Your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of Our services.

   Our fees may increase if Our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. Our engagement fees do not include any time for post-engagement consultation with Your personnel or third parties, consent letters and related procedures for the use of Our reports in offering documents, inquiries from regulators, or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

3. **Billing Records.** If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, We agree to make available to the Secretary of Health and Human Services, or to the U.S. Comptroller General, or any of their duly authorized representatives, such of Our books, documents, and records that are necessary to certify the nature and extent of Our services, until the expiration of four (4) years after the furnishing of these services. This contract allows access to contracts of a similar nature between subcontractors and related organizations of the subcontractor, and to their books, documents, and records.

4. **Termination.** Either party may terminate these services in good faith at any time for any reason, including Your failure to comply with the terms of Our contract or as We determine professional standards require. Both parties must agree, in writing, to any future modifications or extensions. If services are terminated, You agree to pay FORVIS for time expended to date. In addition, You will be billed costs and fees for services from other professionals, if any, as well as an administrative fee of four (4) percent to cover certain technology and administrative costs associated with Our services. Unless terminated sooner in accordance with its terms, this engagement shall terminate upon the completion of FORVIS' services hereunder.

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to this engagement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. Unless the parties agree otherwise, the American Arbitration Association ("AAA") will administer any such medication in accordance with its Commercial Mediation Rules. The mediator will be selected by agreement of the parties. If We cannot agree, a mediator shall be designated by the AAA. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.

6. **Indemnification.** Unless disallowed by law or applicable professional standards, You agree to hold FORVIS harmless from any and all claims which arise from knowing misrepresentations to FORVIS, or the intentional withholding or concealment of information from FORVIS by Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. You also agree to indemnify FORVIS for any claims made against FORVIS by third parties, which arise from any wrongful actions of Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. The provisions of this paragraph shall apply regardless of the nature of the claim.

7. **Limitation of Liability.** You agree that FORVIS' liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. This limitation shall not apply (1) to the extent it is finally, judicially determined that the liability resulted from the intentional or willful misconduct of FORVIS, (2) to any third-party claim against You resulting from Our action or inaction, or (3) if enforcement of this provision is disallowed by applicable law or professional standards.

8. **Waiver of Certain Damages.** In no event shall FORVIS be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise

under a theory of contract, tort, strict liability, or otherwise. This waiver shall not apply to any third-party claim against You resulting from Our action or inaction.

9. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**

10. **Severability.** In the event that any term or provision of this agreement shall be held to be invalid, void, or unenforceable, then the remainder of this agreement shall not be affected, and each such term and provision of this agreement shall be valid and enforceable to the fullest extent permitted by law.

11. **Assignment.** You acknowledge and agree that the terms and conditions of this contract shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

12. **Disclaimer of Legal or Investment Advice.** Our services do not constitute legal or investment advice.

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

13. **Maintenance of Records.** You agree to assume full responsibility for maintaining Your original data and records and that FORVIS has no responsibility to maintain this information. You agree You will not rely on FORVIS to provide hosting, electronic security, or backup services, *e.g.*, business continuity or disaster recovery services, to You unless separately engaged to do so. You understand that Your access to data, records, and information from FORVIS' servers, *i.e.*, FORVIS portals used to exchange information, can be terminated at any time and You will not rely on using this to host Your data and records.

14. **FORVIS Workpapers.** Our workpapers and documentation retained in any form of media for this engagement are the property of FORVIS. We can be compelled to provide information under legal process. In addition, We may be requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless We are prohibited from doing so by law or regulation, FORVIS will inform You of any such legal process or request. You agree We have no legal responsibility to You in the event We determine We are obligated to provide such documents or information.

15. **Subpoenas or Other Legal Process.** In the event FORVIS is required to respond to any such subpoena, court order, or any government regulatory inquiry or other legal process relating to You or Your management for the production of documents and/or testimony relative to information We obtained or prepared incident to this or any other engagement in a matter in which FORVIS is not a party, You shall compensate FORVIS for all time We expend in connection with such response at normal and customary hourly rates and to reimburse Us for all out-of-pocket expenses incurred in regard to such response.

16. **Use of Deliverables and Drafts.** You agree You will not modify any deliverables or drafts prepared by Us for internal use or for distribution to third parties. You also understand that We may on occasion send You documents marked as draft and understand that those are for Your review purpose only, should not be distributed in any way, and should be destroyed as soon as possible.

    Our report on any financial statements must be associated only with the financial statements that were the subject of Our engagement. You may make copies of Our report, but only if the entire financial statements (exactly as attached to Our report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Our report. You agree not to reproduce or associate Our report with any other financial statements, or portions thereof, that are not the subject of Our engagement.

17. **Proprietary Information.** You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the services We perform and were developed prior to Our association with You. Any new forms, software, documents, or intellectual property We develop during this engagement for Your use shall belong to Us, and You shall have the limited right to use them solely within Your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which We make available to You are confidential and proprietary to Us. Neither You, nor any of Your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than Your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium, provided, however, that We acknowledge that documents and other materials supplied to You may potentially become public records subject to inspection by outside parties under the Colorado Open Records Act, C.R.S. 24-72-200.1, et. Seq., as amended. Unless proper grounds exist to deny requests to inspect these materials, You may be unable to prevent inspection. We have familiarized Ourselves with the relevant law sufficiently to enable Us to take steps necessary to protect the confidential nature of Our submissions.

REGULATORY

18. **U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies.** Where We are providing services either for (a) an entity that is registered with the SEC, (b) an affiliate of such registrant, or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this contract that would be prohibited by or impair Our independence under applicable law or regulation shall not apply to the extent necessary only to avoid such prohibition or impairment.

19. **Offering Document.** You may wish to include Our report(s) on financial statements in an exempt offering document. You agree that any report, including any auditor's report, or

reference to Our firm, will not be included in any such offering document without notifying Us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

Any exempt offering document issued by You with which We are not involved will clearly indicate that We are not involved by including a disclosure such as, "FORVIS, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document."

20. **FORVIS Not a Municipal Advisor.** FORVIS is not acting as Your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, FORVIS is not recommending any action to You and does not owe You a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such matters with internal or external advisors and experts You deem appropriate before acting on any such information or material provided by FORVIS.

21. **FORVIS Not a Fiduciary.** In providing Our attest services, We are required by law and our professional standards to maintain our independence from You. We take this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which You and the users of Our report require. As such, You should not place upon Us special confidence that in the performance of Our attest services We will act solely in Your interest. Therefore, You acknowledge and agree We are not in a fiduciary relationship with You and We have no fiduciary responsibilities to You in the performance of Our services described herein.

TECHNOLOGY

22. **Electronic Sites.** You agree to notify Us if You desire to place Our report(s), including any reports on Your financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that We have no responsibility to review information contained in electronic sites.

23. **Electronic Signatures and Counterparts.** This contract and other documents to be delivered pursuant to this contract may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this contract are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this contract or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software, will have the same effect as physical delivery of the paper document bearing an original signature.

24. **Electronic Data Communication and Storage.** In the interest of facilitating Our services to You, We may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, We employ measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with Our obligations under applicable laws, regulations, and professional standards.

    You recognize and accept that We have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Us. You consent to Our use of these electronic devices and applications during this engagement.

OTHER MATTERS

25. **Cooperation.** You agree to cooperate with FORVIS in the performance of FORVIS' services to You, including the provision to FORVIS of reasonable facilities and timely access to Your data, information, and personnel. You shall be responsible for the performance of Your employees and agents.

26. **Third-Party Service Providers.** FORVIS may from time to time utilize third-party service providers, including but not limited to domestic software processors or legal counsel, or disclose confidential information about You to third-party service providers in serving Your account. FORVIS maintains, however, internal policies, procedures, and safeguards to protect the confidentiality and security of Your information. In addition, FORVIS will secure confidentiality agreements with all service providers to maintain the confidentiality of Your information. If We are unable to secure an appropriate confidentiality agreement, You will be asked to consent prior to FORVIS sharing Your confidential information with the third-party service provider.

27. **Independent Contractor.** When providing services to You, We will be functioning as an independent contractor; and in no event will We or any of Our employees be an officer of You, nor will Our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to You. Decisions regarding management of Your business remain the responsibility of Your personnel at all times. Neither You nor FORVIS shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

28. **Use of FORVIS Name.** Any time You intend to reference FORVIS' firm name in any manner in any published materials, including on an electronic site, You agree to provide Us with

draft materials for review and approval before publishing or posting such information.

29. **Praxity.** FORVIS is an independent accounting firm allowed to use the name “Praxity” in relation to its practice. FORVIS is not connected, however, by ownership with any other firm using the name “Praxity.” FORVIS will be solely responsible for all work carried out on Your behalf. In deciding to engage FORVIS, You acknowledge that We have not represented to You that any other firm using the name “Praxity” will in any way be responsible for Our work.

30. **Entire Agreement.** The contract, including this Terms and Conditions Addendum and any other attachments or addenda, encompasses the entire agreement between You and FORVIS and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this contract must be made in writing and signed by both You and FORVIS.

31. **Force Majeure.** Neither party (the excused party) shall be held responsible for any failure to fulfill its obligations under this contract if such failure was caused by circumstances beyond the excused party’s control.

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Eddie Gutiérrez, chief strategy officer
Sarah Leonard, general counsel
Libby Clark, director of human resources and safety
Caroline Schmiedt, senior counsel

Subject: Family and Medical Leave Insurance program declination resolution

---

As previously presented, the state of Colorado has passed a new paid Family Leave and Medical Leave Insurance (FAMLI) program. Platte River plans to offer family leave benefits that exceed those under the FAMLI program and as a result recommends opting out of the FAMLI program. Opting out requires an opportunity for employees to comment before the board votes and a formal board vote. The public has already had an opportunity to comment at the past two board meetings.

Staff seeks board approval to decline all participation in the FAMLI program with the understanding that Platte River will (1) notify the FAMLI Division of the board's decision by January 1, 2023, (2) revisit this decision at least every eight years, and (3) notify employees of this decision within 30 days after approval.

Attachment

RESOLUTION NO. __-22

A. In 2020, Colorado voters passed Proposition 118, paving the way for a paid Family and Medical Leave Insurance (FAMLI) program.

B. Platte River Power Authority (Platte River) plans to offer family leave benefits that exceed those under the FAMLI program.

C. To offer its own family leave benefit program, Platte River will formally decline participation in the FAMLI program, which requires action by Platte River's board of directors (board).

D. Platte River staff provided information to the board and answered questions about the FAMLI program and Platte River's planned family leave benefits at the August and September 2022 board meetings.

E. Platte River notified its employees of its recommendation to formally decline participation in the FAMLI program and an opportunity for employees to comment at this board meeting.

F. Platte River staff recommends the board formally vote to have Platte River decline all participation in the FAMLI program to enable Platte River to offer its own family leave benefits that exceed those under the FAMLI program.

<u>Resolution</u>

The board of directors of Platte River Power Authority therefore directs and authorizes Platte River to decline all participation in the FAMLI program, recognizing that Platte River must (1) notify the FAMLI Division of the board's decision by January 1, 2023, (2) revisit this decision at least every eight years, and (3) notify employees of this decision within 30 days after today.

AS WITNESS, I have signed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this 27th day of October, 2022.

____
Secretary

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Sarah Leonard, general counsel

Subject: **Executive session**

Consistent with Colorado law governing open meetings, the Platte River Board of Directors may convene an executive session to discuss matters that may be subject to negotiations (specifically about the solar request for proposals), as well as a confidential personnel matter. Staff therefore recommends the board convene an executive session to discuss pending matters that may be subject to negotiations and a confidential personnel matter. Convening an executive session to discuss this matter is permitted by sections 24-6-402(4)(e)(I) and 24-6-402(4)(f) of the Colorado Revised Statutes.

The board will take no action during executive session.

There is no documentation for public use.

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

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
Jason Harris, controller

Subject: Proposed 2023 Strategic Budget public hearing

As previewed during the September budget work session, staff anticipated changes to the proposed 2023 Strategic Budget. The changes are based on updates and refinements to resources, production costs, departmental operations and maintenance expenses, capital projects and updated methodology for contingency appropriation. The updated budget includes total revenues of $305 million, total expenditures of $278.3 million and a board contingency appropriation of $52 million. Net income is projected to be $22.4 million with fixed obligation charge coverage at 2.43 times.

The budget has been updated to reflect the most current information for revenues, operating expenses, capital additions and contingency appropriation as listed below.

Amount favorable (unfavorable)	Revenues	Description
$0.5 M	Interest and other income	Interest income increased because of higher projected interest rates.
$0.3 M	Wheeling revenue	Assumptions were updated with current values and load projections.
$0.8 M		Total increase in revenues

Amount favorable (unfavorable)	Operating expenses	Description
($3.1 M)	Operating expenses	• ($1.7 M) – Various adjustments were made to department budgets based on more accurate information received including additions for market expenses, interconnection costs, contracted services, outage expenses and insurance premiums, partially offset by a decrease in joint facilities expenses and more wages being allocated to capital. • ($1.4 M) – Nonroutine projects increased primarily due to rescheduling combustion turbine inspections and the phosphorus removal system solids contact basin recoating. • ($0.3 M) – Estimated monofill closure and post-closure care costs increased based on an update from a third-party engineering contractor. • $0.3 M – Wheeling expenses decreased because of an updated rate for WAPA transmission service.
($0.9 M)	Fuel	Coal prices and generation were updated with latest estimates.
$0.2 M	Purchased power	Decreased due to updated rates for reserves and an updated forecast for reduced hydropower energy.
($3.8 M)		Total increase in operating expenses

Amount favorable (unfavorable)	Capital additions	Description
$4.0 M	Pipeline reroute – Soldier Canyon Pipeline	Delayed until a determination is made on water needs for future generation resources.
$1.8 M	12.47 kV switchgear replacement – Rawhide	Delayed until future generation resources are brought online.
$0.5 M	Craig units 1 and 2 projects	Decreased due to removal of a transmission foundation remediation project.
$0.1 M	Subscription-based information technology arrangements	Decreased as one identified contract will no longer be a long-term subscription asset after renewal.

($35 K)	Calibration test equipment – Rawhide	New purchase to acquire calibration tool used for Rawhide Unit 1 and the combustion turbines.
($0.1 M)	Metering system modifications	Increased project for higher material and labor costs to install individual meters on combustion turbine units A-D to meet metering requirements of the SPP WEIS market. Remaining carryover funds from 2022 will not be sufficient to complete the project.
($0.1 M)	Switch 2089 replacement – Boyd Substation	New project to replace the hand-operated line disconnect that has reached the end of its useful life.
($0.1 M)	Remote terminal unit replacement – Rogers Road Substation	New project to replace the existing unit as it may no longer be supported by the manufacturer.
($0.2 M)	Perimeter detection system – Boyd Substation	New project to install thermal cameras and lighting to detect perimeter breaches.
($0.3 M)	Market software – PCI GenManager	New project for software modules needed to perform essential market functions, now budgeted as a separate project for better cost tracking and transparency.
($0.4 M)	Compliance management software	New project to assist staff in performing and tracking SCADA compliance activities in a single system.
$5.2 M		Total decrease in capital additions

Amount favorable (unfavorable)	Contingency appropriation	Description
($26 M)	Contingency appropriation	Increased the contingency appropriation from 10% to 20% of operating expenses and capital additions to increase board capabilities to take advantage of unforeseen opportunities and cover unforeseen expenses without the need for budget amendments.
($26 M)		Total increase in contingency appropriation

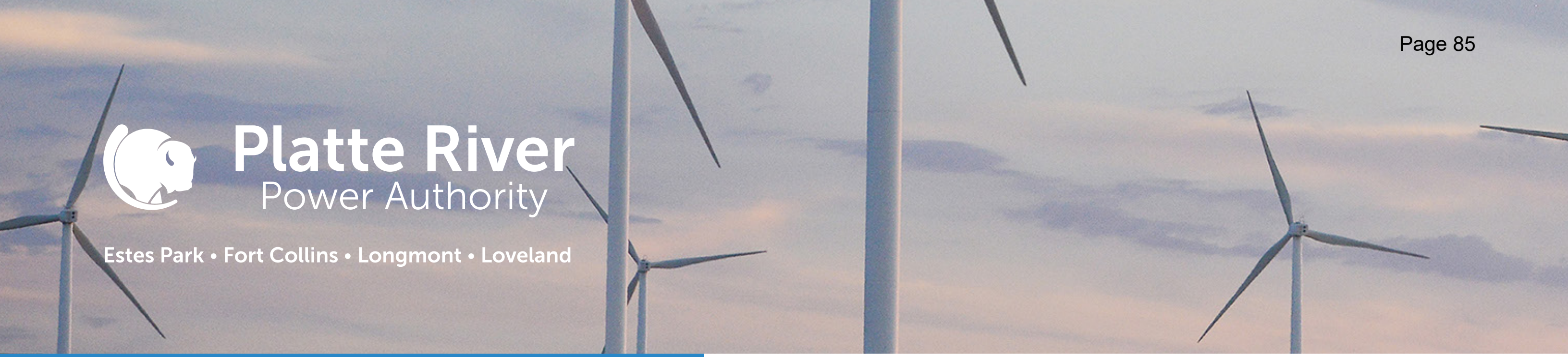
The following table summarizes the proposed 2023 Strategic Budget and outlines impacts from the current changes made to the revenue and expenditure categories as well as the contingency appropriation.

$ in thousands	Proposed budget	Prices & model update impacts	Other O&M net increase and contingency increase	Capital & depreciation, amortization & accretion impacts [1]	Favorable (unfavorable) changes	Updated proposed budget
Revenues						
Sales to owner communities	$ 224,082				$ -	$ 224,082
Sales for resale - long-term	14,889				-	14,889
Sales for resale - short-term	53,584				-	53,584
Wheeling	5,884	$ 281			281	6,165
Interest and other income	5,711	569			569	6,280
Total revenues	$ 304,150	$ 850			$ 850	$ 305,000
Operating expenses						
Purchased power	$ 55,302	$ 69	$ 118		$ 187	$ 55,115
Fuel	61,777	(899)			(899)	62,676
Production	52,153		(2,617)		(2,617)	54,770
Transmission	20,588		334		334	20,254
Administrative and general	30,821		(687)		(687)	31,508
Distributed energy resources	13,639		(150)		(150)	13,789
Total operating expenses	$ 234,280	$ (830)	$ (3,002)		$ (3,832)	$ 238,112
Capital additions						
Production	$ 14,285			$ 6,268	$ 6,268	$ 8,017
Transmission	4,301			(340)	(340)	4,641
General	8,976			(681)	(681)	9,657
Asset retirement obligations	52				-	52
Total capital additions	$ 27,614			$ 5,247	$ 5,247	$ 22,367
Total operating expenses and capital additions	$ 261,894	$ (830)	$ (3,002)	$ 5,247	$ 1,415	$ 260,479
Debt expenditures	$ 17,783				$ -	$ 17,783
Total expenditures	**$ 279,677**	$ (830)	$ (3,002)	$ 5,247	$ 1,415	$ 278,262
Contingency appropriation [2]	**$ 26,000**		$ (26,000)		$ (26,000)	$ 52,000
Total expenditures and contingency appropriation	**$ 305,677**	$ (830)	$ (29,002)	$ 5,247	$ (24,585)	$ 330,262
Net income	**$ 24,682**	**$ 20**	**$ (3,002)**	**$ 673**	$ (2,309)	$ 22,373

(1) Depreciation, amortization and accretion expense decreased by approximately $673K impacting net income.

(2) Contingency appropriation reflects an increase from 10% to 20% of operating expenses and capital additions.

Attachment



2023 strategic budget at a glance

Public hearing

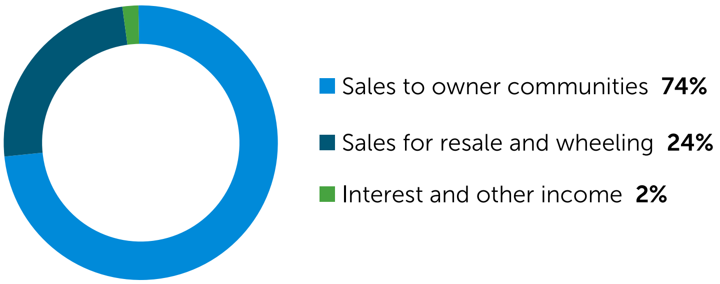
The Platte River Power Authority 2023 Strategic Budget is produced in alignment with the long-range strategic plan, under the direction of the organization's leadership, to provide community leaders, stakeholders and the public with a transparent roadmap of Platte River's tactical, operational and capital plans for the coming year.

The foundation for Platte River's 2023 budget represents ongoing investments to transform the organization based on its strategic initiatives and core operations. These are aligned with Platte River's core pillars of system reliability, environmental responsibility and financial sustainability. The pillars guide the decision-making process that directs the resource allocations, revenues and expenses detailed in the budget.

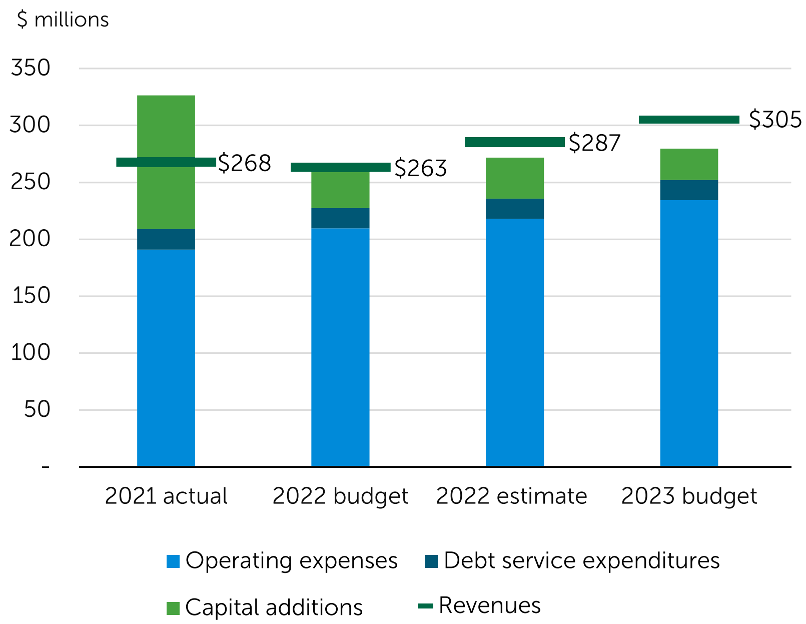
Expenses are managed from a broad perspective with the goal of operating the system in a safe, compliant and reliable manner while expanding environmental stewardship. Platte River communicates and collaborates with the owner communities to align processes and outcomes to the benefit of all customers.

Platte River's budget includes $305 million in revenues and $278.3 million in expenditures consisting of operating, capital and debt. Of the $260.5 million in operating expenses and capital additions, approximately 86% and 14% are allocated to activities supporting core operations and strategic initiatives, respectively.

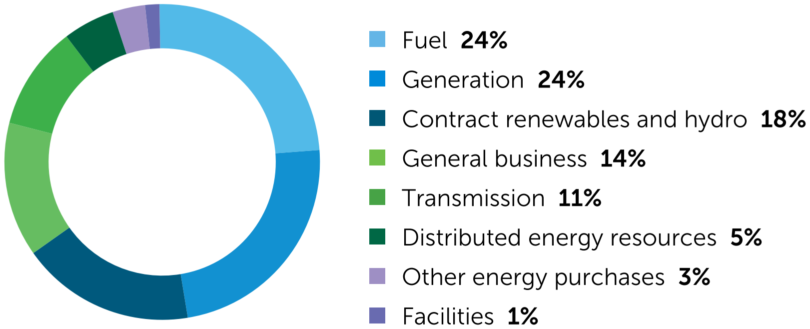
Revenues



Revenues and expenditures



Operating and capital additions



Platte River's core pillars

Reliability

Environmental responsibility

Financial sustainability

Strategic initiatives

$37.1 million, 14% of operating and capital

- Enhanced customer experience, $13.1 million, 5%
- Communications and community outreach, $3 million, 1%
- Resource diversification and alignment, $13 million, 5%
- Infrastructure advancement and technology development, $8 million, 3%

Activities

- DER integration, including selection and beginning implementation of a DERMS, and energy efficiency programs
- Public engagement, 50th anniversary, electric vehicle (EV) microsite, marketing DER and efficiency program participation
- 2024 IRP development, WEIS participation including market purchases, operational flexibility, workforce transformation and development, coal optimization
- ERP, fiber optic system capacity and performance expansion

Core operations

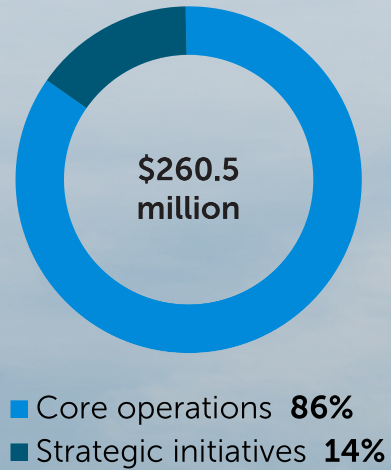
$223.4 million, 86% of operating and capital

- Generation, including fuel, $137.6 million, 53%
- Transmission, $32.9 million, 13%
- Energy purchases including wind, hydropower and solar energy, $52.9 million, 20%

Activities

- Rawhide Energy Station and Craig Generating Station preventive, proactive maintenance and capital improvements for reliability, efficiency and environmental compliance including Rawhide Unit 1 scheduled minor maintenance outage, Craig Unit 2 six-week scheduled maintenance outage and accrual of new monofill closure and post-closure care costs
- Continued generation from wind and solar resources under PPAs
- Proactive capital investments including dust collection, Rawhide Unit 1 simulator upgrade, Trapper Mine reclamation, transmission line rebuild and transformer replacements
- Staffing additions to support organization changes and strategic initiatives

Operating expenses and capital additions



Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

To: Board of directors

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

Subject: **Strategic Plan update**

Preparations for our next strategic plan are underway, largely focused on tactical and refined approaches from our prior strategic planning process. This strategy presentation will outline next steps in the planning process, incorporating feedback from the board's February 2022 work session with Moss Adams and enterprise-wide employee work sessions and focus groups to create organizational alignment as we reach the final implementation stage. We will outline the core areas identified in our planning and seek board feedback.

This presentation is informational only and no action is required.

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 10/19/2022

To: Board of directors

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

Subject: **Distributed solar and storage options**

Platte River staff will present an outline of a business model Platte River will provide to the owner communities for distributed solar and storage resource options upon request. Staff will be available to answer questions on this topic during the October board meeting.

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

Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Performance dashboard

Sept. 30, 2022 (YTD)

Reliability

Transmission
100%
There was no loss of load to Platte River's owner communities

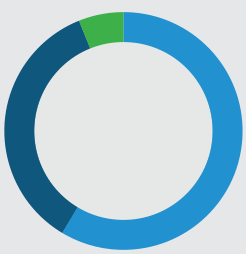
Fiber communications
0
There were no communication outages to Platte River's owner communities

Rawhide Unit 1
96.61%
Adjusted equivalent availability factor, no controllable outages
Goal ≥ 97%

Rawhide combustion turbines
99.03%
Delivery reliability
Goal ≥ 90%

Environmental responsibility

System total



- Carbon **58.6%**
- Noncarbon **35.3%**
- Purchases **6.1%**

2022 noncarbon goal is 36.3%

Energy savings from completed projects

11,786 MWh saved

.5% of Platte River's YTD actual load

42% of goal achieved

The Efficiency Works 2022 budgeted energy savings goal is **28,000 MWh, .9% of Platte River's annual budgeted load**

Financial sustainability

Credit rating: **AA**

25.5	2.90x	28%	416
Net income ($ millions)	**Fixed obligation charge coverage ratio**	**Debt ratio**	**Unrestricted days cash on hand**
Target annual minimum $6.3 million	**Target annual minimum** 1.50x	**Target minimum** Less than 50%	**Target minimum** 200 days

2022 strategic financial plan indicators

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Legal, environmental and compliance report

September 2022

Platte River
Power Authority

Overview of recent developments

Legal matters

El Paso Electric Co. v. Federal Energy Regulatory Commission

This lawsuit concerns the cost allocation provisions of the WestConnect Planning and Participation Agreement, which allow utilities not regulated by the Federal Energy Regulatory Commission (FERC) to opt out of cost allocation for regional transmission projects. Platte River took part in settlement negotiations to modify the cost allocation and governance provisions of the Planning and Participation Agreement. The utilities agreed on settlement principles in 2019 but FERC has not yet acted on the settlement. On Sept. 21, 2022, the court ordered the case stayed for another 90 days to allow FERC to act. The parties to the case sent a letter to FERC requesting prompt action on the settlement because the court will grant no further stays. 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.

Grant opportunities

There are no new developments on grant opportunities to report.

Monitoring – status unchanged

Page 4 of this document provides a list of matters previously reported but unchanged since our last report.

Recently concluded matters

Page 6 of this document provides a list of matters that have concluded within the last three months.

Platte River Power Authority

Active matters

Legal matters

El Paso Electric Co. v. Federal Energy Regulatory Commission

Background:

Federal Energy Regulatory Commission (FERC) Order 1000, issued in 2011, requires FERC-jurisdictional utilities to create regional transmission planning organizations to plan transmission expansions and allocate costs to the beneficiaries of the new transmission projects. Although Platte River is not subject to FERC jurisdiction, Platte River is a party to the WestConnect Planning and Participation Agreement along with other FERC-jurisdictional and non-jurisdictional utilities in the planning region (Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming).

The lawsuit concerns the cost allocation provisions of the Planning and Participation Agreement, which allow non-FERC jurisdictional utilities (Coordinating Transmission Owners or CTOs) to opt out of cost allocation for regional transmission projects. In December 2018, El Paso Electric Co. and several other FERC-jurisdictional utilities filed appeals in the Fifth Circuit Court of Appeals (Fifth Circuit) challenging FERC's approval of the WestConnect cost allocation provisions. The appeals claim CTOs' ability to opt out of cost allocation could impose unjust and unreasonable rates on FERC-jurisdictional participants.

Platte River took part in settlement negotiations between the jurisdictional and non-jurisdictional utilities to modify the cost allocation and governance provisions of the Planning and Participation Agreement, and the utilities agreed on settlement principles. On Nov. 20, 2019, the Fifth Circuit stayed the case to allow the utilities to incorporate the settlement principles into tariff language. On Feb. 16, 2022, the FERC-jurisdictional utilities filed a full settlement agreement with FERC. But on Feb. 24, 2022, the Fifth Circuit denied a motion to continue the stay and ordered briefing to resume.

Current Status:

FERC has not yet acted on the settlement. The Fifth Circuit scheduled oral argument for the week of Oct. 3, 2022, but on Sept. 21, 2022, ordered the case stayed for another 90 days to allow FERC to act. The parties to the case sent a letter to FERC requesting prompt action on the settlement because the Fifth Circuit will grant no further stays.

Environmental matters

There are no active environmental matters to report.

Platte River Power Authority

Compliance matters

There are no active compliance related matters to report.

Grant opportunities

There are no active grant opportunities to report.

Platte River
Power Authority

Monitoring—status unchanged

Legal matters

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

On Aug. 15, 2022, FERC approved a settlement agreement with Public Service Company of Colorado (PSCo) and other parties, including Platte River. Further discussions of the mechanics of the flex reserve pool are on hold until the parties to the settlement have more information about how the concept will work in the Western Energy Imbalance Service (WEIS) market, which the parties will enter in April 2023.

Inflation Reduction Act direct pay provisions

Platte River is working with our trade associations and our staff to better understand the law and how we can benefit from the direct pay provisions.

Western Area Power Administration Rate Order 202

Platte River submitted its written comments to WAPA on Aug. 23, 2022. We will update the board when WAPA issues a final order.

Contractual arrangements for Platte River to provide technical support services to owner communities

The Loveland city council approved the technical support services agreement between Platte River and Loveland on Aug. 16, 2022. Platte River is working with the other owner communities to update agreements as needed.

Western wholesale market activities

On June 28, 2022, the Colorado Public Utilities Commission (PUC) issued a Notice of Proposed Rulemaking to implement Senate Bill 21-072, a 2021 bill requiring PUC-jurisdictional transmission utilities to participate in organized wholesale markets by 2030. Although Platte River is not directly affected by this proposed rule, the rule will likely shape how PSCo and others participate in the WEIS or other markets, including a regional transmission organization. Platte River will closely watch the rulemaking and other market developments in the West.

Federal Energy Regulatory Commission Notices of Proposed Rulemaking – Regional Transmission Planning and Generator Interconnection Reform

There are no new developments in this matter.

Platte River Power Authority

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

There are no new developments in this matter since our last report. Oral arguments on various motions for summary judgment were held Oct. 7, 2022. Platte River anticipates that a decision may come fairly quickly after this hearing, at which time we will update the board on the result.

Environmental matters

Groundwater and waste management

Platte River is continuing to monitor groundwater and proceed with lining and improvements at the monofill. There have been no new developments since our last report.

Compliance matters

There are no compliance-related matters in monitored status this month.

Grant opportunities

There are no grant related opportunities being monitored this month.

Platte River
Power Authority

Recently concluded matters (last three months)

Legal matters

Colorado's Power Pathway

On March 2, 2021, PSCo filed an application for a Certificate for Public Convenience and Necessity (CPCN) with the PUC to construct Colorado's Power Pathway 345 kV Transmission Project (Pathway Project). The Pathway Project is a proposed 560-mile, 345 kV double-circuit set of network transmission facilities between four existing substations and three new substations in eastern Colorado from approximately Pueblo to St. Vrain.

Platte River intervened at the PUC in April to support the CPCN on general policy grounds, including the need for additional transmission to integrate intermittent renewable generation as proposed in Platte River's 2020 Integrated Resource Plan. The PUC granted the CPCN, and as of July 20, 2022, the almost $2 billion Pathway Project may move forward as previously approved.

Environmental matters

Subpart YYYY formaldehyde rule for turbines

On March 9, 2022, the United States 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 (Formaldehyde Rule). Sources had until Sept. 5, 2022, to demonstrate compliance.

On Aug. 29, 2022, the EPA approved Platte River's petition to demonstrate compliance with no further operating limitations. Platte River has submitted the results of its July compliance testing, which demonstrated that Units D and F comply with the Formaldehyde Rule.

Compliance matters

There are no recently concluded compliance matters.

Grant opportunities

There are no recently concluded grant opportunities.

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Transition and integration report

September 2022

Resource integration

Platte River is currently negotiating revisions to the 150 MW Black Hollow Sun power purchase agreement; this is to ensure the 150 MW solar project remains on its current schedule. It is currently scheduled to begin construction by mid-2023 with a commercial operation date of December 2024.

Platte River requested proposals for the purchase of an additional 100-125 MW of solar capacity and up to 25 MW of four-hour battery capacity in February 2022. Platte River delayed the evaluation of the proposals due to the Department of Commence investigation that solar panels assembled in southeast Asia are circumventing duties imposed on solar panels from China, and therefore violating anti-dumping rules. Passage of the Inflation Reduction Act of 2022 added to these delays. Platte River staff is currently evaluating the refreshed proposals of the top three bidders that were received on Sept. 9, 2022. Platte River has selected a preferred developer and is now negotiating a term sheet. Staff intends to finalize an agreement to purchase the output of this preferred project by late 2022.

The table below summarizes Platte River's most recent plan for additional resources to meet our power supply objectives:

	2023	2024	2025	2026	2027	2028	2029	2030
Resources								
Rawhide 1	278	278	278	278	278	278	278	
Craig 1 & 2	151	151	151	151	74	74		
Peaking capacity	388	388	388	388	388	388	388	388
Existing wind	231	231	231	231	231	231	231	285
Existing solar	52	52	52	52	52	52	52	52
New solar		150	150		125			
New wind				125		100		100
New storage				100		100		
New dispatchable capacity						166		

DER system integration

Platte River and its owner communities share a vision of integrating distributed energy resources (DER) into the electric system through collaboration and coordination between the owner communities and Platte River to provide value to all customers.

The DER planning forecast shown in the table below indicates anticipated DER magnitude. Planning is underway to develop solutions that make these resources integral parts of the electric system. This work is taking place through the DER Committee and DER Planning and Programs teams, which include leadership and staff from Platte River and each owner community.

Platte River and the owner communities began work on the DER gap assessment and roadmap project in August 2022, with the consulting support of Utilicast. In the first phase, Utilicast worked with Platte River and the owner communities to confirm and document drivers, goals and desired outcomes for DER integration. Work has also begun on the next step in the process, which is to identify the courses of action required to produce the desired outcomes and achieve the goals. This will lead to the identification of the technologies required to support the courses of action and a gap assessment comparing the technologies currently in place to those required.

The DER department, in consultation with the DER team, is commissioning a new DER forecast and potential study. The study will consider a broad range of DER types including transportation electrification, building electrification, distributed generation, distributed storage, demand response and energy efficiency. Results of the study will feed into the 2024 Integrated Resource Planning process and will inform DER system integration work. For example, the study will provide information on how DER adoption will affect future load growth and load shapes, which will inform Platte River resource planning and may be useful for distribution system planning. In addition, the study will provide information on DER approaches that may be cost-effective alternatives to investment in supply-side solutions (*e.g.*, generation, transmission, and distribution).

Platte River has hired one of the two new DER department staff positions. A new Distributed Energy Resources Services Manager began on Oct. 10, 2022 and reports to the DER department manager. Staff continues to work to fill the remaining position. These new positions are critical to manage the growing work in DER system integration.

Staff recently attended the Mobility Transformation Summit held in Denver. This was a continuation and expansion of the discussion initiated in August by E Source, the California Mobility Center and CableLabs, to discuss the convergence of interest around facilitating electrification of the transportation sector. The summit included participants from utilities, businesses that install and operate electric vehicle (EV) charging infrastructure, broadband data providers, EV manufacturers, other EV/DER solution providers and a variety of state and federal agencies involved in transportation or electric utilities. The group discussed challenges associated with transportation electrification, including difficulty sharing appropriate customer data (*e.g.*, electric vehicle charging data) and providing EV charging infrastructure where needed and sustainable electric rates. The group agreed on common areas of interest for potential collaboration: providing a unified customer experience, developing a data exchange model for all entities involved in providing services to EVs and integrating equity perspectives into all actions and workforce development. Platte River will participate in follow-up discussions with the Large Public Power Council’s Emerging Trends Task Force and the summit sponsors to determine potential next steps.

DER planning forecast (noncoincident MW)

	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Distributed Generation	-38	-46	-55	-64	-72	-79	-85	-90
Electric vehicles	10	12	16	21	27	35	44	55
Building electrification (winter)	0	1	1	3	5	8	13	20
Demand response	0	-2	-5	-10	-15	-23	-30	-30

*Positive values indicate increases to loads. Negative values indicate reductions to load or the addition of generation.

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Operating report

September 2022

Executive Summary

Owner community load

September began with warm temperatures, resulting in owner community demand and energy coming in above budget. 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 significantly below budget, due to above budget surplus sales pricing. Year to date, the net variable cost to serve load is well below budget.

Thermal resources

Rawhide Unit 1 had an outstanding operational month with no curtailments or unplanned outages. As a result, equivalent availability factor and net capacity factor were both above budget for the month. Year to date, Rawhide equivalent availability and net capacity factors are slightly below budget.

Craig Unit 1 had a three-day forced outage due to fan issues. Both Craig units experienced numerous curtailments, due to induced draft fan issues, relative accuracy test audit testing, loss of mills, and primary air fan issues. Craig equivalent availability factor was slightly below budget and net capacity factor was significantly above budget for the month. Year to date, Craig equivalent availability factor is slightly below budget and net capacity factor is significantly above budget.

The combustion turbines were run to facilitate sales during the first part of the month, when the weather was warm and there was a high demand for surplus energy throughout the region. Equivalent availability factor for the units was below budget and net capacity factor was significantly above budget for the month. Year to date, CT equivalent availability factor is below budget and net capacity factor is above budget.

Renewable resources

Wind and solar generation came in well below budget for the month, resulting in net capacity factor below budget. Year to date, wind and solar generation are above budget and net capacity factors for both wind and solar generation are above budget. The battery associated with the solar farm was charged and discharged daily throughout the month.

Surplus sales

Surplus sales started out exceptionally strong for the month, with a high demand for surplus energy having driven the volume of surplus sales up above budget and pricing extraordinarily high for that time of year. Overall surplus sales volume is below budget and surplus sales pricing is significantly above budget, year to date.

Purchased power

Overall purchased power volume was significantly below budget for the month, with most energy having been purchased through joint dispatch. Purchased power pricing was above budget for the month, both for bilateral purchases and joint dispatch purchases. Purchased power volume is significantly below budget and pricing is significantly above budget, year to date.

Total resources

Total blended resource costs were significantly above budget for the month, as hydropower, solar, coal, and other purchases came in above budget. Variable cost per MWh of combustion turbine generation was significantly below budget, but natural gas pricing was considerably higher than anticipated which elevated the overall blended resource costs. Dispatch costs are above budget, year to date.

Variances

Category	September variance		YTD variance	
Owner community demand	14.4%	●	5.6%	●
Owner community energy	2.2%	●	1.6%	◆
Wind generation	(14.5%)	■	4.1%	●
Solar generation	(13.5%)	■	5.3%	●
Net variable cost to serve owner community load	71.1%	●	16.5%	●

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

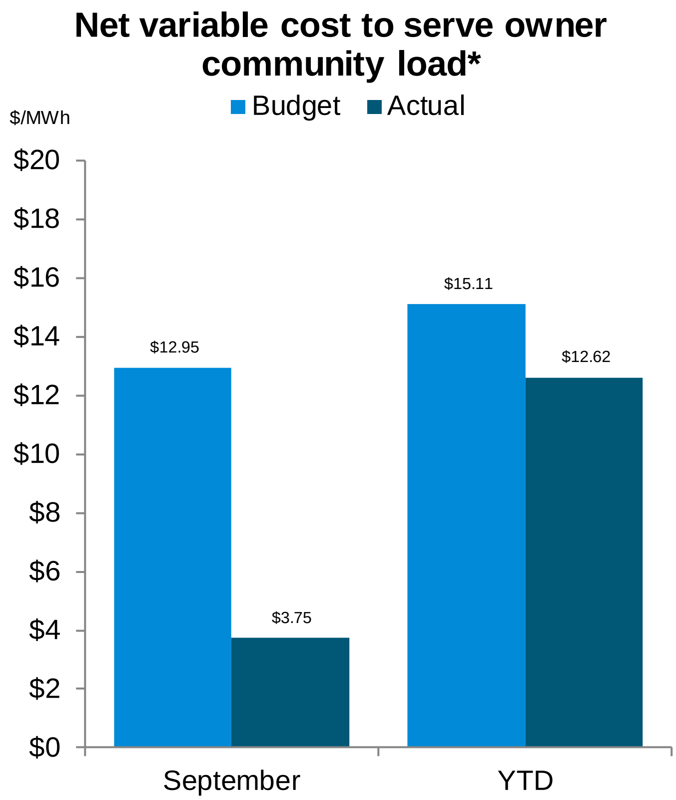
Loss of load

System disturbances

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

2022 goal		September 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.**

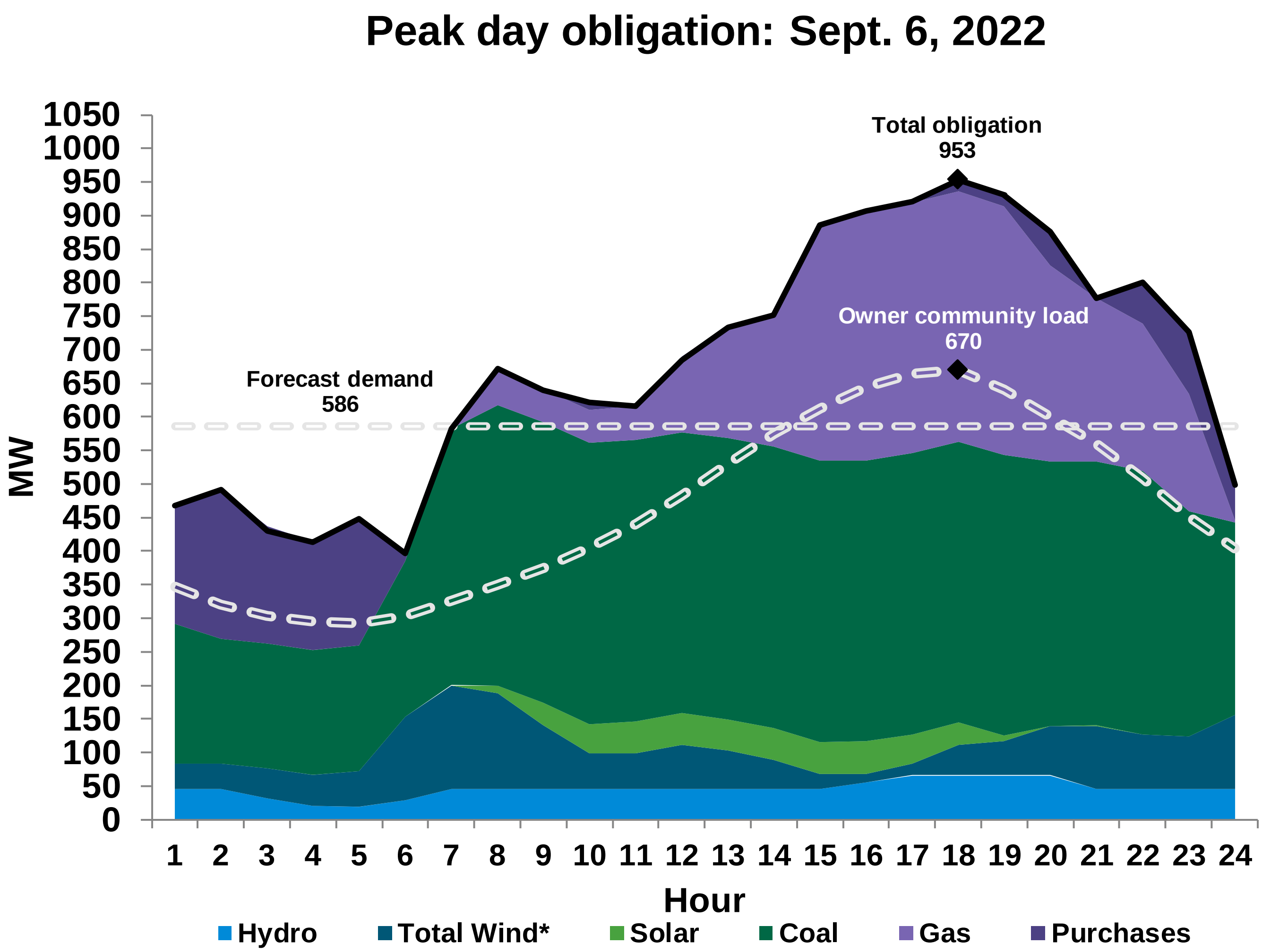
Events of significance

- There were 73 switching events for September; 11 were cancelled.
- Power Delivery hosted the 2022 JTAC meeting for the first time in three years.
- The removal of the entire Loveland West Substation and equipment was completed.
- The Laramie River Station – Ault line tripped and reclosed on Sept. 9. No cause was reported.
- Transmission power system operators participated in 1,945 phone and radio interactions.
- Transformer testing and maintenance for Rawhide transformers serving CT units A and B were completed.
- The airflow spoiler installation on the Longs Peak-Fort St. Vrain transmission line was completed, providing greater system reliability during severe storms and icy conditions.
- September started off with warmer than anticipated weather which drove up the demand and pricing for surplus sales. This resulted in the highest monthly gross revenues for surplus sales since 2000.
- There was a wildfire near the Rawhide – Laporte 230 kV lines on Sept. 8. Studies showed that, if the lines tripped, the Rawhide Plant Injection Limit would need to be reduced to 476 MW. The fire burned away from the lines which removed any possible risk to Platte River's system.
- A fire was reported under WAPA's Flatiron – Foothills – Valley 115 kV line on Sept. 20. Reclosers were turned off, as a precaution. The fire was contained with no damage to the line. If the line had been damaged, it would have left Estes Park loads only being fed from the tunnel.
- The annual disaster recovery drill was successfully conducted on Sept. 26. Applicable NERC standards mandate that reliability entities have back-up facilities which allow the companies to maintain reliable operations, in the event of their primary control centers functionality being lost. The standards also require periodic testing.
- The Craig – Bonanza 345 kV line tripped on Sept. 5. Platte River's TOT 1 share went to zero, but the line returned to service 11 minutes later. On Sept. 14 the Craig – Bonanza 345 kV line tripped again. Platte River's TOT 1 share went to zero, and the line returned to service several hours later. No cause was reported. Platte River's share was returned to normal when the line was restored.

Peak day

Peak day obligation

Peak demand for the month was 670 megawatts which occurred on Sept. 6, 2022, at hour ending 18:00 and was 84 megawatts above budget. Platte River's obligation at the time of the peak totaled 953 megawatts. Demand response was not called upon at the time of peak.



*** 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.**

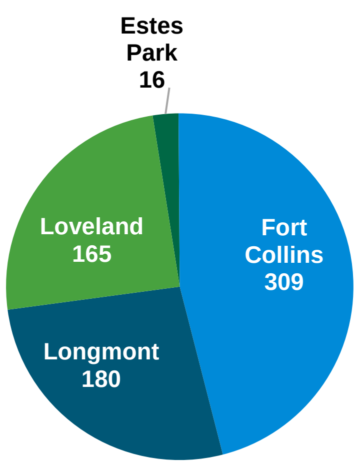
Owner community loads

	Sept. budget	Sept. actual	Minimum	Actual variance	
Coincident demand (MW)	586	670	496	14.3%	●
Estes Park	16	**16**	14	0.0%	◆
Fort Collins	262	**309**	229	17.9%	●
Longmont	165	**180**	139	9.1%	●
Loveland	143	**165**	114	15.4%	●
Non-coincident demand (MW)	592	675	502	14.0%	●
Estes Park	18	18	**20**	0.0%	◆
Fort Collins	266	**309**	229	16.2%	●
Longmont	165	**182**	139	10.3%	●
Loveland	143	**166**	114	16.1%	●
Energy sales (MWh)	260,046	265,648		2.2%	●
Estes Park	9,328	9,386		0.6%	◆
Fort Collins	123,351	124,295		0.8%	◆
Longmont	67,234	69,591		3.5%	●
Loveland	60,133	62,376		3.7%	●

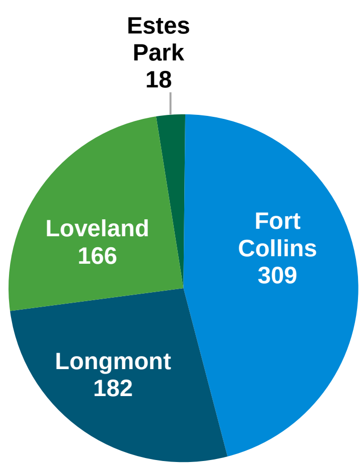
Variance key: Favorable: ● >2% | Near budget: ◆ +/- 2% | Unfavorable: ■ <-2%

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.

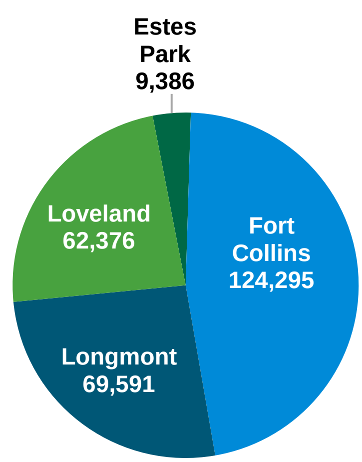
Actual September coincident demand = 670 MW



Actual September non-coincident demand = 675 MW

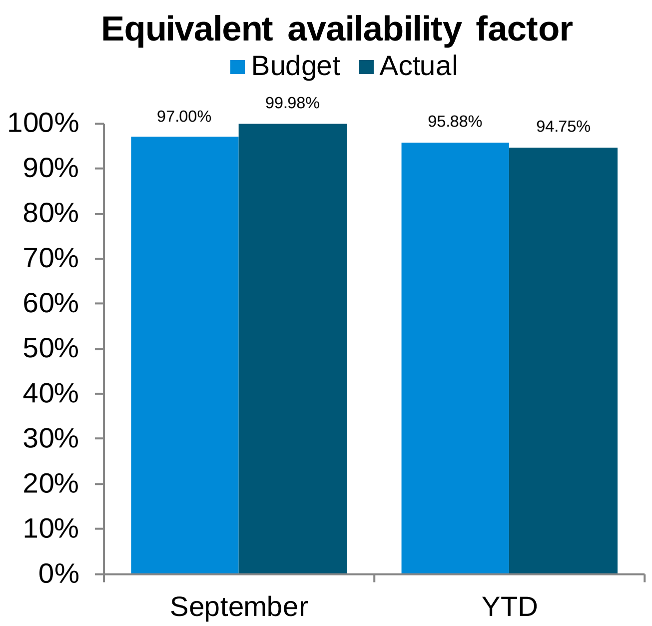


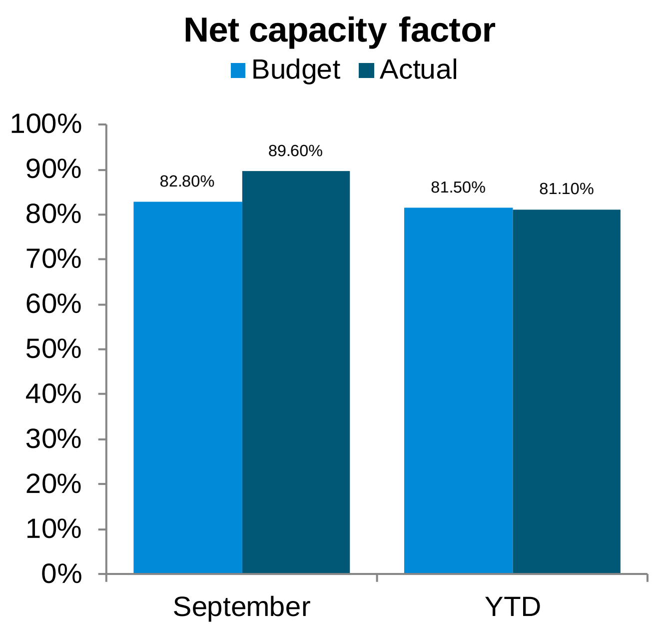
Actual September energy sales = 265,648 MWh



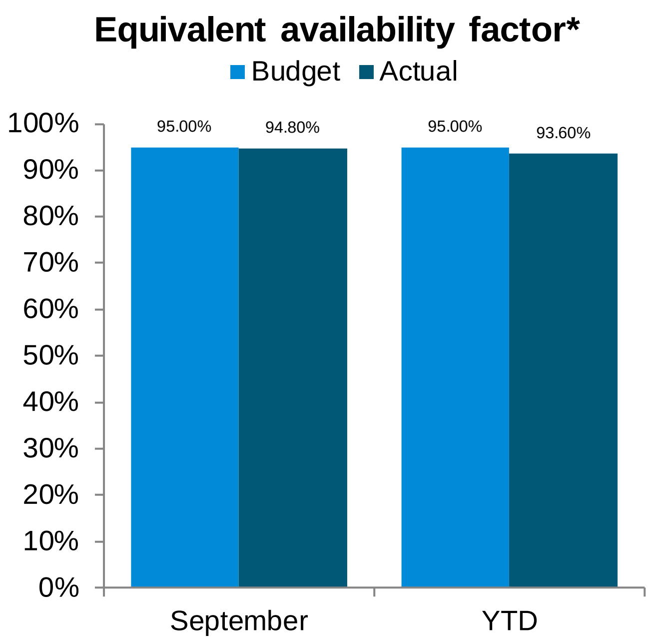
Thermal resources

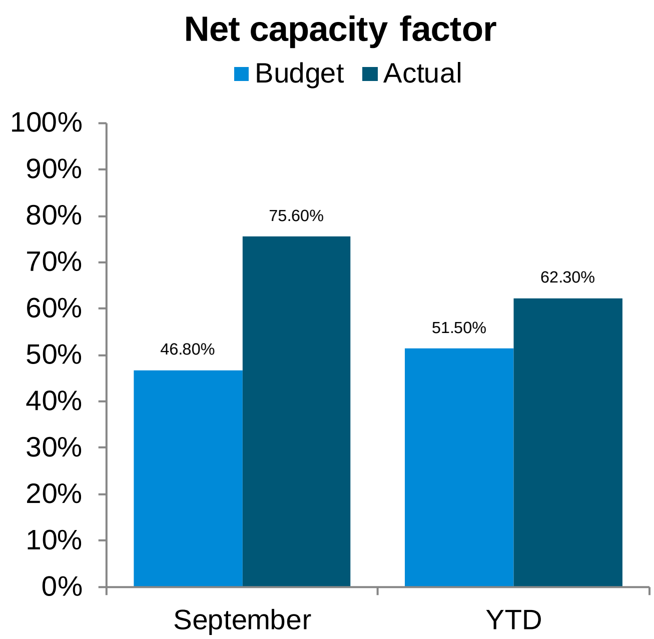
Power generation - Rawhide





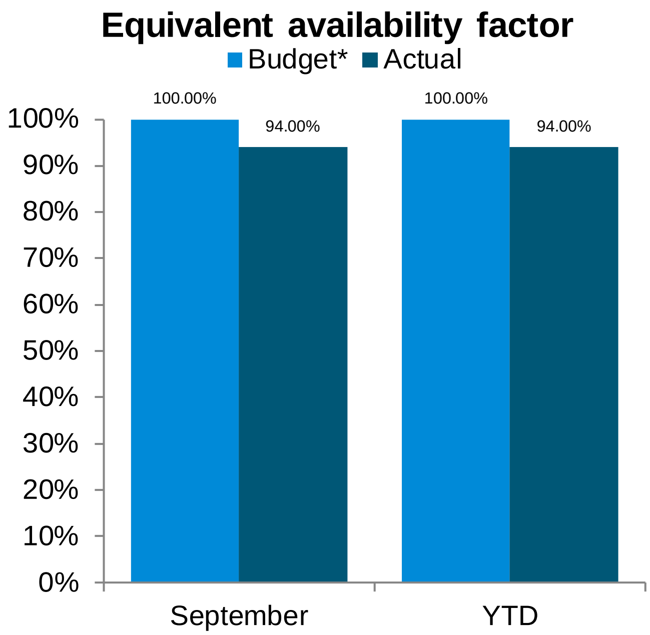
Power generation - Craig



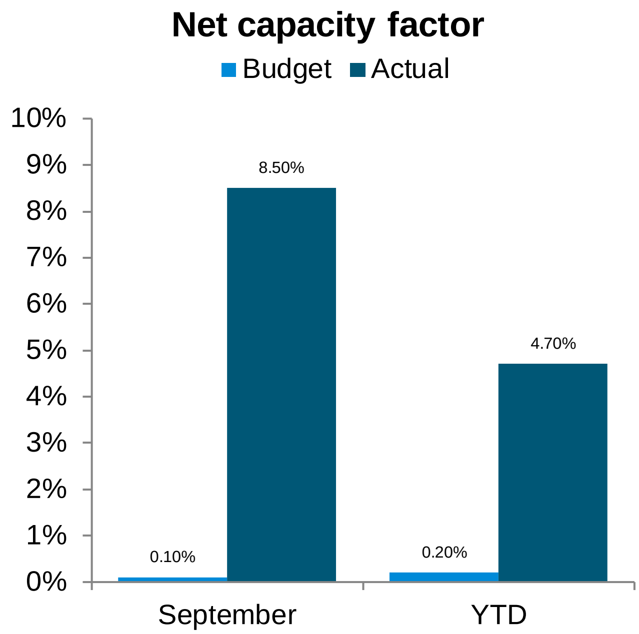


*** Estimated due to a delay of the actual results**

Power generation – combustion turbines

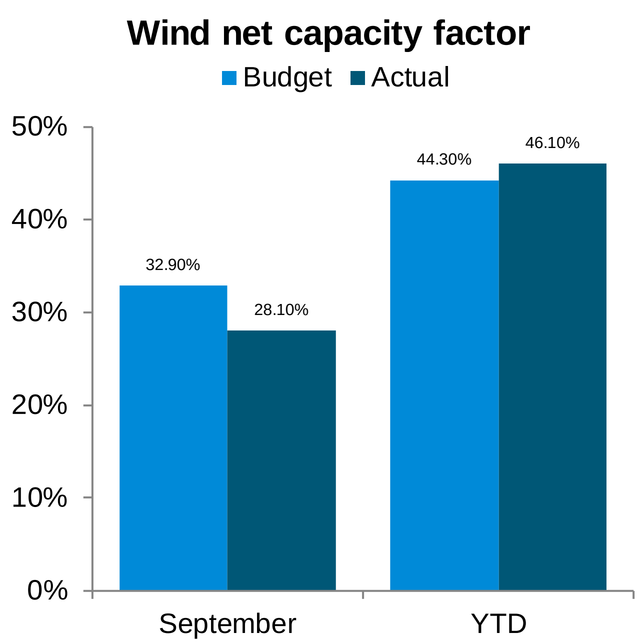


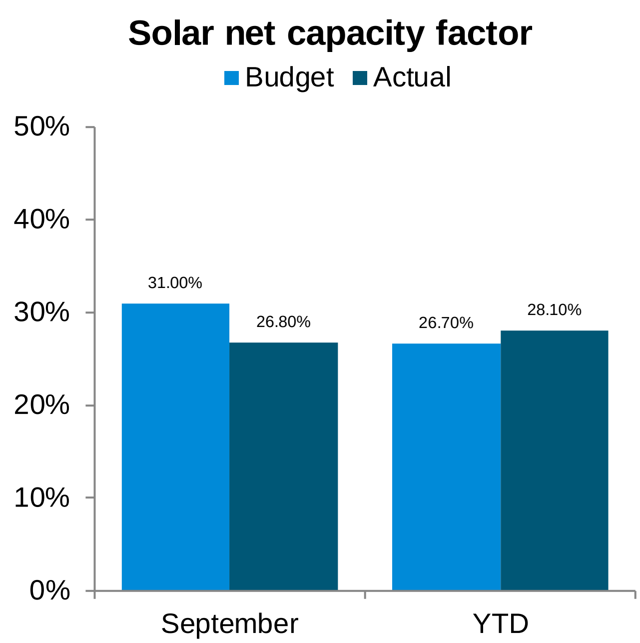
*No budgeted outages



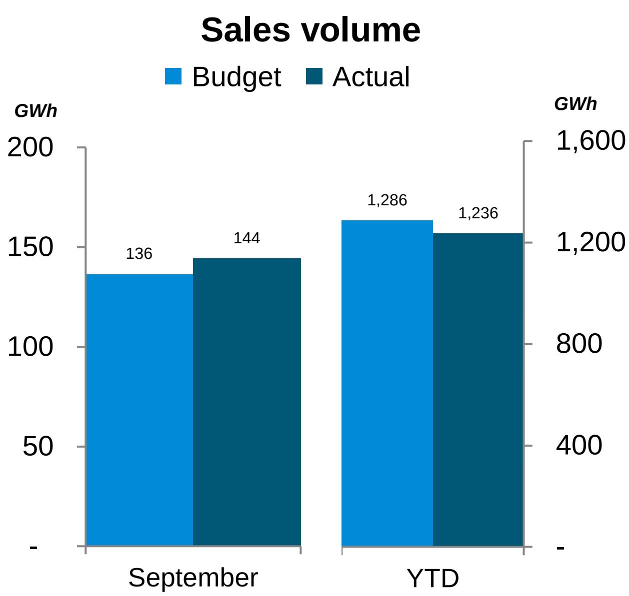
Renewable resources

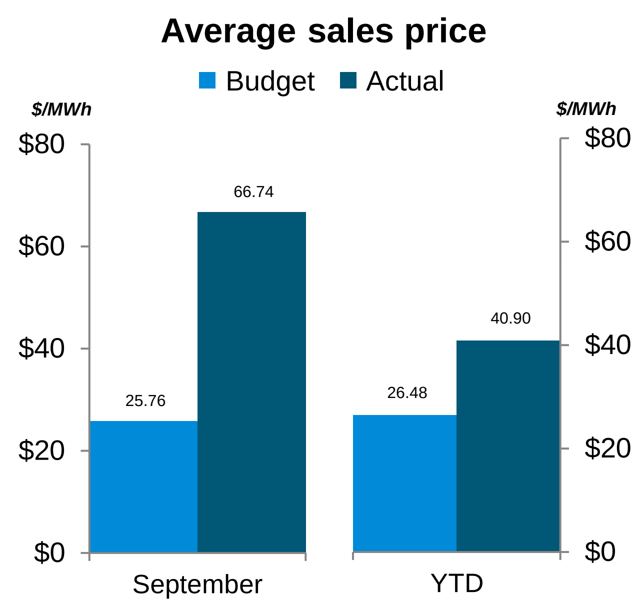
Power generation – wind and solar production



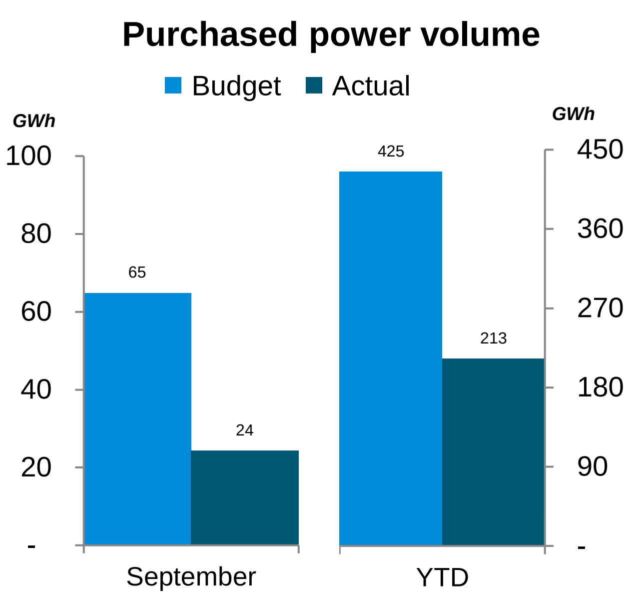


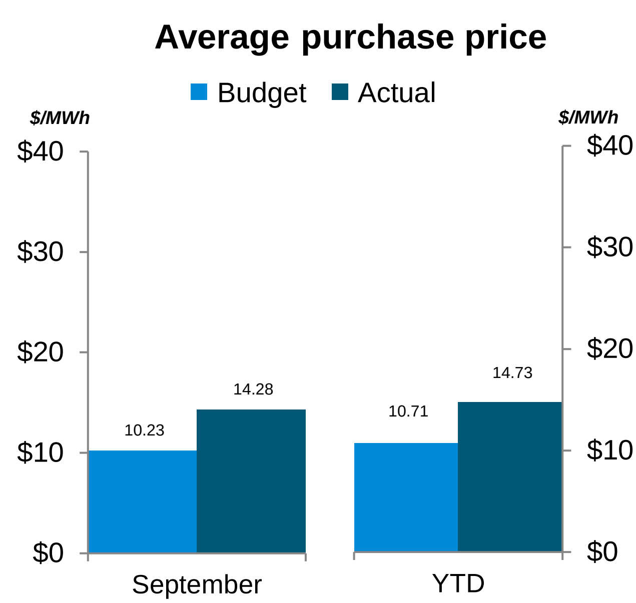
Surplus sales





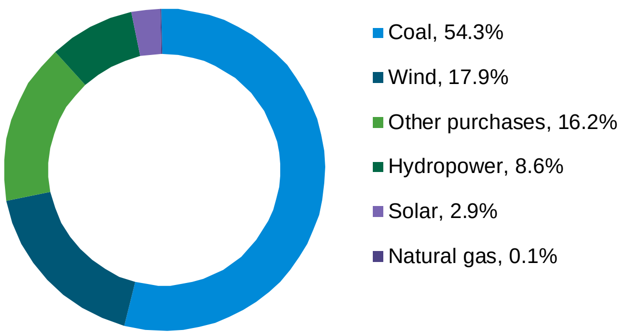
Purchased power



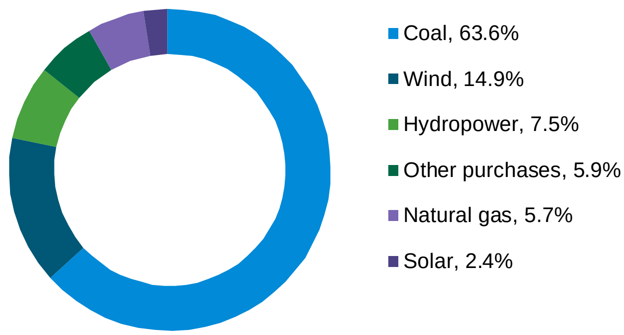


Total resources

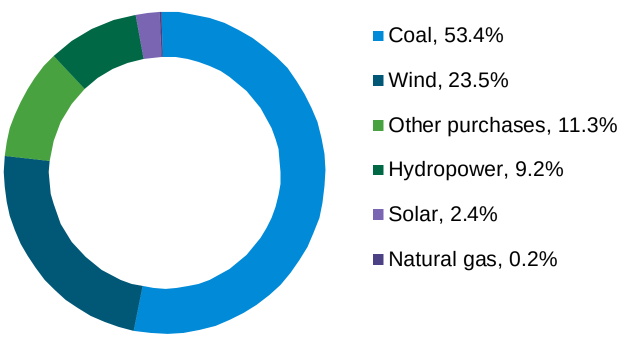
September generation budget



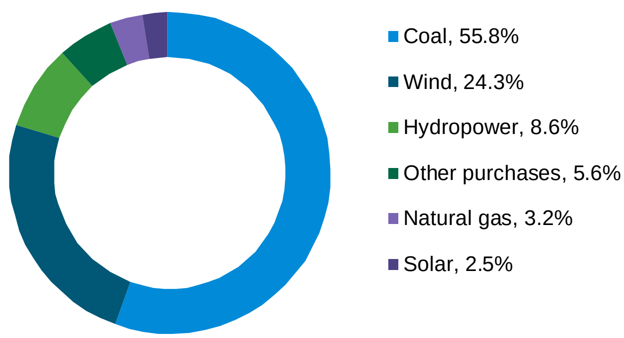
September generation actual

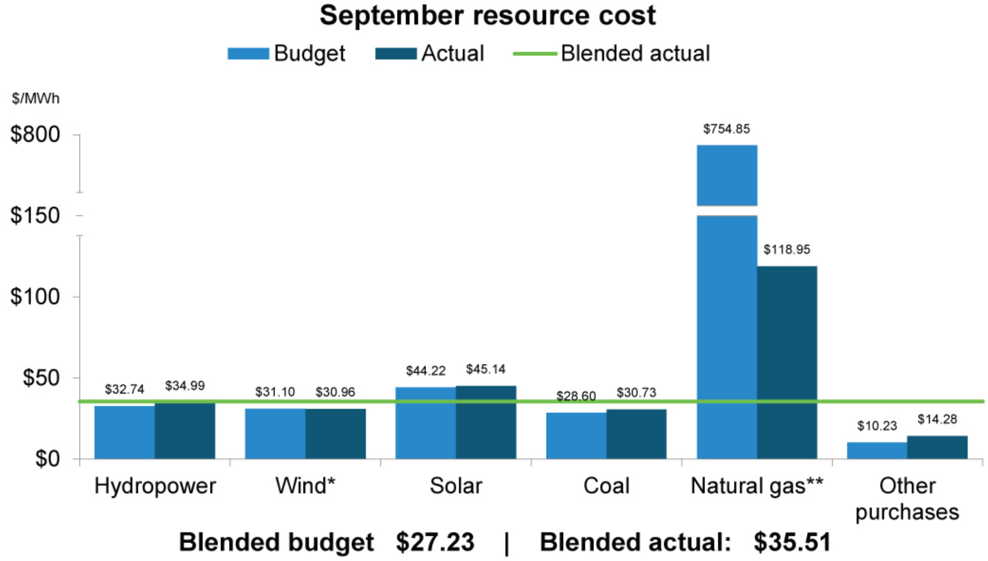


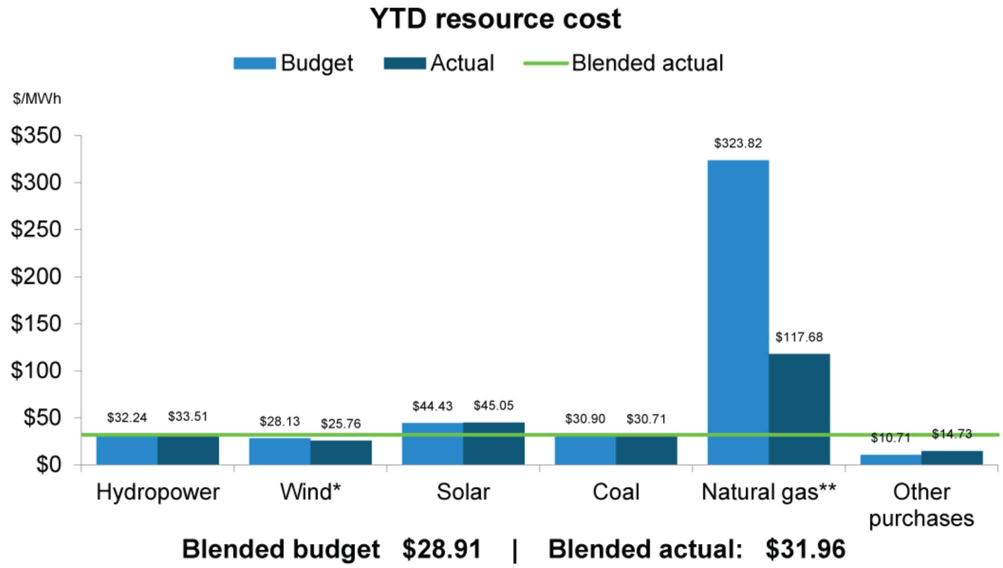
YTD budget



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.**

**** September budgeted natural gas pricing was $3.95/MBtu while actual was $9.04/MBtu. YTD budgeted natural gas pricing was $4.24/MBtu while actual was $8.35/MBtu. 2022 annual budgeted natural gas pricing is $4.21/MBtu.**

Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Financial report

September 2022

Financial highlights year to date

Platte River reported favorable results year to date. Net income of $25.5 million was favorable by $12.3 million compared to budget due to above-budget revenues, partially offset by above-budget operating expenses and 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 $24.4 million, but ranges from $22.2 million to $28.8 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 significantly higher market prices and are anticipated to end the year above budget. Wind and solar generation continues to be above budget, however lower joint dispatch agreement purchases and a rate true-up in reserves will result in purchased power ending the year below budget. Fuel will end the year above budget due to higher generation and 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. Depreciation, amortization and accretion will end the year above budget as asset retirement obligation costs were updated and remaining useful lives of certain assets were refined. Total operating expenses in all cases are projected to be above budget. In the expected case, operating expenses are projected to be $9.4 million above budget and a contingency transfer appropriation will be required. The low and high projections are based on higher variability in revenues and expenses than the expected projection.

Financial projection	YTD variance Sept. 30, 2022	Variance projection (Oct-Dec)	Total variance projection	Net income projection	Variance from budget *
Expected	$ 12.3	$ (1.6)	$ 10.7	$ 24.4	78%
Low	$ 12.3	$ (3.8)	$ 8.5	$ 22.2	62%
High	$ 12.3	$ 2.8	$ 15.1	$ 28.8	110%

Amounts above are in millions

*Net income budget = $13.7 million

Key financial results ($ millions)	September Budget	September Actual		Favorable (unfavorable)		Year to date Budget	Year to date Actual		Favorable (unfavorable)		Annual budget
Net income	$ 2.5	$ 4.8	●	$ 2.3	92.0%	$ 13.2	$ 25.5	●	$ 12.3	93.2%	$ 13.7
Bond service coverage	3.90x	6.94x	●	3.04x	77.9%	3.23x	4.70x	●	1.47x	45.5%	3.01x
Fixed obligation charge coverage	2.59x	4.40x	●	1.81x	69.9%	2.15x	2.90x	●	.75x	34.9%	2.03x
Budget results											
Total revenues	$ 21.9	$ 30.0	●	$ 8.1	37.0%	$ 199.1	$ 222.9	●	$ 23.8	12.0%	$ 263.2
Sales to owner communities	17.7	18.9	●	1.2	6.8%	158.4	163.3	●	4.9	3.1%	208.0
Sales for resale - long-term	1.5	2.4	●	0.9	60.0%	13.8	16.2	●	2.4	17.4%	18.7
Sales for resale - short-term	2.1	7.4	●	5.3	252.4%	21.7	35.8	●	14.1	65.0%	29.6
Wheeling	0.5	0.8	●	0.3	60.0%	4.4	5.4	●	1.0	22.7%	5.9
Interest and other income	0.1	0.5	●	0.4	400.0%	0.8	2.2	●	1.4	175.0%	1.0
Total operating expenses	$ 16.1	$ 19.6	■	$ (3.5)	(21.7%)	$ 156.1	$ 160.1	■	$ (4.0)	(2.6%)	$ 209.7
Purchased power	4.4	3.7	●	0.7	15.9%	42.6	38.7	●	3.9	9.2%	57.7
Fuel	3.0	7.5	■	(4.5)	(150.0%)	32.8	48.3	■	(15.5)	(47.3%)	44.5
Production	4.1	3.9	●	0.2	4.9%	38.0	35.5	●	2.5	6.6%	50.4
Transmission	1.4	1.7	■	(0.3)	(21.4%)	14.3	14.2	◆	0.1	0.7%	18.7
Administrative and general	2.0	2.3	■	(0.3)	(15.0%)	19.5	18.2	●	1.3	6.7%	26.0
Distributed energy resources	1.2	0.5	●	0.7	58.3%	8.9	5.2	●	3.7	41.6%	12.4
Capital additions	$ 3.3	$ 1.1	●	$ 2.2	66.7%	$ 27.8	$ 11.4	●	$ 16.4	59.0%	$ 38.9

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

Key budget variances year to date
(greater than 2% or less than (2%) variance)

Total revenues

- **Sales to owner communities** were above budget $4.9 million. Energy revenues were $2.5 million or 2.8% above budget due to above-budget energy. Demand revenues were $2.4 million or 4.1% above budget as non-coincident and coincident billing demand were above budget 3.9% and 3.7%, respectively.
- **Sales for resale - long-term** were above budget $2.4 million due to unbudgeted calls on a capacity contract and above-budget resold wind generation. Lower available baseload generation that serve contracts partially offset the above-budget variance.
- **Sales for resale - short-term** were above budget $14.1 million as average prices were 76.7% above budget, partially offset by 6.6% below-budget energy volume.
- **Wheeling** was above budget $1 million primarily due to the 2022 transmission rate which is higher than budgeted and unplanned point-to-point transmission sales, partially offset by network customers' actual demand and losses being lower than projected.
- **Interest and other income** was above budget $1.4 million primarily due to higher interest income earned on investments, a dividend from Trapper Mine, additional fiber revenues, unplanned sales of inventory and interconnection agreement applications.

Total operating expenses

- **Fuel** was $15.5 million above budget.

  Natural Gas 76% of the overall variance, $11.7 million above budget. The combustion turbine units were used to make sales, meet load requirements and replace Rawhide Unit 1's generation during the scheduled screen outage. Price was above budget due to significantly higher market prices.

  Coal - Craig units 27% of the overall variance, $4.2 million above budget. Generation was above budget to replace Rawhide Unit 1's generation during the scheduled screen outage, replace purchases due to higher market prices, make additional sales and meet load requirements. Price was above budget due to an updated price from Trapper Mine and cancellation of a planned coal sale.

  Coal - Rawhide Unit 1 (3%) of the overall variance, $0.4 million below budget. Generation was below budget due to unplanned outages, curtailments and an extension of the screen outage. Price was below budget due to updated contract pricing, burning lower-cost coal from inventory and a planned stockpile adjustment that is not anticipated to occur. Partially offsetting the below-budget variance was above-budget oil due to increased consumption during startup after unplanned outages.
- **Distributed energy resources** were $3.7 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 primarily due to slow participation in small and medium business and multifamily programs, which is driven by the continued effects of the COVID-19 pandemic and economic recovery challenges.

- **Production, transmission, and administrative and general** were $3.9 million below budget. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) market implementation, 2) Rawhide non-routine projects, 3) IT software and hardware, 4) legal services, 5) IT consulting, 6) environmental services, 7) wheeling, 8) travel and training, 9) chemicals and 10) Craig operating expenses. The above-budget expenses include: 1) personnel, 2) Rawhide equipment repairs, 3) Rawhide Unit 1's scheduled screen outage, 4) tower maintenance and 5) joint facilities. Of the net below-budget variance, at least $3 million is expected to catch up by the end of the year.
- **Purchased power** was $3.9 million below budget. Net energy was provided to Tri-State Generation and Transmission Association, Inc. under the forced outage assistance agreement. Purchases made under the joint dispatch agreement were below budget due to below-budget volume partially offset by unfavorable pricing. Purchased reserves were also below budget due to a rate true-up received for Schedule 16 flex reserve service. In addition, hydropower purchases were below budget due to drought conditions. Above-budget wind and solar generation partially offset the below-budget variance.

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 JJ and KK represents debt associated with transmission assets ($115.6 million) and the Rawhide Energy Station ($22.5 million). Principal and interest payments are made June 1 and interest only payments are made Dec. 1. The final payment for Series II was made in June. The table below shows current debt outstanding.

Series	Debt outstanding $/thousands	Par issued $/thousands	True interest cost	Maturity date	Callable date	Purpose
Series JJ - April 2016	$ 113,490	$ 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	24,595	$ 25,230	1.6%	6/1/2037	N/A*	Refund a portion of Series II ($6.5M NPV/27.6% savings)
Total par outstanding	138,085					
Unamortized bond premium	12,592					
Total revenue bonds outstanding	150,677					
Less: due within one year	(12,215)					
Total long-term debt, net	$ 138,462					

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 September 2022)

At this time, capital expenditures are expected to be approximately $6.4 million below budget at the end of the year. However, some projects will not be completed during 2022 and the remaining funds for those projects, approximately $13.7 million, will need to be carried over into 2023 for project completion. The majority of these projects are summarized below.

Thus far in 2022, several additional requests for funds have occurred due to out-of-budget projects, schedule changes and scope changes to projects. As a result of the need to carry over funds to 2023, a budget contingency appropriation may be required to cover the additional capital project expenses in 2022, which is currently expected to be $7.3 million. Project managers are continuously improving work planning and budgeting by better aligning scope, schedules and available resources.

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)	2022 budget	Estimate	Favorable (unfavorable)	Carryover request
	Below budget projects				
	Solar substation 230 kV - 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. *The below-budget funds will be requested to be carried over into 2023.*	$ 6,464	$ 500	$ 5,964	$ 5,964
*	**Transformer T3 replacement - Timberline Substation** - This project will be below budget due to a delay in vendor selection and supply chain issues. *The below-budget funds will be requested to be carried over into 2023.*	$ 2,316	$ 959	$ 1,357	$ 1,357
*	**Transmission line vault upgrades - Crossroads Substation** - This project will be below budget as it is delayed due to contractor supply chain issues. Additional funds were requested in 2022 due to significant increases in contractor labor for specialized underground transmission work. *The below-budget funds and additional funds will be requested to be carried over into 2023.*	$ 686	$ 12	$ 674	$ 1,024
**	**Southern toe drain modifications - Rawhide** - This project will be below budget due to a delay, as the project plans submitted to the State of Colorado are awaiting approval. *The below-budget funds will be requested to be carried over into 2023.*	$ 606	$ 21	$ 585	$ 585
*	**Energy trading software** - This project will be below budget as the scope was reduced to remove the market software to be reported as a separate project for tracking and transparency. The market software project was submitted as an out-of-budget project.	$ 779	$ 350	$ 429	$ -

	Project ($ in thousands)	Budget	Estimate	Favorable (unfavorable)	Carryover request
	Capacitor coupled voltage transformer replacement - Dixon Creek Substation - This project will be below budget due to supply chain issues. *The below-budget funds will be requested to be carried over into 2023.*	$ 273	$ 2	$ 271	$ 271
	Pipeline reroute - Soldier Canyon Pipeline - This project will be below budget due to a delay in determining water needs for future generation resources. Preliminary planning and engineering are expected to resume in 2023. *The below-budget funds will be requested to be carried over into 2023.*	$ 309	$ 50	$ 259	$ 259
*	**Transmission line vault upgrades - Rogers Road Substation** - This project will be below budget as it is delayed due to contractor supply chain issues. Additional funds were requested in 2022 due to significant increases in contractor labor for specialized underground transmission work. *The below-budget funds and additional funds will be requested to be carried over into 2023.*	$ 189	$ 12	$ 177	$ 327
	Telecom PBX replacement - 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	$ 210	$ 153	$ -
	Switch 169 and 469 replacement - Loveland East Substation - This project will be below budget due to delays in the procurement process. *The below-budget funds will be requested to be carried over into 2023.*	$ 156	$ 10	$ 146	$ 146
	Above budget projects				
*	**SCADA and energy management system** - 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. *Additional funds were requested in 2022, of which a portion will be requested to be carried over into 2023.*	$ 2,500	$ 3,136	$ (636)	$ 1,603
**	**Enterprise resource planning software** - This project will be above budget as an additional milestone payment will be made in 2022 that was not originally anticipated.	$ 940	$ 1,390	$ (450)	$ -
*	**Metering system modifications** - This project will be above budget due to increases in equipment costs and contractor labor.	$ 411	$ 758	$ (347)	$ -
	Airflow spoilers - This project will be above budget due to an increase in scope for additional sections of transmission line and an increase in contractor labor and material costs.	$ 748	$ 998	$ (250)	$ -
	Relay upgrades - Marys Lake Substation - This project will be above budget due to a significant increase in scope needed to address limited space in the control panels. In addition, a breaker in need of sealing will be replaced.	$ 53	$ 229	$ (176)	$ -
	Energy Engagement Center - 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	$ 292	$ (112)	$ -

	Project ($ in thousands)	Budget	Estimate	Favorable (unfavorable)	Carryover request
	Out-of-budget projects				
*	**Transformer T1 replacement - Longs Peak Substation** - 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.	$ -	$ 959	$ (959)	$ -
*	**Pipeline reroute - Rawhide pipeline** - This project will reroute Rawhide's water supply pipeline due to an intersection modification by Larimer County. The reroute will minimize the amount of pipeline that is under the roadway in order to maintain the pipeline's integrity and ensure minimal roadway closures if repairs to the pipeline are needed. *Funds were requested in 2022, of which a portion will be requested to be carried over into 2023.*	$ -	$ 802	$ (802)	$ 1,294
**	**Combustion component upgrade - combustion turbine Unit D** - This project includes upgrading the combustion turbine Unit D hardware comprised of the combustion cans, transitions and fuel nozzles. The upgraded components will extend the combustion inspection outage interval, which will eliminate an entire series of inspections, reducing downtime and costs.	$ -	$ 753	$ (753)	$ -
	Market software - PCI GenManager - This project includes the software modules for participation in an organized energy market. These costs were originally included in the Energy Trading Software project but is its own project for tracking and transparency.	$ -	$ 390	$ (390)	$ -
	Delayed projects				
*	**Station service 230-12.47 kV transformer replacement - Rawhide Substation** - This project will be delayed to allow for additional time to ensure construction and system impacts at the Rawhide site are optimized. The project is expected to resume in 2023. *The below-budget funds will be requested to be carried over into 2023.*	$ 467	$ -	$ 467	$ 467
	Canceled projects				
	Oil circuit breaker replacement - Ault 2182 & 2186 WAPA - This project was canceled due to a change in WAPA's schedule and is expected to be rebudgeted in a future year.	$ 610	$ -	$ 610	$ -

* 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

September 2022

Non-GAAP budgetary basis (in thousands)

	Month of September		Favorable
	Budget	**Actual**	(unfavorable)
Revenues			
Operating revenues			
Sales to owner communities	$ 17,688	**$ 18,907**	$ 1,219
Sales for resale - long-term	1,495	**2,370**	875
Sales for resale - short-term	2,182	**7,433**	5,251
Wheeling	494	**802**	308
Total operating revenues	21,859	**29,512**	7,653
Other revenues			
Interest income[(1)]	47	**321**	274
Other income	13	**131**	118
Total other revenues	60	**452**	392
Total revenues	$ 21,919	**$ 29,964**	$ 8,045
Expenditures			
Operating expenses			
Purchased power	$ 4,397	**$ 3,692**	$ 705
Fuel	3,023	**7,528**	(4,505)
Production	4,065	**3,907**	158
Transmission	1,434	**1,692**	(258)
Administrative and general	2,040	**2,260**	(220)
Distributed energy resources	1,177	**489**	688
Total operating expenses	16,136	**19,568**	(3,432)
Capital additions			
Production	1,619	**477**	1,142
Transmission	1,356	**90**	1,266
General	319	**520**	(201)
Total capital additions	3,294	**1,087**	2,207
Debt expense			
Principal	1,018	**1,018**	-
Interest expense	464	**464**	-
Total debt expense	1,482	**1,482**	-
Total expenditures	$ 20,912	**$ 22,137**	$ (1,225)
Revenues less expenditures	$ 1,007	**$ 7,827**	$ 6,820

(1) Excludes unrealized holding gains and losses on investments.

Schedule of revenues and expenditures, budget to actual

September 2022 year-to-date

Non-GAAP budgetary basis (in thousands)

	September year to date		Favorable	Annual
	Budget	**Actual**	(unfavorable)	budget
Revenues				
Operating revenues				
Sales to owner communities	$ 158,360	**$ 163,235**	$ 4,875	$ 208,017
Sales for resale - long-term	13,791	**16,149**	2,358	18,687
Sales for resale - short-term	21,722	**35,861**	14,139	29,557
Wheeling	4,440	**5,388**	948	5,930
Total operating revenues	198,313	**220,633**	22,320	262,191
Other revenues				
Interest income[1]	480	**1,562**	1,082	608
Other income	338	**661**	323	371
Total other revenues	818	**2,223**	1,405	979
Total revenues	$ 199,131	**$ 222,856**	$ 23,725	$ 263,170
Expenditures				
Operating expenses				
Purchased power	$ 42,632	**$ 38,682**	$ 3,950	$ 57,733
Fuel	32,808	**48,331**	(15,523)	44,526
Production	37,940	**35,459**	2,481	50,386
Transmission	14,277	**14,172**	105	18,634
Administrative and general	19,441	**18,181**	1,260	26,020
Distributed energy resources	8,983	**5,249**	3,734	12,378
Total operating expenses	156,081	**160,074**	(3,993)	209,677
Capital additions				
Production	14,126	**4,460**	9,666	16,706
Transmission	7,497	**1,370**	6,127	14,666
General	6,185	**5,520**	665	7,547
Total capital additions	27,808	**11,350**	16,458	38,919
Debt expense				
Principal	8,930	**8,930**	-	11,984
Interest expense	4,411	**4,411**	-	5,803
Total debt expense	13,341	**13,341**	-	17,787
Total expenditures	$ 197,230	**$ 184,765**	$ 12,465	$ 266,383
Contingency reserved to board	-	**-**	-	24,000
Total expenditures and contingency	$ 197,230	**$ 184,765**	$ 12,465	$ 290,383
Revenues less expenditures and contingency	$ 1,901	**$ 38,091**	$ 36,190	$ (27,213)

[1] Excludes unrealized holding gains and losses on investments.

Financial statements

Statements of net position

Unaudited (in thousands)

	September 30 2022	2021
Assets		
Electric utility plant, at original cost		
Land and land rights	**$ 19,446**	$ 19,446
Plant and equipment in service	**1,455,049**	1,436,903
Less: accumulated depreciation and amortization	**(928,080)**	(893,903)
Plant in service, net	**546,415**	562,446
Construction work in progress	**24,396**	26,634
Total electric utility plant	**570,811**	589,080
Special funds and investments		
Restricted funds and investments	**17,525**	18,016
Dedicated funds and investments	**150,286**	132,109
Total special funds and investments	**167,811**	150,125
Current assets		
Cash and cash equivalents	**44,152**	59,622
Other temporary investments	**43,683**	37,267
Accounts receivable - owner communities	**18,836**	17,221
Accounts receivable - other	**17,595**	7,130
Fuel inventory, at last-in, first-out cost	**10,457**	10,084
Materials and supplies inventory, at average cost	**16,302**	15,556
Prepayments and other assets	**3,888**	3,315
Total current assets	**154,913**	150,195
Noncurrent assets		
Regulatory assets	**125,128**	126,933
Other long-term assets	**5,162**	4,858
Total noncurrent assets	**130,290**	131,791
Total assets	**1,023,825**	1,021,191
Deferred outflows of resources		
Deferred loss on debt refundings	**3,299**	4,223
Pension deferrals	**2,116**	2,024
Asset retirement obligations	**23,097**	22,539
Total deferred outflows of resources	**28,512**	28,786
Liabilities		
Noncurrent liabilities		
Long-term debt, net	**138,461**	153,364
Other long-term obligations	**94,295**	96,073
Net pension liability	**7,770**	15,604
Asset retirement obligations	**29,354**	29,013
Other liabilities and credits	**7,448**	6,501
Total noncurrent liabilities	**277,328**	300,555
Current liabilities		
Current maturities of long-term debt	**12,215**	11,660
Current portion of other long-term obligations	**889**	-
Current portion of asset retirement obligations	**1,706**	380
Accounts payable	**18,387**	16,617
Accrued interest	**1,856**	2,044
Accrued liabilities and other	**2,812**	3,191
Total current liabilities	**37,865**	33,892
Total liabilities	**315,193**	334,447
Deferred inflows of resources		
Deferred gain on debt refundings	**129**	144
Regulatory credits	**54,230**	67,644
Pension deferrals	**6,024**	-
Total deferred inflows of resources	**60,383**	67,788
Net position		
Net investment in capital assets	**399,977**	396,302
Restricted	**15,669**	15,972
Unrestricted	**261,115**	235,468
Total net position	**$ 676,761**	$ 647,742

Statements of revenues, expenses and changes in net position

Unaudited (in thousands)

	Month of September	September year to date 2022	September year to date 2021	Twelve months ended September 30 2022	Twelve months ended September 30 2021
Operating revenues					
Sales to owner communities	**$ 18,907**	**$ 163,235**	$ 152,316	$ 210,127	$ 198,710
Sales for resale	**9,803**	**52,010**	47,040	65,392	57,519
Wheeling	**802**	**5,388**	4,291	6,846	5,796
Total operating revenues	**29,512**	**220,633**	203,647	282,365	262,025
Operating expenses					
Purchased power	**3,692**	**38,682**	39,208	54,080	54,076
Fuel	**7,528**	**48,331**	37,851	58,005	46,376
Operations and maintenance	**5,605**	**49,414**	46,483	63,437	64,236
Administrative and general	**2,353**	**18,427**	15,947	24,064	21,425
Distributed energy resources	**495**	**5,287**	4,777	7,455	7,487
Depreciation, amortization and accretion	**3,114**	**27,063**	24,699	36,793	36,963
Total operating expenses	**22,787**	**187,204**	168,965	243,834	230,563
Operating income	**6,725**	**33,429**	34,682	38,531	31,462
Nonoperating revenues (expenses)					
Interest income	**317**	**1,577**	1,068	1,860	1,513
Other income	**131**	**661**	749	825	1,139
Distribution to owner communities	**-**	**-**	-	-	(1,000)
Interest expense	**(464)**	**(4,411)**	(4,825)	(5,945)	(6,677)
Amortization of bond financing costs	**137**	**1,230**	1,372	1,688	1,885
Net decrease in fair value of investments	**(2,020)**	**(7,012)**	(898)	(7,940)	(1,241)
Total nonoperating revenues (expenses)	**(1,899)**	**(7,955)**	(2,534)	(9,512)	(4,381)
Change in net position	**4,826**	**25,474**	32,148	29,019	27,081
Net position at beginning of period, as previously reported	**671,935**	**651,287**	615,594	647,742	620,661
Net position at end of period	**$ 676,761**	**$ 676,761**	$ 647,742	$ 676,761	$ 647,742

Statements of cash flows

Unaudited (in thousands)

	Month of September	September year to date 2022	September year to date 2021	Twelve months ended September 30 2022	Twelve months ended September 30 2021
Cash flows from operating activities					
Receipts from customers	**$ 25,323**	**$ 212,907**	$ 204,539	$ 272,298	$ 261,915
Payments for operating goods and services	**(13,751)**	**(123,775)**	(107,765)	(168,921)	(140,713)
Payments for employee services	**(5,185)**	**(35,961)**	(33,787)	(47,531)	(46,670)
Net cash provided by operating activities	**6,387**	**53,171**	62,987	55,846	74,532
Cash flows from capital and related financing activities					
Additions to electric utility plant	**(820)**	**(11,135)**	(13,742)	(21,277)	(19,584)
Payments from accounts payable incurred for electric utility plant additions	**(826)**	**(1,581)**	(1,271)	(2,019)	(944)
Proceeds from disposal of electric utility plant	**6**	**71**	264	86	27,302
Deposits into escrow for bond defeasance	**-**	**-**	-	-	(237)
Proceeds from issuance of long-term debt	**-**	**-**	-	-	243
Principal payments on long-term debt	**-**	**(11,660)**	(11,145)	(11,660)	(11,145)
Interest payments on long-term debt	**-**	**(3,066)**	(3,305)	(6,133)	(7,102)
Payments on other long-term obligations	**-**	**(889)**	-	(889)	-
Net cash used in capital and related financing activities	**(1,640)**	**(28,260)**	(29,199)	(41,892)	(11,467)
Cash flows from investing activities					
Purchases and sales of temporary and restricted investments, net	**(7,684)**	**(23,339)**	(28,565)	(32,003)	(44,937)
Interest and other income, including realized gains and losses	**446**	**2,173**	1,806	2,579	2,618
Distribution to owner communities	**-**	**-**	-	-	(1,000)
Net cash used in investing activities	**(7,238)**	**(21,166)**	(26,759)	(29,424)	(43,319)
(Decrease)/increase in cash and cash equivalents	**(2,491)**	**3,745**	7,029	(15,470)	19,746
Balance at beginning of period in cash and cash equivalents	**46,643**	**40,407**	52,593	59,622	39,876
Balance at end of period in cash and cash equivalents	**$ 44,152**	**$ 44,152**	$ 59,622	$ 44,152	$ 59,622
Reconciliation of net operating income to net cash provided by operating activities					
Operating income	**$ 6,725**	**$ 33,429**	$ 34,682	$ 38,531	$ 31,462
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	**3,322**	**29,137**	27,851	38,469	38,542
Amortization	**(516)**	**(4,646)**	(4,314)	(4,302)	(4,314)
Changes in assets and liabilities that provided/(used) cash					
Accounts receivable	**(4,189)**	**(9,729)**	281	(12,080)	(376)
Fuel and materials and supplies inventories	**(77)**	**(898)**	2,896	(1,118)	2,995
Prepayments and other assets	**800**	**(2,324)**	(1,038)	(877)	(780)
Regulatory assets	**86**	**775**	739	1,021	401
Deferred outflows of resources	**197**	**(650)**	(1,482)	(650)	1,838
Accounts payable	**711**	**2,646**	(1,882)	3,517	3,091
Net pension liability	**-**	**-**	-	(7,834)	(3,075)
Asset retirement obligations	**(173)**	**1,804**	1,800	1,667	(2,863)
Other liabilities	**(862)**	**370**	685	634	268
Deferred inflows of resources	**363**	**3,257**	2,769	(1,132)	7,343
Net cash provided by operating activities	**$ 6,387**	**$ 53,171**	$ 62,987	$ 55,846	$ 74,532
Noncash capital and related financing activities					
Additions of electric utility plant through incurrence of accounts payable	**273**	**273**	2,019	273	2,019
Additions to regulatory assets and other assets through incurrence of other long-term obligations	**-**	**-**	96,073	-	96,073
Amortization of regulatory asset (debt issuance costs)	**7**	**66**	73	90	91
Amortization of bond premiums, deferred loss and deferred gain on refundings	**(144)**	**(1,296)**	(1,446)	(1,778)	(1,976)
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	September year to date		Twelve months ended September 30	
Bond service coverage	**September**	**2022**	**2021**	**2022**	**2021**
Net revenues					
Operating revenues	**$ 29,512**	**$ 220,633**	$ 203,647	$ 282,365	$ 262,025
Operations and maintenance expenses, excluding depreciation, amortization and accretion	**19,673**	**160,141**	144,266	207,041	193,600
Net operating revenues	**9,839**	**60,492**	59,381	75,324	68,425
Plus interest income on bond accounts, other income and distribution to owner communities [1]	**452**	**2,223**	1,855	2,645	1,684
Net revenues before rate stabilization	**10,291**	**62,715**	61,236	77,969	70,109
Rate stabilization					
Deposits	-	-	-	-	-
Withdrawals	-	-	-	-	-
Total net revenues	**$ 10,291**	**$ 62,715**	$ 61,236	$ 77,969	$ 70,109
Bond service					
Power revenue bonds	**$ 1,482**	**$ 13,341**	$ 13,548	$ 17,790	$ 18,104
Coverage					
Bond service coverage ratio	**6.94**	**4.70**	4.52	4.38	3.87

	Month of	September year to date		Twelve months ended September 30	
	September	**2022**	**2021**	**2022**	**2021**
Fixed obligation charge coverage					
Total net revenues, above	**$ 10,291**	**$ 62,715**	$ 61,236	$ 77,969	$ 70,109
Fixed obligation charges included in operating expenses [2]	**1,111**	**12,606**	9,747	17,293	13,319
Adjusted net revenues before fixed obligation charges	**$ 11,402**	**$ 75,321**	$ 70,983	$ 95,262	$ 83,428
Fixed obligation charges					
Power revenue bonds, above	**$ 1,482**	**$ 13,341**	$ 13,548	$ 17,790	$ 18,104
Fixed obligation charges	**1,111**	**12,606**	9,747	17,293	13,319
Total fixed obligation charges	**$ 2,593**	**$ 25,947**	$ 23,295	$ 35,083	$ 31,423
Coverage					
Fixed obligation charge coverage ratio	**4.40**	**2.90**	3.05	2.72	2.65

[1] Excludes unrealized holding gains and losses on investments.
[2] 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

September 2022

Business Strategies

Communications and marketing

In September, communications and marketing staff:

- Worked with multiple stakeholders and leadership to prepare and deliver presentations about Platte River to city councils; adapted the presentations for use with stakeholder groups
- Worked with several Platte River divisions to review two federal requests for information concerning grants and drafted responses that, if accepted, could benefit Platte River potential grant applications
- Worked with finance department to make final edits to the proposed 2023 budget document, which was presented to board members in September

Efficiency Works™ marketing staff:

- Continued brand awareness efforts with advertisements on: Google, YouTube, Facebook, LinkedIn, BizWest, Colorado Public Radio, the Estes Park Trail Gazette and Estes Park News
- Launched a large-scale radio and TV advertising campaign; the campaign will include more than 5,000 individual runs of a radio advertisement and 2,600 commercial runs for television
- Developed and deployed outreach plans for Efficiency Works Business programs, including social media campaigns, mailed letters to prospective participants and informational resource sheets for small and medium businesses and multifamily properties
- Completed the development of the Efficiency Works electric vehicle (EV) education microsite, now available to the public; conducted marketing efforts to announce its availability, including a media advisory, news release, social media posts and a public webinar; announcement and webinar took place during 2022's National Drive Electric Week

Human resources

Members of the human resources team and Platte River's benefit broker, Alliant, met with senior leadership to discuss strategic benefits approach and evaluate current recommendations for 2023 plan year.

Human resources staff continued work on the compensation study by meeting with Platte River management to ensure market match accuracy for each unique role. This process is ongoing with target completion at the end of October.

Safety

Eight cardiopulmonary resuscitation and automated external defibrillator trainings were completed at Rawhide with 36 employees certified.

In reviewing reports, we noted Platte River reached 1 million hours worked without a lost time incident. The milestone was reached in approximately late July and officially confirmed in September.

The safety manager worked with internal departments to develop guidelines for health and safety usage of the Energy Engagement Center during events. The safety manager began a Public Power Manager Certificate Program through the American Public Power Association.

Injury statistics	2020 year end	2021 year end	YTD through September 2021	YTD through September 2022
Recordable injury rate	1.29	1.67	1.09	1.64
DART	0.43	0.00	0.00	1.10
Lost time rate	0.43	0.00	0.00	0.00

There were zero recordable injuries in the month of September.

Emergency Response Team

The emergency response team offered resources to help combat a neighboring wildfire that was threatening north Fort Collins.

Financial

2022 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 $6.4 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 $13.7 million, will need to be carried over into 2023. Thus far in 2022, several additional requests for funds have occurred due to changes in the schedule and scope of projects. Because Platte River must carry over funds to 2023, current estimates show $7.3 million may be required as a budget contingency appropriation to cover the additional 2022 capital project expenses.

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 Sept. 30, 2022.

Capital summary	**$ million**
2022 capital budget	$ 38.9
Estimated capital expenses at 09/30/2022	32.5
Under budget variance	$ 6.4
Estimated capital carryovers from 2022 to 2023	(13.7)
Estimated contingency transfer request	**$ (7.3)**

Platte River has experienced another phenomenal year with increased revenues from the owner communities and market sales. Weather and market conditions contributed to increased average surplus sales prices. Fuel expense, primarily natural gas, was also above budget to serve the increased sales. As a result, total operating expenses are expected to be above budget $9.4 million and would also require a contingency transfer appropriation.

Further changes to capital and operating expense projections are anticipated and staff will continue to monitor spending estimates to determine the appropriate amount needed for the contingency transfer in each category. Staff will provide an estimate at the December board meeting, but the amount of the transfer requested at the December board meeting would be set as a not-to-exceed amount. After year-end close, only the required amount needed will be transferred to each category. This approach prevents moving funds that are not needed. The actual amount transferred will be reported to the board at the February board meeting. More details on projects and expenses can be found in the financial report.

Proposed 2023 Strategic Budget

A public hearing on the budget will be held at this month's board meeting. Public notice of the meeting was given in each of the owner communities' newspapers in September. Also, staff will present changes to the proposed 2023 Strategic Budget in October with board adoption requested in December.

Below is a condensed schedule of the overall budget process.

March to May	Kickoff presentations and preparation of budget details by departments
May-June	Data compilation, reporting and meetings with division managers
July	Senior leadership and general manager/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

2022 year-end financial audit plan

Earlier this month, staff met with Forvis (formerly BKD LLP), Platte River's external auditors, to discuss new accounting pronouncements, significant 2022 activities and the audit schedule in preparation of the 2022 financial audit to be performed by Forvis.

Transition and integration

Energy solutions

The Energy Solutions staff focused the month of September on planning for the future, specifically on the 2023 programming and contracting, while continuing to work towards increasing activity in energy efficiency offerings through the end of 2022. Collaboration has been ongoing with owner community staff to evaluate building electrification technologies that support electrification initiatives at the community level. Additionally, with these technologies we are working towards developing numerous implementation strategies for long-term customer Distributed Energy Resources (DER) program offerings.

Key department initiatives and activities completed or underway:

- Initiated conversations for strategic DER customer program planning through 2030, internally and with owner community staff. This strategic planning will allow for customer programing to be offered as the virtual power plant becomes reality to ensure a full suite of resources are incorporated, along with matching timed messages from the communications department.
- Building electrification program design is underway by presenting current efforts, along with initial approvals, to the DER Team, DER Committee, and utility directors. It is planned to incorporate building electrification upgrades into the existing Efficiency Works Homes programming.
- Began product demonstrations for updated website platforms for customer enrollment. This encompasses multiple DER programs to bridge the gap from energy efficiency to demand reduction to building electrification. Anticipated launch is mid-2023.
- Sponsored and attended the Rocky Mountain Utility Exchange with seven Platte River staff members attending, four of which participated through presenting and facilitating discussion sessions. Staff from all four owner communities also attended the exchange with an additional 16 participants.
- Launched the all-electric home upgrade triple bonus on Oct. 1, 2022, which focused on serving those with all-electric heat, who will be most affected by the upcoming rate increases. This also provides an opportunity to encourage contractors into the service territory that will install building electrification technologies in the future.
- Began bonus rebate for smart thermostats that control electric baseboard heaters allowing customers to manage their heating loads more effectively. Initial results indicate high residential customer demand.
- Ten Energy Solutions staff members attended E-Source Forum in Denver to discuss and learn from other utility programming staff about industry best practices. The forum focused on program design and implementation, marketing and communications, customer experience and energy-efficient technologies, keeping staff current on trends, best practices and critical issues facing customers.
- Completed a collaborative effort with owner community staff to issue an income qualified postcard mailer, with support of owner community staff, to inform customers of program offerings available.

- Energy Solutions staff contracted and coordinated the opportunity for both Platte River and owner community programming staff to attend the Association of Energy Service Professional Program Manager training with 24 staff from all four owner communities and Platte River October 17-20 at Platte River headquarters.

As of the end of September 2022, the Efficiency Works programs have achieved 11,786 MWh of energy savings and incurred $5.6 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 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 is earmarked only if Platte River’s budget is exceeded for an individual owner community.

Resource planning update

Staff completed the third revision of the Power Supply Plan to be used in finalizing the proposed 2023 Strategic Budget. In preparation for the 2024 Integrated Resource Plan staff kicked off two studies. The first was the resource adequacy assessment and the second was integrated resource planning in an organized market. Staff finalized consultants for two other studies, the locational marginal prices assessment and a comparison of dispatchable power generation technologies.

Staff is continuing an internal study to assess surplus power availability in the next few years for possible long-term contract sales. The study will review the economics and risks of various options while prioritizing lowest cost and the most reliable supplies to the owner communities.

Staff also initiated a study to evaluate long-duration energy storage. Staff will be using an internally developed tool and a resource planning tool, Plexos, for this study.

Staff finalized a DER avoided cost study. These costs will be used to evaluate the flexibility (and limitations) of DERs to meet Platte River’s load and establish their economic value relative to supply-side options.

Additionally, staff finalized its evaluation of renewable energy forecasting vendors and recommended a vendor to the power operations department, which was accepted. Staff is continuing to work with information technology to move some of the dashboards built by resource planning from RStudio to the Power BI platform.

Operations

Fuels and water

September 30 marked the end of the Windy Gap water year and, overall, the project performed above average for the year. This year's 40,172 acre-feet of pumping marks the fifth time in project history (and the first time since 2013) the 40,000-acre-foot mark was surpassed. In another highlight, Windy Gap deliveries totaled nearly 27,000 acre-feet, which was the most in project history. With approximately 13,000 acre-feet of pumped water remaining in the project at the end of the water year, Platte River received an initial allocation of nearly 3,000 acre-feet of pumped Windy Gap water to begin the 2023 water year. This quantity will be sufficient to supply Platte River's process water needs for the year and will allow for a reduced level of Reuse Plan operations with the City of Fort Collins through the first eight months of the water year. Next summer operations will return to full Reuse Plan mode by using newly pumped or in-lieu Windy Gap water through rental water supplies, depending on spring water supply operations.


Chimney Hollow plinth (looking east)

At Chimney Hollow, September saw progress toward a series of significant project milestones. Along the dam centerline, over 2,000 feet of continuous plinth is now in place, stretching from near the top of the eastern abutment across the valley floor to the west (see picture). The plinth serves several functions, including acting as a key anchor to the underlying bedrock, as well as creating a smooth and consistent surface for the initial lifts of the asphalt core. Beneath the plinth, the grout curtain has been closed and verified at the lowest part of the dam. This will allow placement of the asphalt core to start in October, beginning the dam's three-year rise from the valley floor to the dam crest. Sept. 15 marked the beginning of a 70-day Colorado-Big Thompson (C-BT) project outage that will allow for the construction of the Bald Mountain tunnel interconnect. This part of the project involves connecting a steel pipe into the existing C-BT infrastructure to deliver water into Chimney Hollow reservoir. This outage is a critical period in the project for the contractor, Northern Water and the Bureau of Reclamation and has progressed smoothly thus far. From the tie-in, a 72-inch steel pressure conduit will carry water to the valve house and, ultimately, into the reservoir through the inlet/outlet tunnel. The tunnel is approximately 24% complete and will reach the underground valve chamber by mid-October. Once the valve chamber has been excavated, tunnelling operations will shift to the upstream end and work back toward the valve chamber from the opposite direction.

To date, construction is on schedule and within budget. However, we anticipate three significant change orders will use the remainder of the construction contingency fund: litigation delays, plinth concrete quantity overruns, and higher-than-estimated rockfill densities that will require expansion of the quarry. As the costs of these items are incurred, overall budget impacts will be assessed and project participants will develop funding plans, if additional funds are needed. Overall, the project is over 20% complete and is scheduled for completion by the fall of 2025.

Main dam site from the top of C-BT penstocks near the Bald Mountain tunnel interconnect (looking east)