Board of directors

Feb. 23, 2023

Energy leaders since 1973
Annual meeting

Feb. 23, 2023

Energy leaders since 1973
2022 year in review

Building the foundation for the future
Agenda

- Operations, Melie Vincent
- Finance, Dave Smalley
- Business strategies, Eddie Gutiérrez
- Integration and transition, Raj Singam Setti
- Environmental, reliability and legal, Sarah Leonard
- Administrative services, Angela Walsh
- Wrap up and looking forward, Jason Frisbie
Operations

Melie Vincent
## 2022 year-end operational results

<table>
<thead>
<tr>
<th>Category</th>
<th>December variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner community demand</td>
<td>8.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Owner community energy</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Wind generation</td>
<td>20.2%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Solar generation</td>
<td>(20.0%)</td>
<td>1.4%</td>
</tr>
<tr>
<td>Net variable cost to serve owner community load*</td>
<td>9.3%</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

*Total resource variable costs plus purchased power costs less sales revenue
Surplus sales market

Platte River's average power price

CIG average gas price
Impact of joint dispatch

2022 total net Platte River benefits resulting from JDA

Total benefits for 2022: $9.7 million
Sales: $6.1 million
Purchases: $3.6 million
2022 significant events

Power supply

• Announced plans to join the Southwest Power Pool's (SPP) Western Energy Imbalance Service (WEIS) market in January
• Conducted cold weather testing of the combustion turbines (CTs) in January and February, increasing the reliability of the units during cold weather events
• Achieved a system peak of 684 megawatts, 51 MW above budget, on Aug. 11, 2022, at hour ending 17:00
• Earned the highest monthly gross revenues for surplus sales since 2000 during a warm September
2022 significant events

Fuels and water

• Completed coal contract negotiations, securing fuel supply certainty and stability through the life of Rawhide Unit 1

• Locked in pricing for all Rawhide coal for 2023 and 2024, providing budget certainty for the next two years

• Executed a new rail transportation agreement for coal delivery to the Rawhide Energy Station through Dec. 31, 2026

• Completed a water rights exchange with the City of Greeley to firm Platte River’s process water supply through the life of Rawhide Unit 1
2022 significant events

Power production

• Surpassed four monthly CT generation records, making 2022 the second-best year for CT generation
• Achieved 203 days of continuous operation on Rawhide Unit 1
• Installed automatic dispatch signal systems on all generating units at Rawhide, allowing the units to better respond to market signals in preparation for the WEIS market entry
2022 significant events

Power delivery

• Achieved a 100% transmission service availability factor
• Participated in disaster response outreach activities, coordinating with sheriff, local police and fire in preparation for emergency operations
• Commissioned equipment at Mary’s Lake to prevent islanding during WAPA’s rebuild of transmission lines in the area
• Began implementation of an energy management system (EMS) to enable day-ahead and real-time transmission studies and better control of generation when operating in a structured energy market
2022 significant events

System maintenance and facilities

- Removed Loveland West Substation equipment, retiring Platte River’s last oil circuit breaker
- Completed commission testing on Timberline-Avery line and supported efforts to energize PSCo’s new substation which is interconnected to a Platte River-owned 230-kV line
- Installed air-flow spoilers on the Longs Peak – St. Vrain double circuit transmission line, reducing line galloping during icing and storm conditions
- Responded to the Fordham – Fort St. Vrain site in December when an overhead-to-underground transition termination faulted and relayed the line out of service (repairs will be completed in Q1 2023)
Finance

Dave Smalley
Significant finance events

• Board-adopted accounting policy for deferred revenue and expense for rate increase relief
  ◦ Reduced the 2022 long-term rate projections by over 1% per year from 6.1% to 5%
  ◦ $21.6 million of deferred revenue above strategic financial plan net income minimum

• Blended variable cost energy rate providing more budget certainty to the owner communities and over $0.8 million in bill credits

• Implementation of accounting pronouncement for leases (GASB 87)

• Market preparation software replacement for energy transactions and settlements

• Enterprise resource planning (ERP) software implementation started

• Significant unrealized losses on fair value of investments partially offset by increased interest income

• Bond series II was paid off in June 2022

• $1.6 million forced outage exchange agreement (shaftshare) buy down by Tri-State

• Returned $438,434 to owner communities for excess fiber leases located within their respective loops
2022 strong financial results

<table>
<thead>
<tr>
<th>Category – budget</th>
<th>Variance from budget (in millions)</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$33.5</td>
<td>●</td>
</tr>
<tr>
<td>Operating expenses(^{(1)})</td>
<td>$0.0</td>
<td>◆</td>
</tr>
<tr>
<td>Capital additions(^{(1)})</td>
<td>$20.4</td>
<td>●</td>
</tr>
<tr>
<td>Debt expense</td>
<td>$0.0</td>
<td>◆</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Contingency transfer total $17.1 M, $11.6 M and $5.5 M required for operating expenses and capital additions, respectively. The entire below-budget capital variance of $20.4 M will be carried over to the 2023 budget.

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income earned</td>
<td>$28.3</td>
</tr>
<tr>
<td>Less deferred revenue</td>
<td>$21.6</td>
</tr>
<tr>
<td>Net income reported (^{(2)})</td>
<td>$6.7</td>
</tr>
</tbody>
</table>

\(^{(2)}\) Strategic financial plan minimum is 3% of operating expenses.

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

Variance from 2022 budget: $33.5 million

Budget variances in millions – above/(below)

• $4.3 – Owner communities (new winter peak of 532 MW set on December 22 at 6 pm)
  ◦ $2.6 – Demand (coincident billing demand and coincident peak 3.1% and 4.2% above budget, respectively)
  ◦ $1.7 – Energy (revenue and volume, 1.5% and 1% above budget, respectively)

• $25.2 – Surplus sales
  ◦ $27.7 – Price (63.4% above budget due to weather, high natural gas prices)
  ◦ $(2.5) – Volume (5.5% below budget)

• $4.0 – Wheeling, interest and other income
  ◦ $2.3 – Interest and other income (higher interest rates)
  ◦ $1.7 – wheeling (higher point-to-point customers)
Operating expenses

Variance from 2022 budget: at budget after $11.6 million contingency transfer

Budget variances in millions – (above)/below

- **($10.4) – Fuel**
  - ($3.9 after $11.6 contingency transfer) – CTs (higher average price and higher generation for sales and load)
  - ($7.3) – Craig (higher coal price due to change in mining and higher generation to replace purchased power due to high market prices)
  - $0.8 – Rawhide (extension of the planned screen outage and forced outages)

- **$1.7 – O&M** (market expenses not needed)

- **$4.0 – DER programs** (economic recovery challenges (COVID-19), supply chain issues and labor shortages)

- **$4.3 – Purchased power**
  - $3.1 – Forced outage exchange (net to Tri-State)
  - $1.9 – JDA (lower volumes due to higher prices)
  - $0.7 – Purchased reserves (flex reserves Xcel credit)
  - ($0.2) – Wind ($0.3), solar ($0.2) and hydropower $0.3
  - ($1.2) – Other purchases (higher prices and lower volumes)

Unaudited financial results
## 2022 financial summary

All strategic financial plan targets were exceeded

### AA credit rating

<table>
<thead>
<tr>
<th>Strategic financial plan</th>
<th>Target</th>
<th>3 yr. avg</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>Net income (in millions)</td>
<td>3% of projected annual operating expenses</td>
<td>$21.5</td>
<td>$6.7</td>
<td>$35.7</td>
<td>$22.0</td>
</tr>
<tr>
<td></td>
<td>$28.7 prior to deferred revenue</td>
<td></td>
<td>$28.3 prior to deferred revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed obligation charge coverage ratio</td>
<td>&gt; 1.5x</td>
<td>2.42</td>
<td>2.02</td>
<td>2.80</td>
<td>2.43</td>
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<tr>
<td></td>
<td>2.62 prior to deferred revenue</td>
<td></td>
<td>2.64 prior to deferred revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt ratio</td>
<td>&lt; 50%</td>
<td>26%</td>
<td>28%</td>
<td>30%</td>
<td>21%</td>
</tr>
<tr>
<td>Unrestricted days cash on hand</td>
<td>&gt; 200 days</td>
<td>401</td>
<td>405</td>
<td>412</td>
<td>386</td>
</tr>
</tbody>
</table>
Questions
Business strategies

Eddie Gutiérrez
Safety

Significant events and accomplishments

• Surpassed 1,000,000 hours worked without a lost time injury
• Received positive experience modification rating resulting in lower worker's comp premiums
• Created and launched new and improved safety evacuation videos for headquarters and Rawhide
• 60% of all staff was trained and certified for CPR and AED
• Emergency Response Team successfully mitigated and extinguished solar field fire without any major incident or injury
Human resources

Significant accomplishments

• Hired and onboarded 47 employees, including two senior leadership team members
• Returned the workforce to the office coming out of the pandemic
• Comprehensive review and changes to our total rewards offerings including personal, sick, and bereavement leaves
• Creation and implementation of an industry-leading paid family leave program that exceeds the Colorado paid family leave program
• Transitioned workforce to a more flexible hybrid work model
• Initial groundwork completed to overhaul the compensation philosophy and approach for all positions
• Enhanced our human resource technology (Dayforce) to incorporate talent acquisition and learning and development
• Produced a “meet the HR team” video to the organization to provide employees with understanding of HR function
Public and external affairs

**Significant accomplishments**

- Successfully implemented a new advocacy strategy at the state and local level leveraging legal affairs and a new legislative consultant
- Reengaged elected officials and stakeholders regarding Platte River's strategic vision on the energy transition
- Onboarded a consultant to conduct a needs assessment in pursuit of federal grants to support the Resource Diversification Policy
- Reengaged the media market and proactively created community touchpoints within Platte River's service region
Communications and marketing

**Significant accomplishments**

- Resumed all employee monthly meetings, introducing new sections to align with Platte River’s strategic initiatives
- Hosted the third annual NoCo Time Trials at Platte River’s headquarters, welcoming 46 student teams, with eight going on to place at the NREL state competition
- Furthered the strategic plan efforts with a board work session and 10 employee focus group sessions
- Launched an electric vehicle microsite to serve as guide for owner communities’ customers
- Reached community members 3.8 million times through Efficiency Works digital, radio, television and print marketing
Community engagement

Significant accomplishments

• Finalized the history wall that leads visitors to the Energy Engagement Center
• Exceeded United Way of Larimer County fundraising goals and received the Leadership Giving Award for the 2021-22 campaign
• Supported local nonprofits through donations, volunteer opportunities and sponsorships
• GFOA Award for Excellence in Government Finance for the 2022 Strategic Budget
• City of Fort Collins Architecture Design Award for the new headquarter building
Questions
Resource transition – renewable

Portfolio integration

• Executed a restated agreement with 174 Power Global that confirms the purchase of 150 MW of nameplate solar from the Black Hollow Solar project that should begin commercial operations in Dec. 2024

• Issued an RFP for another utility scale solar + battery project; as a result, Platte River is currently negotiating terms to purchase output from another large-scale solar PV project with an expected commercial operations date of late 2025

• Analyzed and evaluated the cost effectiveness and market for large scale 4-hour and longer duration batteries

• Evaluated a potential wind project addition to Platte River’s portfolio and are currently discussing next steps
Resource transition – renewable

Portfolio strategy

• Acquired the option to lease up to 320 acres of land that allows Platte River or its designee to install solar PV or batteries on this property as either a stand-alone or as part of a larger project; This lease option allows Platte River to purchase from multiple Solar PV projects being developed in the area

• Executed an easement agreement and contract to purchase 20 acres of land from Berrado Holdings to allow Platte River to construct a 230 kV switching substation for the interconnection of Black Hollow Solar and other nearby renewable projects
Resource transition – distributed energy resources

Distributed energy resources and solutions

• Reorganized to better focus on two related sides of DER integration:
  ◦ Distributed energy solutions department: customer engagement with DER
  ◦ Distributed energy resources department: integrating DERs into electric system

• Record year serving income-qualified community (business and residential)

• $7.7 million invested in energy services including direct services to 6,500 customers and influencing 58,000 additional energy-related decisions

• Launched energy workforce development platforms to engage and train local contractors in support of customer DER adoption

• Initiated to DER forecast and potential study to inform DER system and program planning
IT to digital

Digital integration

• In 2022, we merged the information technology (IT) and operational technology functions of the organization

• Telecommunications and fiber
  ◦ Achieved 100% uptime on the bulk electric system fiber optic network in 2022
  ◦ All fiber leasing contracts are current and ready to be renewed for 2023
  ◦ Developed a fiber leasing policy and new rate structure

• DER integration technology gap assessment and roadmap: developed scope of work, hired consultant
Digital - transition

Software implementations

• Enterprise Resource Planning project
• PCI Energy Trading and Risk Management
• PCI Gen Manager (WEIS)
• OSI EMS
  ◦ Completed site acceptance testing of the automated dispatch signaling in preparation to join SPP WEIS
Digital - cybersecurity

**Significant accomplishment**

- Completed vendor security workshop and collaborated on a draft of a formal vendor security program
- Trained employees on data privacy, data protection, data loss prevention and the proper handling of sensitive data and records
- Hired a threat intelligence firm to perform an external and internal penetration test on our networks and systems
  - From the outside, they were unable to breach our external defenses and gain access to our internal networks
  - From inside our network, they were unable to compromise any IT passwords or gain elevated privileges on any systems
- Implemented Azure information data classification and data loss prevention rules
Questions
Legal

Sarah Leonard
Environmental compliance

Significant accomplishments

• Critical portions of Rawhide ash monofil upgrade project complete
  ◦ Keeps Platte River current with evolving regulatory framework
  ◦ Only minor work remaining, under budget

• Renewal application for combustion turbine permits – confirmed as complete in one day

• Newly applicable formaldehyde limits for two of Rawhide’s combustion turbines
  ◦ Existing permit limits and emission control systems achieve compliance

• Colorado Air Quality Control Commission proceeding for phase 2 of ozone state implementation plan
  ◦ Protected affirmative defense for start up, shut down and malfunctions
Reliability compliance

Significant accomplishments

• Closed out 2021 formal Western Electricity Coordinating Council audit of mandatory reliability standards

• Performed tabletop exercises for incident reporting and response planning (CIP-008), recovery plans for bulk electric system cyber systems (CIP-009), and security management controls (CIP-003)

• Participated in North American Transmission Forum peer review and other industry collaborations

• Presented to owner communities on Winter Storm Uri
  ◦ Discussed lessons learned and future implications
Legal

Significant accomplishments

• Black Hollow Solar contract issues resolved; new interconnection substation land
• Clean Energy Plan filing – major cross-departmental effort
• Contracting modernization project (collaboration with contract administration)
• Fiber lease management and Front Range Internet shutdown
• Led collaborative effort to settle FERC flex reserve case – lowered rate by 23%
• Support for:
  ◦ New wind and solar resource transactions
  ◦ New reliability resource planning
  ◦ WEIS market entry
  ◦ Fuels, water and rail contracts
Administrative services

Angela Walsh
Administrative services

Significant accomplishments

Energy Engagement Center
- Completed construction in February
- Created EEC use policy, procedure and guidelines
- Hosted 26 meetings or trainings for Platte River staff
- Hosted 11 different events for member organizations

Organizational support
- Hired events specialist in August to aid in coordination of all events
- Processed nearly 300 travel or training requests
- Coordinated travel for 18 final candidates for open positions
- Managed economic development support of $100,000 to owner communities
Board secretary

Significant accomplishments

Board of directors

• Welcomed and onboarded one new board member
• Hosted nine board meetings and one work session
  ◦ Approved 15 resolutions
  ◦ Edited and published almost 1,500 pages of content and 570 presentation slides
  ◦ Welcomed the public back to in-person board meetings in new building
• Coordinated travel for board members to attend APPA CEO Roundtable, Engineering and Operations Conference and National Conference
Summary and looking forward

Strategic initiatives
2022

✔ Completed the senior leadership team
✔ Announced plans to join SPP’s WEIS market
✔ Confirmed the purchase of 150 MW of nameplate solar from the Black Hollow Solar project
✔ Issued an RFP for another utility scale solar + battery project
✔ Kicked off next round of IRP work
✔ Reorganized CTIO division to better focus on two related sides of DER integration
✔ Launched energy workforce development platforms to engage and train local contractors in support of customer DER adoption
✔ Continued progress on a new strategic plan
✔ Reengaged elected officials and stakeholders regarding Platte River's strategic vision on the energy transition
✔ Began quarterly meetings with city and town managers to further enhance collaboration with owner communities
✔ Continued managing the construction phase of Chimney Hollow Reservoir, including placement of the asphalt core
✔ Maintained 100% transmission and communication reliability
✔ Exceeded strategic financial plan targets
✔ Returned all employees to the workplace and opened facilities for public engagement
✔ Develop and deploy a Platte River mobile app
Looking ahead to 2023

- Commemorate 50-year anniversary with owner communities
- Finalize new strategic plan
- Continue work on 2024 integrated resource plan
- Enter WEIS market
- Continue modernizing compensation and benefits
- Expand community presence and collaboration regarding rates, DER and system reliability
- Reach consensus on dispatchable resource
- Continue to evaluate renewable and emerging technologies (solar, wind, short, medium and long-term storage, hydrogen)
- Continue to evaluate integration of DER in communities as part of VPP development
Questions
Timeline of 2023 milestone activities

Eddie Gutiérrez
## Timeline of 2023 milestone activities

<table>
<thead>
<tr>
<th>Community engagement</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>General public engagement efforts:</td>
<td>Efficiency Works, NoCo Time Trials solar and battery car race, United Way outreach, chamber and community events</td>
<td>Platte River 101 presentations to community groups</td>
<td>Legislative session and advocacy</td>
<td>Updates to city manager, city council presentations, neighborhood meetings</td>
</tr>
<tr>
<td>Community group engagement:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External affairs outreach:</td>
<td></td>
<td>Legislative session and advocacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local government affairs outreach:</td>
<td></td>
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</tr>
</tbody>
</table>

### Additional activities

- **Q4 (summer-fall 2023)**: Long-term financial and rate planning
- **Q3 (summer-fall 2023)**: Preparing for potential permits
- **Q2 (Q2 2023-2024)**: Strategic plan refresh and final
- **Q1**: WEIS market entry prep
Regional community engagement activations

Resource Diversification Policy, planning and integration presentations to community organizations, business groups and civic leaders

**Regional events:**

- Efficiency Works events
- Arbor Day sponsorships and volunteering
- Volunteer opportunities with owner communities (e.g. United Way, Food Bank for Larimer County)
- NoCo Time Trials middle school battery and solar car race
- Bike to Work Day
- Longmont Area Chamber of Commerce’s Jubilee Gala
- Quarterly community events (e.g. Loveland Sweetheart Festival, Festival of Lights)
- Fort Collins Chamber Regional Issues Summit
External affairs outreach

Local governmental affairs outreach to city councils and city managers

- Reliability and dispatchable capacity
- Renewables and DERs
- Integrated resource plan
2024 Integrated Resource Plan

Platte River is constantly updating our resource planning, with the following topics and activities to be covered this year:

• Community listening sessions to gather input from the public
• Modeling and analysis focused on:
  • Reliability
  • Renewable integration
  • Emerging technologies

Pre IRP studies
• DER potential assessment
• Load and DER forecast
• Resource adequacy study
• Integration of emerging technologies
• Assessment and guidelines for IRP in the organized market
How you can help

• Building codes
• Energy efficiency
• Electrification
• Advanced metering infrastructure
• Consumer / conserve behavior

Strategic outreach efforts

• Education and training
• Stakeholder community engagement
• Regional marketing
• Grant opportunities
Questions
Board of directors

Feb. 23, 2023

Energy leaders since 1973
Daily market volatility

Melie Vincent, chief operating officer
Agenda

- Power market objectives
- Situational awareness
- Sample operating days
- Summary of risks and challenges
Operations’ objectives

- Serve owner community load while supporting regional system reliability
- Monetize resource portfolio assets
  - Purchase power beneath cost to commit and/or dispatch Platte River resources
  - Sell above cost to commit and/or dispatch Platte River resources
  - Minimize operations and maintenance costs of thermal units
- Maximize benefit of renewable and hydro resources
- Manage fuel and fuel transportation within contractual limits
Situational awareness

- Load forecast: hourly forecast of total Platte River system load
- Forecast of renewable generation: hourly forecast of wind and solar output
- Parameters of dispatchable resources: current status and capabilities of resources
- Regional resource adequacy: ability to purchase or sell power
- Fuel supply and pricing: cost and ability to run thermal resources
- Counterparty credit limits: how much and to whom can be sold
- Weather conditions: determine any additional measures necessary to ensure reliability
- Potential transmission congestion based on publicly available data
Shoulder operating day

Nov. 2, 2022

<table>
<thead>
<tr>
<th>Resource</th>
<th>Gross $</th>
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<tbody>
<tr>
<td>Coal</td>
<td>($110,000)</td>
</tr>
<tr>
<td>Gas</td>
<td>$0</td>
</tr>
<tr>
<td>Wind</td>
<td>($48,000)</td>
</tr>
<tr>
<td>Solar</td>
<td>($12,000)</td>
</tr>
<tr>
<td>Hydro</td>
<td>($52,000)</td>
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<tr>
<td>Purchases</td>
<td>($4,000)</td>
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<td>Sales</td>
<td>$87,000</td>
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<tr>
<td>Net for the day</td>
<td>($139,000)</td>
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<tr>
<td>Net cost per MWh</td>
<td>($17.59)</td>
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</table>
Summer operating day

July 13, 2022

<table>
<thead>
<tr>
<th>Resource</th>
<th>Gross $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>($179,000)</td>
</tr>
<tr>
<td>Gas</td>
<td>($276,000)</td>
</tr>
<tr>
<td>Wind</td>
<td>($24,000)</td>
</tr>
<tr>
<td>Solar</td>
<td>($18,000)</td>
</tr>
<tr>
<td>Hydro</td>
<td>($41,000)</td>
</tr>
<tr>
<td>Purchases</td>
<td>($20,000)</td>
</tr>
<tr>
<td>Sales</td>
<td>$346,000</td>
</tr>
<tr>
<td>Net for the day</td>
<td>($212,000)</td>
</tr>
<tr>
<td>Net variable cost per MWh</td>
<td>($19.48)</td>
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</table>
Winter operating day

Dec. 22, 2022

Gas interruptions 2 a.m. to 11 a.m. and 5 p.m. to 12 a.m.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Gross $</th>
</tr>
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<tbody>
<tr>
<td>Coal</td>
<td>($190,000)</td>
</tr>
<tr>
<td>Gas</td>
<td>($8,000)</td>
</tr>
<tr>
<td>Wind</td>
<td>($54,000)</td>
</tr>
<tr>
<td>Solar</td>
<td>($5,000)</td>
</tr>
<tr>
<td>Hydro</td>
<td>($44,000)</td>
</tr>
<tr>
<td>Purchases</td>
<td>($553,000)</td>
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<tr>
<td>Sales</td>
<td>$241,000</td>
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<tr>
<td><strong>Net for the day</strong></td>
<td><strong>($613,000)</strong></td>
</tr>
<tr>
<td><strong>Net variable cost per MWh</strong></td>
<td><strong>($54.70)</strong></td>
</tr>
</tbody>
</table>
Winter operating day – no coal (hypothetical)

Dec. 22, 2022

<table>
<thead>
<tr>
<th>Resource</th>
<th>Gross $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>$0</td>
</tr>
<tr>
<td>Gas</td>
<td>($8,000)</td>
</tr>
<tr>
<td>Wind</td>
<td>($54,000)</td>
</tr>
<tr>
<td>Solar</td>
<td>($5,000)</td>
</tr>
<tr>
<td>Hydro</td>
<td>($44,000)</td>
</tr>
<tr>
<td>Purchases</td>
<td>(1,994,000)</td>
</tr>
<tr>
<td>Sales</td>
<td>$0</td>
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<tr>
<td><strong>Net for the day</strong></td>
<td><strong>($2,105,000)</strong></td>
</tr>
<tr>
<td><strong>Net variable cost per MWh</strong></td>
<td><strong>($187.65)</strong></td>
</tr>
</tbody>
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Evolving risks and challenges

- Loss of dispatchable resource capacity
  - Coal plant closures
  - Drought impacts to hydropower output
- More volatile load patterns
  - Electric vehicle penetration growth
  - Distributed generation
  - Electrification efforts
- More frequent, extreme weather events
Key takeaways

• Serving load is becoming more complex and challenging
• Organized wholesale energy markets will help Platte River and the region respond to intraday fluctuations in load and renewable generation
• As baseload resources retire, Platte River needs assets that will serve owner community load reliably and economically through volatile market conditions and extended weather events
Transmission service terms and conditions

Sarah Leonard, general counsel
Real-time generation dispatch

- Each participant must begin each operating hour with sufficient resources to meet all load-service (and reserve) obligations.
- During the operating hour, the market operator optimizes dispatch of all participants’ available generation in real time:
  - Decrease more expensive generation
  - Increase less expensive generation
  - Remain within system limits
  - Serve collective load at lowest total dispatch cost
Transmission for real-time generation dispatch

- In real time, every participant offers its physically available transmission capacity at no cost.
- Market operator uses all physically available transmission (without regard to ownership) to optimize generation dispatch.
- Transmission available in real time cannot be sold, so each participant’s real-time transmission rate is $0.
- Using combined transmission capacity at no cost allows all participants to benefit from real-time dispatch of the lowest-cost generation in the fleet.
Platte River’s transmission tariff for WEIS

- Platte River’s open access transmission tariff – transmission service to third parties
- Platte River and the other participants in the Joint Dispatch Agreement (JDA) already offer zero-cost JDA transmission service
- Transmission service for the Western Energy Imbalance Service Market (WEIS) will be similar
- Platte River will update its transmission tariff terms and conditions for WEIS
- Flexible transmission arrangements will support Platte River’s progress toward a full energy market (Southwest Power Pool’s RTO West)
- Transmission tariffs are types of contracts
Next steps

- In the past, staff has requested board approval for changes (even minor ones) to its transmission tariff for service to third parties
- Staff suggests clarifying that Platte River’s general manager has authority to administer open access transmission tariff terms and conditions
- Platte River’s board of directors retains rate-setting authority
- If acceptable, staff will offer resolutions at the March meeting
  - Board confirms general manager’s authority over third-party transmission tariff terms and conditions
  - Board approves rate of $0 for WEIS transmission service
Questions
Board of directors

Feb. 23, 2023

Energy leaders since 1973
# January operational results

<table>
<thead>
<tr>
<th>Category</th>
<th>January variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner community demand</td>
<td>4.8%</td>
<td>● 4.8%</td>
</tr>
<tr>
<td>Owner community energy</td>
<td>1.4%</td>
<td>● 1.4%</td>
</tr>
<tr>
<td>Wind generation</td>
<td>(23.8%)</td>
<td>● (23.8%)</td>
</tr>
<tr>
<td>Solar generation</td>
<td>(34.1%)</td>
<td>● (34.1%)</td>
</tr>
<tr>
<td>Net variable cost to serve owner</td>
<td>59.7%</td>
<td>● 59.7%</td>
</tr>
<tr>
<td>community load*</td>
<td></td>
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</tr>
</tbody>
</table>

Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

*Total resource variable costs plus purchased power costs less sales revenue*
Board of directors

Feb. 23, 2023

Energy leaders since 1973
# Financial summary

<table>
<thead>
<tr>
<th>Category</th>
<th>January variance from budget ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income *</td>
<td>$4.0</td>
</tr>
<tr>
<td>Fixed obligation charge coverage</td>
<td>1.25x</td>
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<tr>
<td>Revenues</td>
<td>$1.1</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$2.0</td>
</tr>
<tr>
<td>Capital additions</td>
<td>$1.3</td>
</tr>
</tbody>
</table>

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

* Net income results impacted by unrealized gains on investments of $1.0 million
Questions