



## Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, March 30, 2023, 9 a.m.

### Call to order

1. Consent agenda
  - a. Minutes of the regular meeting of Feb. 23, 2023

*Motion to approve*

### Public comment

### Committee reports

2. Defined Benefit Plan committee report

### Board action items

3. Defined Benefit Plan – additional 2023 funding and formalization of 2003 retirement committee's funding guidelines
4. Executive session – personnel matters
  - a. Annual review of general manager  
Reconvene regular session
  - b. Discussion and any action resulting from review of general manager
5. WEIS transmission service
  - a. General manager authority over terms and conditions
  - b. Rate of zero

*Resolution 03-23*

*Motion (2/3 vote required)*

*Resolution 04-23*

*Resolution 05-23*

### Management presentations

6. Legislative preview
7. Strategic Plan update
8. Organized market update

### Management reports

9. Proposed general manager annual performance review policy update
10. Proposed employee total compensation policy update

### Monthly informational reports - February

11. Legal, environmental and compliance report
12. Resource diversification report
13. Operating report
14. Financial report
15. General management report

### Adjournment





## 2023 board meeting planning calendar

Updated March 21, 2023

**April 27, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
2022 FORVIS financial audit report	GM annual review policy	Wholesale rate projections	Q1 performance dashboard
Acceptance of 2022 annual report	Compensation policy	Water resources reference document (updated version)	Legal, environmental and compliance report
		Strategic Plan draft	Resource diversification report
			Operating report
			Financial report
			General management report

**May 25, 2023**

**Retirement committee meeting**

Board action items	Management presentations	Management reports	Monthly informational reports
Revision to wholesale transmission service (Tariff WT-24)	Wholesale rate projections		Legal, environmental and compliance report
GM annual review policy and compensation policy	Synopsis of state legislation of interest		Resource diversification report
	WEIS implementation and RTO West update		Operating report
	Hydro allocation update		Financial report
	Strategic Plan		General management report

**June 16-21, 2023**

**APPA National Conference (Seattle, Washington)**

**July 27, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
Acceptance of the Strategic Plan	Enterprise risk management	Legislative session recap	Q2 performance dashboard
			Legal, environmental and compliance report
			Resource diversification report
			Operating report
<b>Committee report</b>			Financial report
Retirement committee report			General management report

**Aug. 31, 2023**

**Retirement committee meeting**

Board action items	Management presentations	Management reports	Monthly informational reports
	Wholesale rate projections update and 2024 rate tariff charges		Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

**Sept. 28, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
	2024 proposed strategic budget work session	Strategic financial plan update	Legal, environmental and compliance report
	2024 rate tariff schedules	Staffing update	Resource diversification report
			Operating report
<b>Committee report</b>			Financial report
Retirement committee report			General management report

**Oct. 26, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
2023 FORVIS financial audit plan	2024 proposed strategic budget update – public hearing		Q3 performance dashboard
2024 rate tariff schedules	Strategic financial plan update		Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

**November 2023****Retirement committee meeting****No board of directors meeting**

**Dec. 7, 2023**

Board action items	Management presentations	Management reports	Monthly informational reports
2023 budget contingency appropriation transfer (if required)		Benefits update	Legal, environmental and compliance report
2024 Strategic Budget review and adoption			Resource diversification report
2024 proposed board of directors regular meeting schedule			Operating report
Strategic financial plan			Financial report
<b>Committee report</b>			General management report
Retirement committee report			

**Topics to be scheduled:**

- Chimney Hollow Reservoir tour

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







# 2023 board of directors

## Owner communities

## Term expiration

### Town of Estes Park

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

Mayor Wendy Koenig

Reuben Bergsten—Chair, Board of Directors

April 2024

December 2024

### City of Fort Collins

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

Mayor Jeni Arndt

Kendall Minor

November 2023

December 2026

### City of Longmont

350 Kimbark Street, Longmont, Colorado 80501

Mayor Joan Peck

David Hornbacher

November 2023

December 2026

### City of Loveland

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

Mayor Jacki Marsh

Kevin Gertig—Vice Chair, Board of Directors

November 2023

December 2025





## 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.





## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

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

**Subject:** **Consent agenda – March**

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Staff requests approval of the following item on the consent agenda. The supporting document is included for the item listed below. Approval of the consent agenda will approve the item unless a member of the board removes the item from consent for further discussion.

### Attachment

- Minutes of the regular meeting Feb. 23, 2023





## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, Feb. 23, 2023

### Attendance

#### Board members

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

#### Platte River staff

Jason Frisbie (general manager/CEO)  
Sarah Leonard (general counsel)  
Dave Smalley (chief financial officer and deputy general manager)  
Melie Vincent (chief operating officer)  
Raj Singam Setti (chief transition and integration officer)  
Eddie Gutiérrez (chief strategy officer)  
Angela Walsh (executive assistant/board secretary)  
Kaitlyn McCarty (executive assistant – finance and IT)  
Josh Pinsky (IT service desk technician II)  
Libby Clark (director of human resources and safety)  
Shelley Nywall (director of finance)  
Gary Whittenberg (director of system maintenance and facilities)

#### Guests

Kevin Jones (Fort Collins area chamber of commerce)

### Call to order

Chair Bergsten called the meeting to order at 9:08 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. Melie Vincent, chief operating officer, spoke to the press release announcing Rawhide Unit 1 winning Plant of the Year award for 2020 and 2023 from the Coal Users' Group, mentioning the strict criteria to win the award. Jason Frisbie, general manager and CEO, added that former plant manager Andy Cofas is now

the vice chair for the nominating committee and presented the award to Travis Hunter, director of power supply. Chair Bergsten commented on how reliability will be increasingly more important as we get closer to 2030 and congratulated the staff at the Rawhide Energy Station.

## Action items

### 1. Consent Agenda

- a. Approval of the regular meeting minutes of Dec. 8, 2022
- b. Incorporation into record of resolution 11-22: 2023 board of directors regular meeting schedule
- c. Transfer of 2022 capital budget carryover to 2023 Strategic Budget

Director Marsh moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 8-0. Mr. Frisbie referred to page 29 of the board packet noting 80% of the carryovers are because of supply chain issues.

## 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.

## Annual meeting

### 2. Platte River Power Authority annual meeting

#### a. Annual election of officers

Chair Bergsten stated who the present elected officers are:

- Reuben Bergsten, chair
- Kevin Gertig, vice chair
- Angela Walsh, secretary
- Sarah Leonard, assistant secretary
- Dave Smalley, treasurer
- Jason Frisbie, general manager and chief executive officer

Chair Bergsten reminded the directors that officers serve for one year and are elected by resolution. The term begins at the conclusion of this meeting. If the board receives multiple nominations for any office a roll call vote will be called for each office separately. The chair also noted, as set forth in the annual meeting memorandum, the Organic Contract requires the chair and vice chair to be members of the board. These are the two positions for which nominations would be received. The officer positions



filled by management staff are traditionally retained and reaffirmed to meet the requirements of the Organic Contract. Chair Bergsten asked if the board wanted to have discussion prior to nominations.

Nominations: Marsh nominated the current slate of officers to remain in place.

Chair Bergsten restated the nominations for clarity; Reuben Bergsten for chair, Kevin Gertig for vice chair, and the staff members Angela Walsh for secretary, Sarah Leonard for assistant secretary, Dave Smalley for treasurer and Jason Frisbie for general manager/CEO.

Director Marsh moved to approve Resolution No. 01-23; Annual Election of Officers as nominated. Director Koenig seconded. The motion carried 8-0.

#### **b. Annual retirement committee appointments**

Chair Hornbacher stated the present retirement committee consists of the following members:

- Directors: Reuben Bergsten, David Hornbacher, Jacki Marsh and Jeni Arndt
- Management: Jason Frisbie and Dave Smalley

For 2023, no changes were proposed for management members.

Chair Bergsten explained that the board needs to appoint four directors and two management members to the committee and opened the floor for nominations. If there are more than four nominations a roll call vote will be called for each of the individuals nominated.

Nominations: Director Peck nominated the current committee members to remain in place.

Chair Bergsten restated the nominated retirement committee members will consist of the four directors: Reuben Bergsten, David Hornbacher, Jacki Marsh and Jeni Arndt, and the two management members: Jason Frisbie and Dave Smalley. Director Peck moved to approve Resolution No. 02-23; Annual Retirement Committee Appointments as nominated. Director Gertig seconded. The motion carried 8-0.

#### **c. 2022 Platte River year in review and year-end operations and financial reports**

Mr. Frisbie outlined the presentation by each member of the senior leadership team.

- Ms. Vincent provided the December variance report, discussed the year-end results in surplus sales and the impact of joint dispatch, and presented the division's significant events for power supply, fuels and water, power production, power delivery and system maintenance and facilities. Director Arndt asked what line galloping is. Gary Whittenburg, director of system maintenance and facilities, responded that transmission lines can collect ice during significant weather events and when there is wind, the ice causes the lines to catch the wind and "gallop." He described how airflow spoilers, stiff coil-like rods placed on the transmission lines, help with reducing movement of the lines and increases reliability, especially on the lines that run from east to west. Discussion continued among directors and staff regarding transmission lines and weather. Director Marsh spoke to the combustion turbine (CT) testing and asked if the wind

turbines are tested regularly. Ms. Vincent responded that the wind projects are through power purchase agreements and the operating company is responsible for testing, but staff monitors all renewable projects' performance daily. Raj Singam Setti, chief transition and integration officer, spoke about a weather event in Texas that caused icing of wind turbines and work is ongoing with how to de-ice them. Mr. Frisbie explained the CT units are tested for emissions monitoring and making sure they will respond when needed during extreme weather events in the winter or summer.

- Dave Smalley, chief financial officer and deputy general manager, reviewed the significant events in finance, year-end financial results and how the year-end results performed against the strategic financial plan metrics. Director Arndt asked if the renewable energy generated in Platte River's portfolio is included in surplus sales. Ms. Vincent explained that a surplus of renewable generation could be included in surplus sales after Platte River's load is covered, replacing other thermal units in the region, but Platte River does not transfer the associated renewable credits. Director Arndt followed up with another question asking if coal prices were going to continue to rise. Ms. Vincent responded that the coal market will experience volatility as the demand decreases; railroad agreements could impact the price as well. Mr. Frisbie clarified the variation in coal prices were predominately due to coal pricing at the Trapper Mine that feeds the Craig Station units and explained the mining operation challenges experienced in 2022. Discussion ensued among directors and staff regarding fuel supply variances and what it could look like after 2030.
- Eddie Gutiérrez, chief strategy officer, presented significant events and accomplishments in safety, human resources, public and external affairs and communications and marketing. Director Marsh commented on electric vehicles (EVs) advertisements and asked how Platte River could help educate city customers through utility billing communications. Mr. Gutiérrez agreed there is an opportunity to partner with larger EV dealerships in the area to help educate the customers within the owner communities. Mr. Singam Setti commented on the EV microsite that Platte River established recently. Director Gertig inquired about the equity, diversity and inclusion programs from 2022. Mr. Gutiérrez discussed programs the human resources department is working on and future programs for 2025. Director Koenig thanked Mr. Gutiérrez for proceeding with the strategic plan and working on communication strategies with the owner communities. Director Hornbacher thanked the team for all the work in human resources to fill vacant positions and the approach to making employee programs successful. Director Arndt noted staff from the City of Fort Collins will be attending the Zero Carbon City International Forum in Japan and asked for Mr. Gutiérrez to provide four bullet points on what Platte River is doing in the climate sector.
- Mr. Singam Setti provided an overview of significant accomplishments in resource transition, portfolio strategy actions, distributed energy resources and solutions, digital integration and cybersecurity. Director Minor commented on combining the information technology and operational technology departments and asked how they will work together as the advancement of technology continues to evolve. Mr. Singam Setti offered to share information on the software the teams will be working on together. Chair Bergsten complimented staff on the implementation process for the energy management system and discussed the integration of the transmission and distribution system criteria to meet the Resource Diversification Policy. Discussion ensued among directors and staff regarding the migration of open systems interconnection for the transmission level, the advanced distribution management systems for the distribution level and collaboration opportunities in bringing systems together.

- Sarah Leonard, general counsel, discussed the significant accomplishments for the environmental compliance, reliability compliance and legal departments. Chair Bergsten complimented the legal department and other staff on how they handled the Front Range Internet, Inc. situation by providing services to customers.
- Angela Walsh, executive assistant to the general manager, board secretary and administration services supervisor, covered the significant accomplishments in the administrative services department in supporting the organization, the board and the Energy Engagement Center.
- Mr. Frisbie summarized the significant accomplishments for 2022 and outlined the goals for 2023. Director Gertig requested that all four communities align on the prerequisites to accomplish the 2030 goals.

Chair Bergsten closed the annual meeting portion of the agenda.

10-minute break (11:04-11:14)

## Management presentations

### 3. Timeline of 2023 milestone activities (presenter: Eddie Gutiérrez)

Mr. Gutiérrez outlined the timeline for regional external affairs and community engagement activations related to the Platte River milestones for 2023 and asked the board to provide feedback on timing for reaching out to the city councils and public education sessions. Director Peck invited staff to join the Earth Day celebration in Longmont. Director Arndt asked if staff have been involved with City Works that conducts leadership training through the City of Fort Collins and Leadership Fort Collins through the chamber and suggested Platte River present to those programs.

Mr. Gutiérrez asked the board to send him other program ideas for staff engagement in the owner communities. Director Marsh discussed community involvement opportunities in Loveland in July and Town Halls. Chair Bergsten acknowledged the change in culture by putting Platte River out into the owner communities. Director Minor expressed the importance of collaboration and working together to accomplish the 2030 goals. Mr. Frisbie reiterated the importance of unified messaging, collaboration and open dialog among the five utilities because Platte River cannot reach the goals without the four owner communities' assistance.

### 4. Daily market volatility (presenter: Melie Vincent)

Ms. Vincent presented the operation objectives to serving load for the owner communities while maintaining reliability and addressing the future challenges as the resource portfolio continues to evolve towards accomplishing the 2030 goal. Ms. Vincent described examples of recent operating days showing what resources were online to serve owner community load as well as regional sales. Director Marsh asked why the gas supply can be shut off and how to avoid that in the future. Ms. Vincent responded that staff is looking at firm gas transportation service contracts to replace the current interruptible gas service agreements to help avoid shutoffs in the future. Mr. Singam Setti commented on gas connection options and staff evaluating generation technology that uses a

hydrogen blend for fuel. Mr. Frisbie further explained the importance of being long and diversified in energy to serve the load and provide regional support with generation. Discussion ensued among directors and staff about generation, energy storage and diversifying the resource portfolio.

Director Minor requested confirmation that owner community load will be served first before selling excess generation when Platte River enters the market. Ms. Vincent confirmed that the Platte River load will be served first by bidding in the load and then the market will ensure the generation will reliably serve the load for each participant. Chair Bergsten commented on Platte River's rate stabilization fund. Mr. Smalley referred back to a previous question on daily operating cost volatility being passed down to the utility customers and elaborated on the rate smoothing methodology and how the rate stabilization fund's purpose is to enable Platte River to meet legal bond requirements under adverse financial conditions.

## **5. Third-party transmission service terms & conditions (presenter: Sarah Leonard)**

Ms. Leonard explained the collaboration process in providing transmission service in the real time markets and the staff recommendation of setting a rate tariff of zero for these types of transmission transactions. Staff will bring back two resolutions during the March board meeting for the board's consideration—one to clarify the ability for the general manager to approve terms and conditions for transmission service and one for the board to approve setting a rate of zero for real-time dispatch transmission service in the Western Energy Imbalance Service market. There were no questions from the board.

## **6. Board discussion: general manager annual performance review policy**

Chair Bergsten previewed future board meeting discussions evaluating the current general manager annual performance review policy to reflect modern appraisal standards. There were no questions from the board.

# **Management reports**

## **7. GM annual review process (presenter: Libby Clark)**

Libby Clark, director of human resources and safety, reminded the board of the annual performance review process in preparation for the March board meeting executive session. Director Koenig asked if this review would reflect changes that Chair Bergsten mentioned in the last agenda item. Ms. Clark clarified that this review is the same as years' past, evaluating Mr. Frisbie's performance against the strategic initiatives in the current Strategic Plan. Mr. Frisbie added that there are two policies addressing the annual review process and total employee compensation that need to be cleaned up to address relevant and current standards. Staff will bring suggested edits on both policies for the board's consideration at the March board meeting following the general manager annual review process for 2022.

## **8. Resource Diversification Policy status update (presenter: Raj Singam Setti)**

Mr. Singam Setti referred back to the presentation staff provided at the December board meeting, creating a process to keep the board updated on the status of the Resource Diversification Policy. He noted that the updates will be provided in the monthly informational reports as the Resource Diversification report replacing the transition and integration report. There were no questions from the board.

## **Monthly informational reports for January**

### **9. Q4 Performance dashboard (presenter: Jason Frisbie)**

Mr. Frisbie presented the Q4 performance dashboard. There were no questions from the board.

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

Ms. Leonard highlighted the ongoing lawsuit over WestConnect transmission planning cost allocation under Federal Energy Regulatory Commission Order 1000 and the Western Area Power Administration's proposed rate increase for firm electric service. There were no questions from the board.

### **11. Transition and integration report (presenter: Raj Singam Setti)**

Mr. Singam Setti emphasized the risks associated with supply chain constraints affecting the request for proposals process on a new solar project. There were no questions from the board.

### **12. Operating report (presenter: Melie Vincent)**

Ms. Vincent discussed the January variance report, highlighting the below-budget wind and solar generation for the month and noting detailed information within the report on natural gas prices. There were no questions from the board.

### **13. Financial report (presenter: Dave Smalley)**

Mr. Smalley discussed the favorable financial results for January and noted the financial schedules are not included because the finance department is still closing the books for 2022. There were no questions from the board.

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

Mr. Frisbie highlighted the enterprise risk management program, Efficiency Works project and the kickoff of the 2024 Integrated Resource Plan. There were no questions from the board.

**Roundtable and strategic discussion topics**

Directors provided updates from their individual communities.

**Adjournment**

With no further business, the meeting adjourned at 12:22 p.m. The next regular board meeting is scheduled for Thursday, March 30, 2023, 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 \_\_\_\_\_, 2023.

\_\_\_\_\_  
Secretary



## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

**From:** David Hornbacher, board member, retirement committee chair  
Jason Frisbie, general manager and chief executive officer

**Subject:** **Defined Benefit Plan committee report**

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The retirement committee held its quarterly meeting on Feb. 23, 2023. The minutes of the meeting are included in the board packet. At the board meeting, committee chair Dave Hornbacher will provide a summary of the February retirement committee meeting.

This report is for informational purposes but board action will be requested on a subsequent agenda item.

### Attachment

- Feb. 23, 2023 defined benefit plan committee minutes - DRAFT







Meeting minutes of the retirement committee  
Thursday, February 22, 2023

## ATTENDANCE

### Committee members

David Hornbacher, chair  
Jason Frisbie (plan administrator)  
Jeni Arndt  
Reuben Bergsten  
Jacki Marsh  
Dave Smalley

### Committee members - absent

### Platte River staff

Libby Clark (director of human resources and safety)  
Julie Depperman (director of treasury services)  
Kaitlyn McCarty (executive administrative assistant)  
Caroline Schmiedt (senior counsel)  
Staci Sears (human resource manager)

### Guests

Jason Palmer of Northern Trust Asset Management (Northern Trust)  
Dan Phillips of Northern Trust<sup>1</sup>  
Julie Canna of 50 South Capital

## CALL TO ORDER

The meeting was called to order at 1:04 p.m. A quorum was present and the meeting, having been duly convened, was ready to proceed with business.

## ACTION ITEMS

**(1) Review minutes of Nov. 8, 2022, meeting.** Chair David Hornbacher asked for a motion to approve the minutes from the Nov. 8, 2022, meeting. Reuben Bergsten moved to approve the minutes as submitted. Jason Frisbie seconded, and the motion carried 6-0.

**(2) Fourth quarter and annual investment performance.** Jason Palmer of Northern Trust reviewed the fourth quarter and annual performance and highlighted the plan's performance relative to its benchmarks (included in the meeting materials). Northern Trust staff summarized key market developments, economic indicators, and significant events that impacted the market.

Mr. Palmer provided a brief portfolio overview, highlighting that inception to date the portfolio returned 6.5%, slightly outpacing the benchmark of 6.3%. The long-term return goal is 7.5%. Mr. Palmer reviewed the plan's portfolio position for the fourth quarter and reviewed their firm's asset allocation process. The portfolio consists of risk control and risk assets. For the quarter, the plan had a slight bias to risk assets.

## Defined benefit plan committee meeting minutes: Feb. 22, 2023

For the quarter, the plan assets increased from \$98.2 million to \$105.1 million, which accounts for contributions, income, appreciation and benefit payments.

Mr. Palmer reviewed the plan's key performance drivers for the quarter. Global equities, real assets and fixed income produced positive results while alternatives fell during the quarter. Tactical asset allocation results were mixed overall as defensive positioning hurt during the market rebound. Tactical positioning lowered results by 0.2% to 0.3% (estimated). Investment manager selection was negative during the quarter hurting results by 0.15% to 0.35% (estimated). One out of three low-volatility equity strategies outperformed their benchmarks.

Page 16 of the quarterly investment report provides rationales for the portfolio's positioning in each asset class.

Dave Smalley reported that the actuary provided the 12/31/2022 actuarial valuation, which includes funding recommendations for 2024. Based on the portfolio's -11% return during 2022, funding will increase from \$3 million in 2023 to \$9.1 million in 2024. Mr. Smalley stated it may be prudent to contribute a portion of the \$9.1 million to the plan this year and smooth the \$12.1 million recommended contributions over two years (2023-2024), at \$6 million per year. Discussion ensued and Mr. Frisbie provided additional rationale for adding funds in 2023. The committee agreed that it would be prudent to increase funding during 2023 by \$3 million so that contributions in both 2023 and 2024 would be \$6 million. Staff will research further for discussion with the board of directors at the March meeting.

**(3) Alternatives allocation update.** Northern Trust provided an alternatives allocation update on private credit (sponsor backed credit fund II) and private equity (private equity core fund X).

Julie Canna of 50 South Capital provided a brief overview of sponsor backed credit fund II noting that fund closed on commitments to three core private credit sub-advisors, which have closed on a total of 205 loans diversified across various sectors and industries. The fund has called 26.5% of commitments as of the third quarter of 2022 and is expected to call an additional 30% to 35% over the course of 2023.

Ms. Canna provided a brief overview of private equity core fund X stating that it is still in its investment period and has thus far allocated 80% of committed capital to sub-advisors. Fund X is expected to select its last investment manager in the second quarter of 2023. Fund X is in the early stages of drawing capital and has called 5.6% of the plan's capital commitments to date.

**(4) Fiduciary review.** Jason Palmer gave a brief overview of the purposes of this review indicating that Northern Trust provides a summary of accomplishments over the previous 12 months.

Mr. Palmer discussed the highlights of the fiduciary review. Mr. Palmer shared the asset management and OCIO expertise that Northern Trust delivers to Platte River and reiterated the firm's stability and dedicated resources in providing OCIO services to clients. Mr. Palmer discussed the scope of services provided by Northern Trust, which have been tailored to Platte River's unique needs. He reinforced the roles and responsibilities of their firm and the retirement committee, which are outlined on page 10 of the report. The report describes Platte River's and Northern Trust's key accomplishments during the last 12 months.

**(5) Investment consultant review.** Using the criteria outlined in the Investment Consultant Review form, the committee performed its due diligence in monitoring the performance of

## Defined benefit plan committee meeting minutes: Feb. 22, 2023

Northern Trust as the plan's investment consultant by completing an annual review (Northern Trust was not present during this review). The form provides an outline for evaluating the consultant's performance over the year using criteria based on the scope of services in the agreement between Northern Trust and Platte River. The purpose of the review is to determine how the investment consultant is performing and whether Platte River staff should initiate a request for proposals (RFP). Ms. Schmiedt reminded the committee that as fiduciaries, this is the committee's opportunity to document its due diligence in monitoring the performance of the consultant.

Ms. Depperman guided the committee through the review form. The committee's discussion of each criterion is summarized below.

- Attendance at quarterly meetings – Based on the points outlined in the form, the committee agreed this criterion is being met. The assigned consultants have not changed. Mr. Palmer and his team regularly attend the quarterly meetings with little to no turn-over since Platte River began working with Northern Trust in 2019.
- Investment policy review – Based on the points outlined in the form, the committee agreed this criterion is being met. Northern Trust completes formal reviews each November and provides updates with each allocation change.
- Asset liability modeling and asset allocation studies – Based on the points outlined in the form, the committee agreed this criterion is being met. Specifically, the committee acknowledged that a full asset liability study was completed in 2020 and again in 2022. Northern Trust provides annual updates at the August meetings and at each quarterly meeting, they compare targets to plan assumptions that are included in the meeting materials.
- Portfolio construction and structural analysis – Based on the points outlined in the form, the committee agreed this criterion is being met. Northern Trust makes tactical allocations to improve returns. They communicate those changes to staff via email and to the committee at quarterly meetings.
- Performance measurement – Based on the points outlined in the form, the committee agreed this criterion is being met. Measurement is discussed at quarterly meetings and included in the quarterly performance report. Mr. Frisbie stated they answer committee questions clearly and concisely.
- General research and analysis– Based on the points outlined in the form, the committee agreed this criterion is being met. Their quarterly reports provide beneficial information and insights on markets. Research and analysis are included in the quarterly report under key developments, market events and market review and discussed during quarterly meetings.
- Financial statement support – Based on the points outlined in the form, the committee agreed this criterion is being met. Ms. Depperman stated Northern Trust provides required disclosures timely and responds to questions promptly.

## Defined benefit plan committee meeting minutes: Feb. 22, 2023

- Educational workshops – Based on the points outlined in the form, the committee agreed this criterion is being met. During 2022, Northern Trust provided educational workshops on high yield, private equity and private credit.
- Reasonable Fees – Based on the points outlined in the form, the committee agreed this criterion is being met. Platte River benchmarked their fees in both 2019 and 2020 and found their fees are reasonable. Northern Trust also provides expense ratios for the funds in the quarterly report. For the December 2022 quarter, the expense ratio on the portfolio's funds was 31 basis points, which is also reasonable.

Mr. Frisbie stated he would like to see a report on the cumulative value the tactical allocations have added. Ms. Depperman will request that Northern Trust add a report to the quarterly investment report.

Overall, the committee agreed that Northern Trust is meeting expectations for all categories. Ms. Depperman asked if any member of the committee believes we should undergo an RFP process for investment manager services at this time. The committee agreed that this was not needed.

**(6) Other business.** Change to the 2023 retirement committee meeting schedule.

- Motion to approve moving the November 17 meeting to October 26 at 12:30 p.m. Reuben Bergsten moved to approve changing the November meeting to October as requested. Jeni Arndt seconded, and the motion carried 6-0.

The next regular committee meeting is scheduled for May 25, 2023, at 12:30 p.m. in the Platte River board room or virtually via Microsoft Teams.

The meeting adjourned at 2:29 p.m.

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Chair David Hornbacher



## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Dave Smalley, chief financial officer and deputy general manager

**Subject:** **Defined Benefit Plan – additional 2023 funding and formalization of 2003 retirement committee’s funding guidelines**

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Staff and the retirement committee recommend \$3.0 million of additional funding for the defined benefit plan (the Plan) in 2023. In addition, staff recommends rescinding Resolution 23-02 and replacing it with Resolution 03-23 formalizing the 2003 retirement committee’s Plan funding guidelines. (This “housekeeping” issue is described below.)

### Background

#### 2023 additional funding

The Plan’s actuary, Willis Towers Watson, provided the Dec. 31, 2022 actuarial valuation. The valuation includes the 2024 contribution recommendation. The recommended contribution has two components, the base contribution and the additional funding charge. To calculate the contribution, the actuary determines if actuarial assumptions are realized and where they vary to determine how much additional funding is needed to keep the Plan well-funded.

A key assumption and the largest impact to funding is the annual rate of return metric. The Plan’s assumed annual rate of return is 7.5%. During 2022, the Plan returned a loss of (10.3%). Primarily due to underperforming return, the actuary’s recommended contribution increased \$6.1 million (from \$3.0 million in 2023 to \$9.1 million in 2024). The 2024 funding includes a \$4.2 million base contribution and a \$4.9 million additional funding charge.

In keeping with Platte River’s approach to smooth financial impacts over time, staff presented, and the retirement committee agreed, that it would be prudent to accelerate part of the \$9.1 million contribution recommended for 2024 into 2023. The strategy is to take advantage of dollar-cost averaging funds into the market by contributing \$3.0 million additional funding in 2023. This would reduce the 2024 contribution from \$9.1 million to \$6.1 million.

Contributing a portion of 2024's recommended funding in 2023 does not affect the 2023 budget. Under the board approved GASB 62 accounting policy additional pension funding can be expensed equally over a ten-year period. Platte River will begin to recognize these expenses in the 2024 budget and capture the remaining expense in future budgets.

### **Funding policy formalization**

In 2002, the board approved Resolution 23-02 establishing a minimum funding target of 110% of current liabilities for the Plan. In 2003, after discussions with the Plan's actuary regarding asset liability study and various funding options, the retirement committee established revised funding guidelines (100% of current liability with any deficit amortized over a five-year period) to reduce contribution volatility and ensure the Plan remains well funded. While the retirement committee approved these guidelines, which modified the 2002 resolution, the revised guidelines were not formally approved by the board. The retirement committee's guidelines have been applied consistently for the past 20 years. The following paragraph and attached resolution clarify the funding policy (as stated in the actuarial valuation report):

Platte River's funding policy is to contribute an amount equal to the recommended annual contribution. The recommended annual contribution has two components: a base contribution and, if necessary, an additional funding charge. Platte River will contribute an additional funding charge if, as of the end of the year for which the contribution is determined, the percentage of the market value of the Plan's assets in relation to the actuarial present value of accumulated Plan benefits is less than 100% (the minimum funding target). The additional funding charge contribution to meet the minimum funding target is amortized over a five-year period.

Section 8.5(e) of the Plan reserves to the board decisions about the funding policy, and the amount and timing of Plan contributions. Staff requests board approval of the attached resolution to rescind Resolution 23-02, approve the attached funding policy and change the timing of Plan funding as described in this memorandum.

### **Attachments**

- Defined Benefit Plan Funding Policy
- Resolution 03-23 Defined Benefit Plan – additional 2023 funding and formalization of 2003 retirement committee's funding guidelines

 <b>Platte River</b> Power Authority	<h1>Policy</h1>	Version #: 2.0 Original effective date: 05/06/2003 Next review date: 03/30/2028
	TITLE: Defined Benefit Plan – Funding Policy	Page 1 of 2

## Purpose:

This policy is established to provide guidance for funding the Defined Benefit Plan (Plan).

## Policy:

Platte River's board of directors (board) is the designated governing body for the Plan and the Plan reserves to the board decisions about funding policies.

The Plan's funding policy is to contribute an amount equal to the recommended annual contribution as stated in the actuarial valuation report.

Recommended annual contributions have two components: a base contribution and, if necessary, an additional funding charge. Platte River will contribute an additional funding charge if, as of the end of the year for which the contribution is determined, the percentage of the market value of the Plan's assets in relation to the actuarial present value of accumulated Plan benefits is less than 100% (the minimum funding target). The additional funding charge contribution to meet the minimum funding target is amortized over a five-year period.

## Implementing parties and assigned responsibilities:

The general manager/chief executive officer and the chief financial officer and deputy general manager review this policy and recommended revisions to the retirement committee. The retirement committee reviews and recommends changes to the board.

## Associated items (if applicable):

## Definitions (if applicable):

 <b>Platte River</b> Power Authority	<b>Policy</b>		Version #: 2.0 Original effective date: 05/06/2003 Next review date: 03/30/2028
	TITLE: Defined Benefit Plan – Funding Policy		Page 2 of 2

<b>Document owner:</b> General manager/chief executive officer		<b>Original effective date:</b> 05/06/2003
<b>Authority:</b> Board of directors		<b>Review frequency:</b> Every five years
<b>Counsel review:</b> General counsel		<b>Current effective date:</b> 03/30/2023

Version	Date	Action	Author	Change Tracking (new, review, revision)
1.0	05/06/2003	Original policy	Retirement committee	New
2.0	03/30/2023	Formalized and adopted by board resolution xx-23	Jason Frisbie	Formal adoption



## RESOLUTION NO. 03-23

### Background

A. Platte River Power Authority (Platte River) maintains a defined benefit plan (Plan).

B. Platte River's board of directors (board) is the designated governing body for the Plan, and the Plan reserves to the board decisions about funding policies, as well as the amount and timing of Plan contributions.

C. During 2022, the Plan returned a loss of (10.3%), primarily due to underperforming return.

D. The Plan's actuary has recommended that Platte River contribute \$9.1 million to the Plan in 2024, which includes a \$4.2 million base contribution and a \$4.9 million additional funding charge.

E. Staff recommends that, rather than waiting until 2024 to contribute the full \$4.9 million in additional funding, Platte River accelerate a portion of the additional funding (specifically, \$3.0 million) into 2023, which would not affect Platte River's 2023 strategic budget but would reduce the total 2024 contribution to \$6.1 million and support the Platte River board's directive to smooth rate changes over time.

F. In addition, staff has explained in its memorandum dated March 22, 2023, that

- in 2002 the board approved Resolution 23-02 establishing a minimum funding target of 110% of current liabilities for the Plan, and
- in 2003, after discussions with the Plan's actuary, the retirement committee established revised guidance for Plan funding (100% of current liability with any deficit amortized over a five-year period) to reduce contribution volatility and ensure the Plan remains well funded.

G. While the retirement committee approved and adopted new guidelines that revised the 2002 policy and staff has consistently followed the funding policy as revised in 2003, neither staff nor the retirement committee requested the board's formal approval of a new policy.

H. Staff recommends the board rescind Resolution 23-02, formally approve the attached Defined Benefit Plan Funding Policy (which formalizes the retirement committee's 2003

guidance), and ratify staff's implementation of the Defined Benefit Plan Funding Policy since 2003.

### Resolution

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

1. the board approves accelerating to 2023 \$3.0 million of the Plan actuary's recommended \$4.9 million of additional Plan funding for 2024;
2. the board rescinds resolution 23-02;
3. the board approves the attached Defined Benefit Plan Funding Policy formalizing the retirement committee's 2003 guidance, with an effective date of May 6, 2003; and
4. the board ratifies staff's implementation of the Defined Benefit Plan Funding Policy since May 6, 2003.

AS WITNESS, I have signed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_

Secretary

Adopted:

Vote:



## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

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

**Subject:** Executive session – personnel matters

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Consistent with Colorado law governing open meetings, the Platte River Board of Directors may convene an executive session to discuss, among other things, non-public personnel matters. Staff therefore recommends the board convene an executive session for the general manager's performance review (which is a non-public personnel matter). Convening an executive session to discuss this matter is permitted by section 24-6-402(4)(f)(I) of the Colorado Revised Statutes.

The board will take no action during executive session.

There is no documentation for public use.





## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Sarah Leonard, general counsel  
Melie Vincent, chief operating officer

**Subject:** **WEIS transmission service**

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As discussed in staff's presentation at the February 2023 board meeting, Platte River maintains an open access transmission service tariff (transmission tariff) that governs transmission service to third parties across Platte River's transmission facilities. When Platte River joins the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) market (currently with an anticipated "go-live" date on April 1, 2023), Platte River will need to make unused transmission capacity available in real time for WEIS market dispatch. This will require changes to Platte River's current transmission tariff before the market entry go-live date.

Platte River anticipates the WEIS market may evolve while Platte River is a participant. Platte River also expects to transition from the WEIS market to a full "day 2" market (also known as a regional transmission organization) operated by SPP, potentially as early as 2026. As it operates in these organized markets, Platte River will need to be agile, adaptable, and responsive to evolving markets and market rules, including those affecting service to third parties on its transmission facilities.

Item 8 of Platte River's board-approved Resolution 25-16 (Fiscal Resolution) gives Platte River's general manager broad authority to enter into contracts in the name of Platte River. Platte River's transmission tariff is a form of contract, but staff's past practice has been to request board approval of changes to Platte River's transmission tariff.

Staff recommends the board clarify that the general manager's authority under the Fiscal Resolution includes approving changes to the terms and conditions of Platte River's transmission tariff, without seeking separate board approval. The March 2023 meeting packet includes a proposed resolution.

In addition, all WEIS market participants with transmission rights or facilities, including Platte River, must offer Joint Dispatch Transmission Service at a rate of \$0.00, which reflects that the available transmission capacity could not otherwise be sold in real time and that all WEIS market participants

benefit from pooling their available transmission capacity to provide Joint Dispatch Transmission Service.

Even if the board clarifies that the general manager's authority under the Fiscal Resolution includes approving changes to the terms and conditions of Platte River's transmission tariff, the board remains responsible for setting rates for Platte River's wholesale capacity, energy, and transmission sales.

Staff recommends the board approve a rate of \$0.00 for Platte River's Joint Dispatch Transmission Service to WEIS market participants. The March 2023 meeting packet includes a proposed resolution.

## **Attachments**

- Proposed resolution clarifying general manager authority over transmission tariff terms and conditions
- Proposed resolution approving rate of zero for WEIS market Joint Dispatch Transmission Service

## RESOLUTION NO. 04-23

### Background

A. Platte River Power Authority (Platte River) maintains an open access transmission service tariff (transmission tariff) that governs transmission service to third parties across Platte River's transmission facilities.

B. Platte River anticipates joining the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) market April 1, 2023.

C. Platte River must revise its transmission tariff to make unused transmission capacity available in real time for WEIS market dispatch; the revisions must take effect on or before the date on which Platte River enters the WEIS market.

D. Platte River anticipates the WEIS market may evolve while Platte River is a participant; Platte River further anticipates transitioning from the WEIS market to a full "day 2" market (also known as a regional transmission organization) operated by SPP, potentially as early as 2026.

E. As Platte River's operations and the markets in which it participates evolve, Platte River will need to be agile, adaptable, and responsive to market requirements, including those affecting service to third parties on its transmission facilities.

F. Under item 8 of Platte River's board-approved Resolution 25-16 (Fiscal Resolution), the board has conferred broad authority on Platte River's general manager to enter into contracts in the name of Platte River.

G. Platte River's transmission tariff is a form of contract, but staff's past practice has been to request board approval of changes to Platte River's transmission tariff.

H. To enable Platte River to be agile, adaptable, and responsive to evolving market requirements as it enters and participates in organized energy markets, the board wishes to clarify that the general manager's authority under the Fiscal Resolution includes approving changes to the terms and conditions of Platte River's transmission tariff, without seeking separate board approval.

Resolution

The board of directors of Platte River Power Authority therefore resolves that the Platte River general manager's contracting authority under the Fiscal Resolution includes authority to approve changes to the terms and conditions of Platte River's open access transmission tariff.

AS WITNESS, I have signed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_

Secretary

Adopted:

Vote:



## RESOLUTION NO. 05-23

### Background

A. Platte River anticipates joining the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) market April 1, 2023.

B. All WEIS market participants with transmission rights or facilities, including Platte River, must provide “Joint Dispatch Transmission Service,” which is defined in the SPP WEIS market tariff as “intra-hour non-firm transmission service, as available, across transmission facilities of the [m]arket [p]articipant that is used to transmit energy dispatched pursuant to the provisions of [the SPP WEIS market tariff].”

C. Platte River must revise its transmission tariff to offer Joint Dispatch Transmission Service; the revisions must take effect on or before the date on which Platte River enters the WEIS market.

D. All WEIS market participants with transmission rights or facilities, including Platte River, must offer Joint Dispatch Transmission Service at a rate of \$0.00, which reflects that the available transmission capacity could not otherwise be sold in real time and that all WEIS market participants benefit from pooling their available transmission capacity to provide Joint Dispatch Transmission Service.

E. Platte River’s board of directors (board) is responsible for setting rates for Platte River’s wholesale capacity, energy, and transmission sales.

F. Staff recommends the board approve a rate of \$0.00 for Platte River’s Joint Dispatch Transmission Service to WEIS market participants.

### Resolution

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

1. the rate for Joint Dispatch Transmission Service on Platte River’s transmission facilities for purposes of Platte River’s participation in the WEIS market is \$0.00, and

2. Platte River staff is authorized to incorporate the rate of \$0.00 into Platte River's open access transmission service tariff and associated rate schedules and post the rate and rate schedules on Platte River's open-access same-time information system.

AS WITNESS, I have signed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_

Secretary

Adopted:

Vote:



## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Eddie Gutiérrez, chief strategy officer  
Javier Camacho, director of public and external affairs, strategic communications and social marketing

**Subject:** **Legislative preview**

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This presentation will provide an outlook for the 2023 legislative session for both the state of Colorado 74<sup>th</sup> General Assembly and the United States 118<sup>th</sup> Congress. The presentation will include legislation that Platte River Power Authority is currently monitoring and will provide context on the activity to some of the legislation Platte River is currently engaging with. Ultimately, our directors will understand Platte River's advocacy efforts for our owner communities and the utility.

This presentation is for informational purposes only and no board action will be requested.





## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

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

**Subject:** **Strategic Plan update**

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Focused on the implementation phase of Platte River's current strategic plan, this presentation will discuss tactical planning that is underway to refine our core implementation strategies and metrics. As we work cross-functionally across the organization, we anticipate an updated strategic plan for the organization by mid 2023.

This presentation is for informational purposes only and no board action will be requested.





## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Melie Vincent, chief operating officer

**Subject:** **Organized market update**

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Platte River entry to the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) will be midnight, morning of April 1, 2023. Staff will review the major milestones achieved for a successful transition to the WEIS market. An update will also be provided regarding the SPP Regional Transmission Organization West, scheduled to commence operations in April 2026.

This presentation is for informational purposes only and no board action will be requested.







## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

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

**Subject:** **Proposed general manager annual performance review policy update**

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At its February 2023 meeting, the board discussed the upcoming general manager annual performance review. It was suggested for staff to propose refinements to the general manager annual performance review policy to anchor the policy to Platte River's Resource Diversification Policy and strategic plan, in the forms most recently approved by the board for the calendar year the performance review covers. This would reduce future administrative burdens because the policy would automatically track with any changes to the Resource Diversification Policy or the strategic plan.

The board packet for the March 2023 board meeting includes a copy of the current general manager annual performance review policy with suggested edits to implement this "evergreen" approach.

### Attachment

- Current general manager annual performance review policy with suggested revisions shown in redline



 <b>Platte River</b> Power Authority	<h1 style="text-align: center;">Policy</h1>	Version #: 4.1 Original effective date: 03/27/2014 Next review date: 10/30/2023
	<b>TITLE:</b> General manager annual performance review process policy	Page 1 of 3

## Purpose:

The purpose of this policy is to establish the process by which the board of directors provides performance feedback to the general manager based on Platte River's Resource Diversification Policy and strategic plan. The ~~intent of such~~ feedback is to help ensure ~~that~~ the general manager is aware of the board's expectations and to provide the support needed to ~~be successful in their job~~ enable the general manger to succeed.


## Policy:

It is the board's policy to provide regular feedback on performance to the general manager, and to do so in a way that incorporates input from a variety of sources while focusing on board expectation and strategies. An annual review with the general manager will be held in March of each year. The focus of the review should be two-fold. First, accomplishments for the previous year should be reviewed individually and feedback provided regarding the quality, timeliness and acceptability of their results. Second, a discussion should take place regarding the board's expectations for the upcoming year.

In preparation for that discussion, the board will use a performance feedback survey to solicit input from all board members and designated direct reports. The board may further consider input from selected internal Platte River staff. Such input will be solicited in early March of each year and reported to the board prior to the March meeting.

~~If any board member wishes to make changes to t~~The performance feedback survey will tie into the core elements of Platte River's Resource Diversification Policy and the most recent board-approved strategic plan.~~such proposal should be first brought to the full board for discussion and approval.~~ Any policy or strategic plan changes will apply prospectively to future performance reviews and staff will update the performance feedback survey accordingly. ~~Since the content of~~ Because ~~the performance feedback survey incorporates~~ reflects ~~board expectations, as expressed in Platte River's Resource Diversification Policy and strategic plan, any future changes to that survey~~ should be made as early in the year as feasible ~~in order~~ to best provide guidance to the general manager.

The board may provide performance feedback to the general manager using the feedback surveys, the appointee's annual reports, direct board discussion or other means that appropriately reflect job performance. Copies of all written feedback will be provided to each direct report. The general manager shall prepare a written, memo-style annual report including a self-evaluation prior to any performance discussions with the board. The general manager will include his annual performance appraisal with general counsel as part of his report to the board. In all situations, the board is committed to following Platte River's Equal Opportunity Policy **[Handbook]** and will not discuss, allude to or be influenced by non-job-related factors.

 <b>Platte River</b> Power Authority	<h1 style="text-align: center;">Policy</h1>	Version #: 4.1 Original effective date: 03/27/2014 Next review date: 10/30/2023
		TITLE: General manager annual performance review process policy  Page 2 of 3

As part of the annual performance review process, the board will review the salary of the general manager and shall determine any applicable adjustments. This review should be conducted in a manner consistent with the board's employee total compensation policy regarding market-based compensation practices and methodology. The board may direct staff to either use the existing internal market survey process or may choose to use an external third-party vendor to evaluate the market practices and current pay levels for the position. In either case, the market survey should reflect a broad cross section of similarly situated generation and transmission utilities. Any changes in pay resulting from the survey should be communicated to the general manager during the March board meeting.

### **Implementing parties and assigned responsibilities:**

The board of directors is responsible for carrying out this policy and may delegate actions under this policy through the general manager to internal Platte River staff.

The board chair and vice chair, in conjunction with the general manager, are responsible for identifying the appropriate internal support staff to assist with the process, for working with all board members to determine the content and audience for any performance feedback survey, and to direct staff regarding any desired market survey to help determine compensation.

### **Associated items (if applicable):**

Employee total compensation policy originally adopted by the board on March 28, 2013.  
Platte River's Employee Handbook

### **Definitions (if applicable):**

 <b>Platte River</b> Power Authority	<b>Policy</b>	Version #: 4.1 Original effective date: 03/27/2014 Next review date: 10/30/2023
	TITLE: General manager annual performance review process policy	Page 3 of 3

Document owner:	Original effective date:
Authority:	Review frequency:
Counsel review:	Current effective date:

Version	Date	Action	Author	Change Tracking (new, review, revision)





## Memorandum

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**Date:** 3/22/2023

**To:** Board of directors

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

**Subject:** **Proposed employee total compensation policy update**

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At its February 2023 meeting, the board briefly discussed Platte River's employee total compensation policy, first adopted in 2013. As Platte River works to carry out the board-approved Resource Diversification Policy and adapts to a rapidly changing industry, it will need to continuously review and update its employee compensation practices to attract and retain highly capable employees at all levels.

Staff recommends the board consider updating the employee total compensation policy to provide more flexibility to management to address evolving employee needs and expectations. The board packet for the March 2023 board meeting includes a copy of the current employee total compensation policy with suggested updates for board discussion.

### Attachment

- Current employee total compensation policy with suggested revisions shown in redline





Discussion draft – NOT APPROVED

 <b>Platte River</b> Power Authority	<h1 style="text-align: center;">Policy</h1>	Version #: 2.1 Original effective date: 3/28/2013 Next review date: 09/01/2021
		TITLE: Employee Total Compensation Policy Page 1 of 3

**Purpose:**

The purpose of this policy is to ~~establish guidelines and parameters within which provide high-level guidance to~~ Platte River Power Authority ~~can implement as it establishes and implements~~ employee total compensation practices and procedures. This policy applies to the full range of total compensation program elements to include establishing competitive pay structures, determining annual adjustments, recognizing employee growth and development, and recognizing employee performance, as well as the development and implementation of competitive health care, benefit and leave programs. The board of directors is committed to providing pay and benefits sufficient to attract and retain qualified employees with the right skills, knowledge and abilities to carry out Platte River's mission ~~while maintaining a mid-market total compensation cost target.~~

**Policy:**

Platte River provides a total compensation package and pay plan competitive with the external market in which it competes ~~and which supports the~~ to support its established business goals. The board recognizes that Platte River's ability to successfully carry out its stated mission ~~is dependent upon~~ depends on its people, and therefore ~~has established~~ supports a policy ~~to that~~ ensures fair, equitable, and competitive pay and benefits for Platte River employees. Platte River is committed to ensuring pay and benefit programs, procedures and practices are applied in a non-discriminatory manner.

Platte River regularly reviews the market to determine appropriate comparisons consistent with the job duties, level of work and geographical recruiting market. The market may vary for each position taking into consideration factors such as the location and industry from which employees are recruited or lost. ~~Typical markets will include;~~

- ~~Local and Colorado data for non-exempt office or field-based positions.~~
- ~~Local and regional utility data for non-exempt journey-level craft and plant positions.~~
- ~~Local, regional, and national data for professional and management positions, including both general industry and utility data where appropriate.~~

The methodology for evaluating competitive pay alignment should include comprehensive ~~annual routine~~ market pricing and periodic benchmarking as the primary factor, where data is available, balanced with internal relationship factors. Pay ranges ~~are anchored to the actual average pay within the designated market using weighted average or 50th percentile data~~ should reflect evolving workforce needs and ~~may include progression above market for some jobs expectations, as a result of well as~~ the complexity and unique nature of positions at Platte River as applicable.

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Discussion draft – NOT APPROVED

 <b>Platte River</b> Power Authority	<h2 style="text-align: center;">Policy</h2>	Version #: 2.1 Original effective date: 3/28/2013 Next review date: 09/01/2021
		TITLE: Employee Total Compensation Policy Page 2 of 3

Employees may be hired into a salary range taking into consideration their education and experience. Progression through a salary range may occur as employees become more proficient in their jobs and demonstrate the required knowledge, skills and abilities.

Incentive or other performance-based pay programs ~~must~~ should be tied to business goals and objectives and ~~be reasonably consistent with the utility industry~~ other considerations relevant to Platte River's ability to carry out its mission.

~~Benefits will be reviewed on an annual basis within the utility industry, regional employers, and Platte River's municipal owners~~ Platte River should review its benefits periodically to ensure they remain competitive and are neither the highest nor the lowest within the markets surveyed support Platte River's ability to carry out its mission.

The board delegates the review of individual market data, development of a job classification system, salary ranges for each job, pay progression practices, incentive or performance based programs, overall benefit package design, and development of internal procedures for carrying out this policy to the general manager. The general manager assures that salary surveys are conducted ~~each year at appropriate intervals~~ and approves all ~~individual changes to pay adjustments~~ ranges or compensation philosophy.

Estimated compensation expenditures and staffing levels are approved by the board as part of its annual budget review and approval process.

#### Implementing parties and assigned responsibilities:

The general manager is assigned responsibility for carrying out this policy.

#### Associated items (if applicable):

#### Definitions (if applicable):

Discussion draft – NOT APPROVED

 <b>Platte River</b> Power Authority	<b>Policy</b>	Version #: 2.1 Original effective date: 3/28/2013 Next review date: 09/01/2021
	TITLE: Employee Total Compensation Policy	Page 3 of 3

<b>Document owner:</b>	<b>Original effective date:</b>
<b>Authority:</b>	<b>Review frequency:</b>
<b>Counsel review:</b>	<b>Current effective date:</b>

Version	Date	Action	Author	Change Tracking (new, review, revision)





# Legal, environmental and compliance report

February 2023







## Overview of recent developments

### Legal matters

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

On Oct. 1, 2019, Save the Colorado and other environmental groups sued in the United States District Court for Arizona challenging the Bureau of Reclamation's (Bureau) record of decision to approve the Long-Term Experimental and Management Plan for Glen Canyon Dam. On Dec. 23, 2022, the court granted the Bureau's motion for summary judgment and denied the plaintiffs' motion. This was a favorable decision for the Colorado River Storage Project and Platte River's hydropower interests. But on Feb. 16, 2023, the plaintiffs appealed the decision to the Ninth Circuit Court of Appeals. 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 5](#) of this document provides a list of matters that have concluded within the last three months.



## Active matters

### Legal matters

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

##### **Background:**

On Oct. 1, 2019, Save the Colorado and other environmental groups sued in the United States District Court for Arizona challenging the Bureau of Reclamation's (Bureau) record of decision (Decision) to approve the Long-Term Experimental and Management Plan for Glen Canyon Dam. Glen Canyon Dam is a large hydropower dam that is part of the Colorado River Storage Project (CRSP). Platte River is one of the largest off-takers of hydropower from CRSP, accounting for almost 13% of output.

In 2009, the United States Department of Interior and the Bureau proposed adaptive management programs for the Glen Canyon Dam to protect environmental resources. Under the National Environmental Policy Act (NEPA), this kind of action requires an environmental impact statement. In December 2016, the Bureau issued its Decision on the environmental impact statement, which identified alternatives for managing Glen Canyon Dam.

Save the Colorado and the other plaintiffs claimed to have given the Bureau data regarding climate impacts from the proposed adaptive management program during the NEPA process. Plaintiffs said the Bureau failed to consider this climate data in issuing its Decision, and that the environmental impact statement failed to consider climate impact (although climate change was not an issue at the time Congress adopted the Colorado River Storage Project Act).

Briefing in this case ended June 8, 2022, and the court heard oral argument on Oct. 7, 2022.

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

On Dec. 23, 2022, the Court granted the Bureau's motion for summary judgment and denied the plaintiffs' motion. This was a favorable decision for Colorado River Storage Project and Platte River's hydropower interests. But on Feb. 16, 2023, the plaintiffs appealed the decision to the Ninth Circuit Court of Appeals, where it will now be under review. Platte River will continue to update the board as the appeal develops.

### Environmental matters

There are no active environmental matters to report.





### Compliance matters

There are no active compliance related matters to report.

### Grant opportunities

There are no active grant opportunities to report.



## Monitoring—status unchanged

### Legal matters

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

On Dec. 15, 2022, the Federal Energy Regulatory Commission rejected the parties' proposed settlement agreement for the contested issues related to cost allocation in the WestConnect regional planning process. The Fifth Circuit Court of Appeals scheduled oral argument for April 3, 2023. The court will decide the case after argument, but it may be weeks or months before a decision.

#### **Inflation Reduction Act direct pay provisions**

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

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

There are no new developments in the Colorado Public Utilities Commission's rulemaking on the Colorado Transmission Coordination Act since the last report. Platte River is on track to enter the Southwest Power Pool's Western Energy Imbalance Service market on April 1, 2023.

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

There are no new developments in this matter.

### Environmental matters

#### **Groundwater and waste management**

Platte River continues to monitor groundwater and has nearly completed 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.



## Recently concluded matters (last three months)

### Legal matters

#### **Solar Power Purchase Agreement Amended and Restated**

In December 2020, Platte River signed a Power Purchase Agreement (Solar PPA) with a solar developer for 150 MW of solar energy concluding an extensive Request for Proposals process. Starting in 2020 with the COVID-19 pandemic, and continuing through 2021 and into 2022, industry forces, supply chain constraints and trade measures disrupted the solar industry. Platte River's preferred developer asked Platte River to renegotiate the Solar PPA.

After almost two years of negotiation, on Dec. 20, 2022, Platte River and the developer signed an Amended and Restated Solar PPA with updated pricing (increased by roughly 60%) and new milestone dates (extending the construction period by about one year). We expect the project to be ready for operation by December 2024.

#### **Air Quality Control Commission Startup, Shutdown, and Malfunction Affirmative Defense**

In fall 2022, the Colorado Air Quality Control Commission (Air Commission) proposed a new State Implementation Plan to address the front range's designation of "severe non-attainment" for ground level ozone (Ozone SIP). As part of the Ozone SIP rulemaking, but unrelated to ozone, the Air Pollution Control Division (Division) proposed to remove regulations that provide an affirmative defense against penalties for air pollution exceedances during startup, shutdown, or malfunction (SSM). The Division argued the Environmental Protection Agency could not approve the Ozone SIP or any other SIP if it contained an affirmative defense for SSM. But Colorado law requires regulations for SSM.

The Air Commission held a hearing on Dec. 16, 2022, on the Ozone SIP and the SSM defense. The Air Commission decided to keep the SSM affirmative defense in the Ozone SIP until June 1, 2024, and begin a stakeholder process in 2023. The State Only Approach will take effect June 1, 2024. This is a favorable outcome for Platte River and other industry partners that rely on the affirmative defense to address uncontrollable exceedances during SSM.

#### **Western Area Power Administration Rate Order 202**

On May 25, 2022, the Western Area Power Administration issued Rate Order 202, proposing additional rate increases for firm electric service and surplus sales. The new rates represent an approximate 16.5% increase over the previous rates, and took effect Jan. 1, 2023. The new rates will apply until Dec. 31, 2027, or until there is a new rate order.

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

On Oct. 30, 2020, Public Service Company of Colorado (PSCo) filed with FERC to revise, among other things, rates for ancillary services under its open access transmission tariff—specifically, Schedule 3,



## **Platte River** Power Authority

Regulation and Frequency Response Service; Schedule 3A, Regulation and Frequency Response Service for Point-to-Point Transmission Service; and Schedule 16, Flex Reserve Services (as well as non-rate terms in its Schedule 1). Platte River currently pays PSCo to provide flex reserve services so that there is sufficient capacity to continue serving load and maintain system stability when output from intermittent wind resources abruptly drop.

On April 6, 2022, PSCo filed a comprehensive settlement agreement with FERC. Platte River, along with Colorado Springs Utilities, Black Hills Energy Colorado, and others, joined the settlement. On Aug. 15, 2022, FERC approved the settlement agreement and the parties began exploring a potential “flex reserve pool” to manage the cost of flex reserve services. But both Platte River and PSCo are preparing to join the WEIS market in April 2023, and Platte River plans to enter the Southwest Power Pool’s western regional transmission organization within the next few years. Platte River has therefore decided not to participate in the proposed flex reserve pool.

### **Environmental matters**

There are no recently concluded environmental matters.

### **Compliance matters**

There are no recently concluded compliance matters.

### **Grant opportunities**

There are no recently concluded grant opportunities.

# Resource diversification report

February 2023





## Resource integration

Platte River recently agreed to an amended and restated power purchase agreement with 174 Power Global to purchase the output of a proposed 150 MW nameplate solar project in the Town of Severance, between the City of Fort Collins and the Town of Ault. This project is currently on schedule to obtain approval from the Town of Severance and begin construction by mid-2023, with a commercial operation date of December 2024.

Platte River is currently negotiating a term sheet with a developer to purchase additional solar capacity that is expected to begin commercial operation in late 2025. Staff intends to agree to a term sheet in the first quarter of 2023 and finalize an agreement to purchase the output of this preferred solar project by mid-2023. Due to higher-than expected battery prices, Platte River has decided to further analyze additional battery energy storage options and configurations.

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
<u>Existing Resources</u>								
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
Wind	231	231	231	231	231	231	231	285
Solar	52	52	52	52	52	52	52	52
<u>New Resources</u>								
Solar		150	125		175			
Wind				100		100		100
Storage				50	50	100		
Dispatchable capacity						166		

## Integrated Resource planning 2024

The Resource Planning team spent February working on various studies to prepare for the 2024 Integrated Resource Plan (IRP) and developing a Power Supply Plan (PSP). Key activities included:

- Managing Resource Adequacy study to determine future Planning Reserve Margin. This study will also help estimate Effective Load Carrying Capability of renewable generation and storage. A draft report is expected by the end of March.
- Managing dispatchable capacity selection study. This study is being guided by a group of managers from various Platte River departments. It will help decide the most suitable dispatchable technology to help integrate additional renewable generation and enhance the reliability of supply after coal generation retirements. Platte River compared approximately 50 technological options, ultimately selecting seven for further analysis.

- Continuing work on the Locational Marginal Prices (LMP) study. This study will help in estimating LMPs in and around Platte River territory to reveal potential transmission bottlenecks and help identify possible locations for new renewable generation.
- Starting the contracting process for two additional studies; generation technology screening and dispatchable capacity needs assessment.
  - The first study will include an assessment of the mature, as well as emerging generation technologies, like long-duration energy storage, low-carbon and no-carbon fuels (such as biodiesel and hydrogen) and carbon sequestration. This study will make a recommendation for the suitable generation technologies for commercial operation in 2028 and in the middle of the next decade.
  - The second study will review Platte River's work and the work done elsewhere to assess the need for dispatchable generation resources to integrate renewable resources and maintain reliable supplies with Platte River's deeply decarbonized supply portfolio after coal retirements.
- Starting another study to assess the frequency and duration of extreme weather events and their impact on load, market prices and power supply reliability. The results of the study will be used for power supply risk analysis in the 2024 IRP.
- Continuing work on the Q1 2023 PSP, which will form the basis of the first look at the 2024 power supply budget and long-term rate projections.

## DER system integration

Platte River and its owner communities share a vision of integrating distributed energy resources (DERs) 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 on the next page indicates anticipated DER magnitude. Planning is underway to develop solutions that make these resources an integral part of the electric system. This work is taking place through the DER Advisory Committee and DER Planning and Programs teams, which include leadership and staff from Platte River, as well as representatives of each owner community.



## 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.

Staff continues to work on the DER forecast and potential study with Dunskey Energy + Climate Advisors, with a focus on data collection required to inform the analysis and a review of the analytical methods that will be used. Owner community staff have participated in this work and are providing support. This work will help inform Platte River's resource planning and may provide information to support owner community distribution planning.

The DER gap analysis roadmap and distributed energy resource management system (DERMS) procurement work with the owner communities and the project consultant, Utilicast, continues. Staff from Platte River, Utilicast, Longmont, and Fort Collins attended the annual DistribuTECH conference to meet with nine different DERMS vendors and learn about their services and products, as well as the state of DERMS technology in general. Several vendors indicated that DERMS technology is rapidly evolving in response to different utilities' unique circumstances and use cases. Staff will take what was learned from these interviews and grade vendors on different categories to inform the DERMS procurement process that will begin later this year.

Staff is collaborating with the owner communities to explore the possibility of locating lithium-ion four-hour battery energy storage systems. Distribution-scale storage within owner communities may offer benefits such as diversity, favorable interconnection costs, and potential distribution system reliability.

In February, staff met with owner community representatives to discuss potential locations and use cases for storage projects per community, with capacities ranging from two to five megawatts. The distributed storage projects would be shared resources managed through DERMS. After identifying sites and use cases, staff will work with short-listed bidders to obtain updated proposals and pricing.





# Operating report

February 2023





## Executive summary

### Owner community load

Owner community demand came in near budget and energy was below budget for February. Owner community demand was above budget and energy was near budget, year to date. The overall net variable cost to serve owner community load was significantly above budget due to surplus sales being significantly below budget for the month. Year to date, net variable cost to serve owner community load is above budget.

### Thermal resources

Rawhide Unit 1 had a strong operational month with only two minor curtailments during extremely cold temperatures. Rawhide equivalent availability factor was above budget and net capacity factor was well below budget for the month due to purchasing energy through joint dispatch at below generation cost. Equivalent availability factor was above budget and net capacity factor was well below budget, year to date.

Craig Unit 1 was curtailed all month for various reasons relating to poor coal quality, mill and baghouse issues, and a hot well pump replacement. The unit also experienced a brief forced outage during the month of February due to loss of air heater lube oil pumps. Craig Unit 2 was offline the entire month due to an early start on the spring outage. As a result, Craig equivalent availability factor and net capacity factor were significantly below budget, both for the month and year to date. In addition, shaft share was delivered during the Craig Unit 3 forced outage for a full week.

Gas was pre-purchased daily for the month to provide opportunities to conduct cold weather testing on the combustion turbines (CTs) on days when temperatures fell to 10 degrees or below. There were five opportunities to successfully test the units. The CTs ran throughout the month to facilitate sales and replace generation during curtailments, outages, and periods of shaft share delivery. CT equivalent availability factor came in well below budget and net capacity factor came in above budget for the month. Equivalent availability factor was below budget and net capacity factor was above budget, year to date.

### Renewable resources

Both wind and solar generation came in well above budget for the month of February. This resulted in net capacity factors being above budget for both wind and solar. Year to date, net capacity factor for both wind and solar are near budget. The battery associated with the Rawhide Prairie Solar farm was charged and discharged 27 times throughout the month.

### Surplus sales

Surplus sales volume was considerably below budget due to lack of resource availability and shaft share obligations. The average surplus sales price for the month was considerably below budget with the lack of available resources to sell along with a decrease in market pricing following the decrease in natural gas pricing. Surplus sales volume is well below budget and average sales price is above budget, year to date.

## Purchased power

Overall purchased power volume was well above budget for the month as a significant portion of energy was purchased through joint dispatch at costs well below our generating costs. Purchased power volume is significantly above budget and average purchase price is below budget, year to date.

## Total resources

Total blended resource costs came in above budget for the month, mainly due to the volume of natural gas generation produced in February. Year to date, hydropower, solar and coal costs are above budget. Natural gas costs are above the overall blended budget contributing to total resources being above budget.

## Variances

Category	February variance		YTD variance	
Owner community demand	1.8%	◆	3.3%	●
Owner community energy	(2.1%)	■	(0.3%)	◆
Wind generation	25.9%	●	(2.2%)	■
Solar generation	30.5%	●	(4.9%)	■
Net variable cost to serve owner community load	110.8%	■	22.5%	■

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

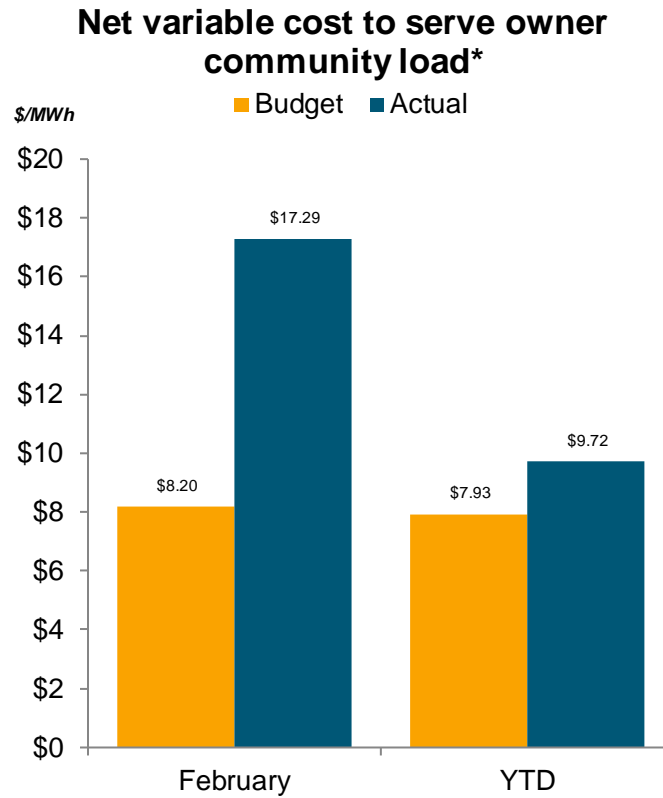
## Loss of load

### System disturbances

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

2023 goal	February 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 was no owner community load lost due to Platte River personnel or equipment.
- PSO Transmission participated in 58 switching events.
- PSO Transmission had 1,412 phone and radio interactions.
- Completed, tested, and placed in service Rawhide CT-B new metering unit.
- Completed Crossroads underground transmission line vault modifications.
- Completed Rawhide station service transformer testing and maintenance activities.
- Assessed damage and procured repair parts for Estes Park transformer, damaged by animal.
- Natural gas was pre-purchased for the month to facilitate cold weather testing on the combustion turbines.
- Rawhide Units 1 and C successfully participated in a deployment test for Southwest Power Pool (SPP) Western Energy Imbalance Service market. This was the first time either unit was dispatched via automation.
- On Feb. 23, Platte River was called upon for a mandatory gas interruption. A combustion turbine was online at the time and had to be removed from service until the interruption period was complete.
- The Colorado River Storage Project announced plans to proceed with a Federal Register Notice process to solicit formal comments from customers and other stakeholders on whether Western Area Power Administration should proceed in final negotiations for full membership in the SPP Regional Transmission Organization. This notice should come out in late March or early April with a 45-day public comment period.
- System operations completed its winter training cycle which included participating in SPP's restoration drills. Other than transmission system operations personnel, employees from power markets, substation maintenance, telecom & fiber, Rawhide operations, and system engineering participated in the drills. Employees from all four owner communities also attended the restoration training sessions. This was the first time in at least seven years that Platte River was able to invite the owner communities to the drill. 544 continuing education hours were awarded to NERC certified system operators for the training cycle.

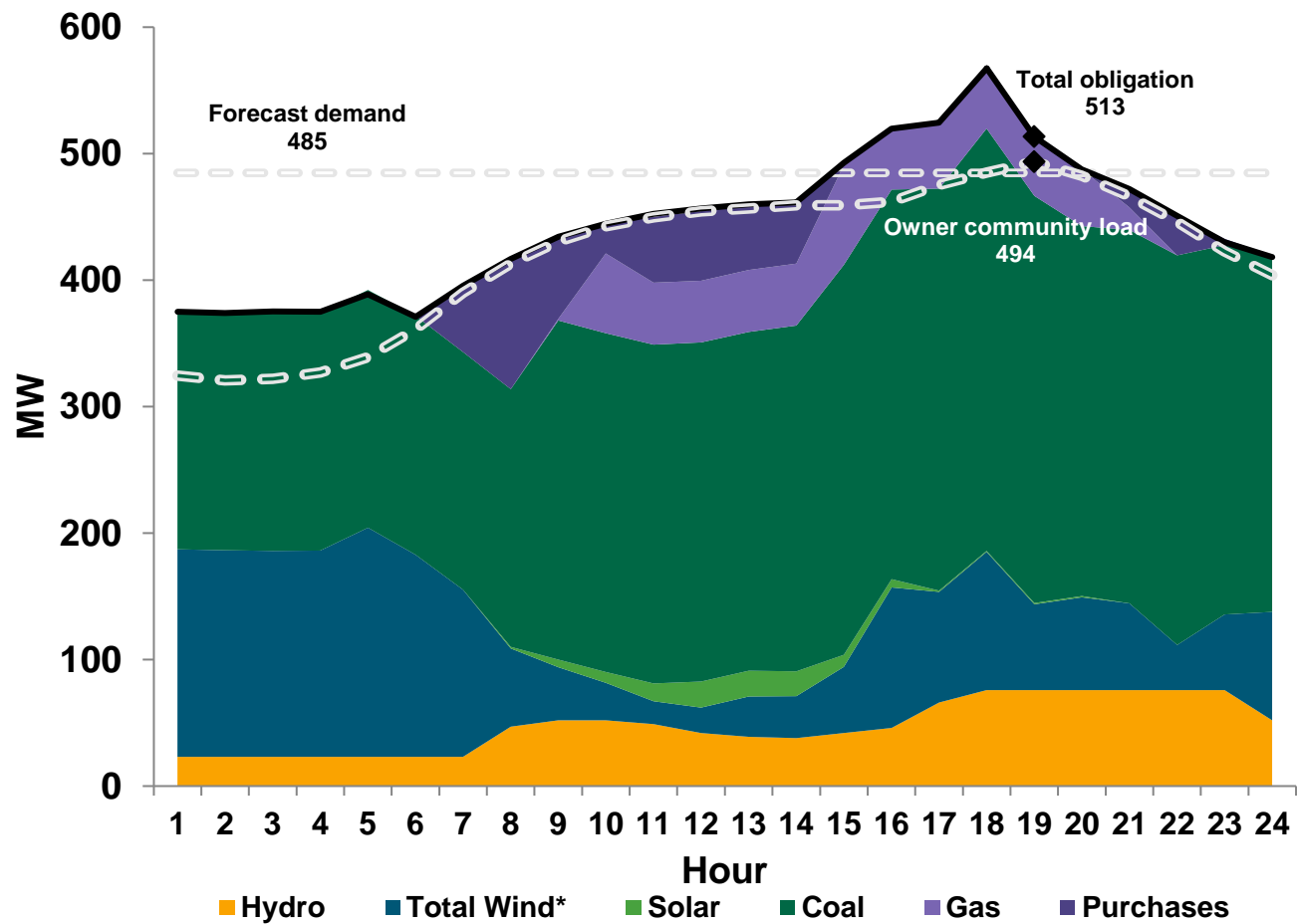


# Peak day

## Peak day obligation

Peak demand for the month was 494 megawatts which occurred on Feb. 22, 2023, at hour ending 19:00 and was 9 megawatts above budget. Platte River’s obligation at the time of the peak totaled 513 megawatts. Demand response was not called upon at the time of peak.

### Peak day obligation: Feb. 22, 2023



\*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.

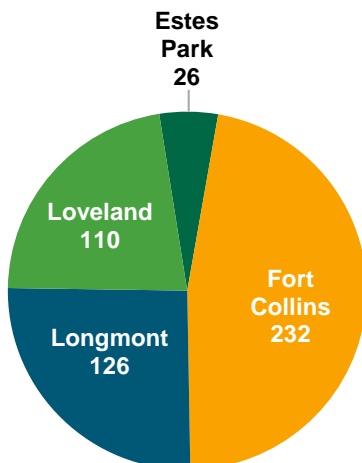
## Owner community loads

	Feb. budget	Feb. actual	Minimum	Actual variance	
<b>Coincident demand (MW)</b>	485	494	500	1.9%	◆
Estes Park	25	<b>26</b>	13	4.0%	●
Fort Collins	230	<b>232</b>	229	0.9%	◆
Longmont	122	126	<b>142</b>	3.3%	●
Loveland	108	110	<b>116</b>	1.9%	◆
<b>Non-coincident demand (MW)</b>	491	494	508	0.6%	◆
Estes Park	26	<b>26</b>	20	0.0%	◆
Fort Collins	230	<b>232</b>	229	0.9%	◆
Longmont	122	126	<b>142</b>	3.3%	●
Loveland	113	110	<b>117</b>	(2.7%)	■
<b>Energy sales (MWh)</b>	257,734	252,259		(2.1%)	■
Estes Park	12,980	13,383		3.1%	●
Fort Collins	122,621	116,497		(5.0%)	■
Longmont	64,818	66,031		1.9%	◆
Loveland	57,315	56,348		(1.7%)	◆

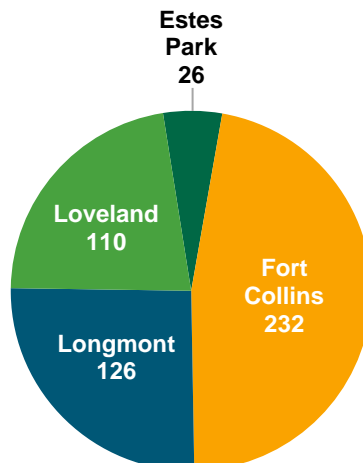
Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

**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.

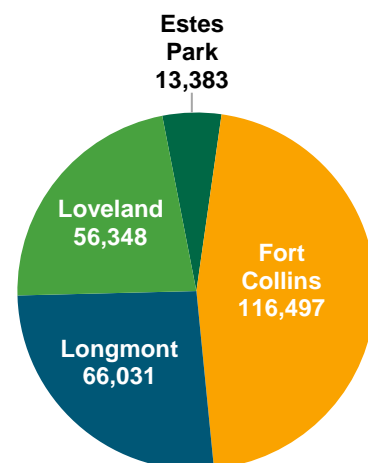
**Actual February  
coincident demand =  
494 MW**



**Actual February non-  
coincident demand =  
494 MW**

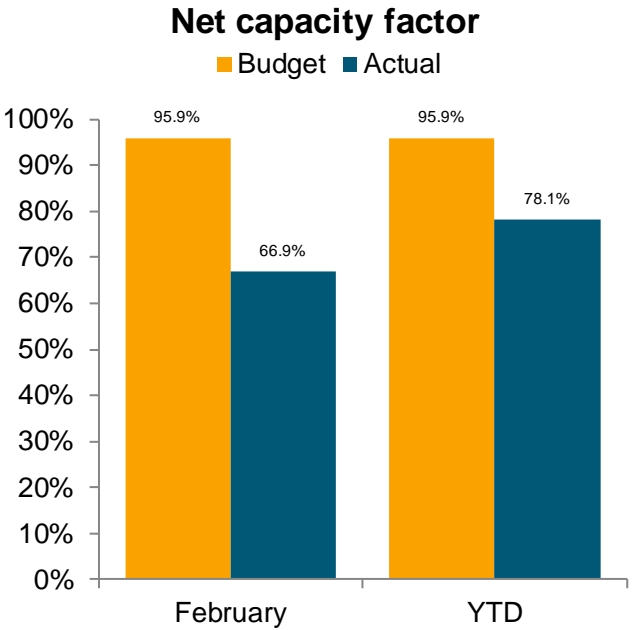
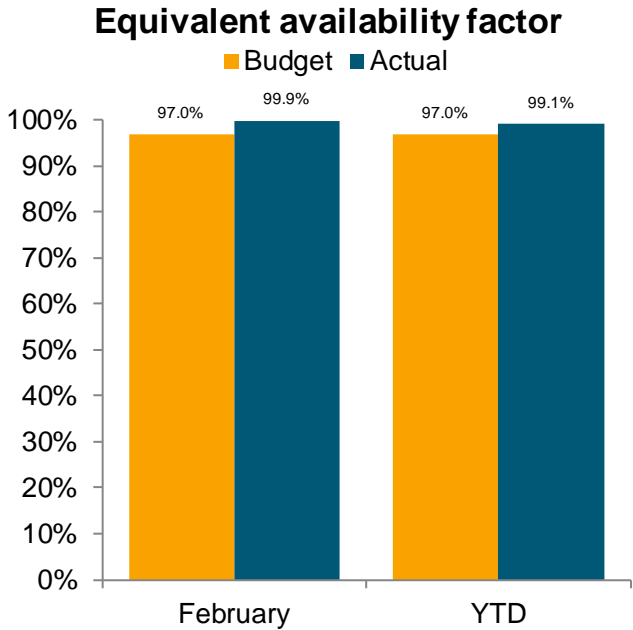


**Actual February  
energy sales =  
252,259 MWh**

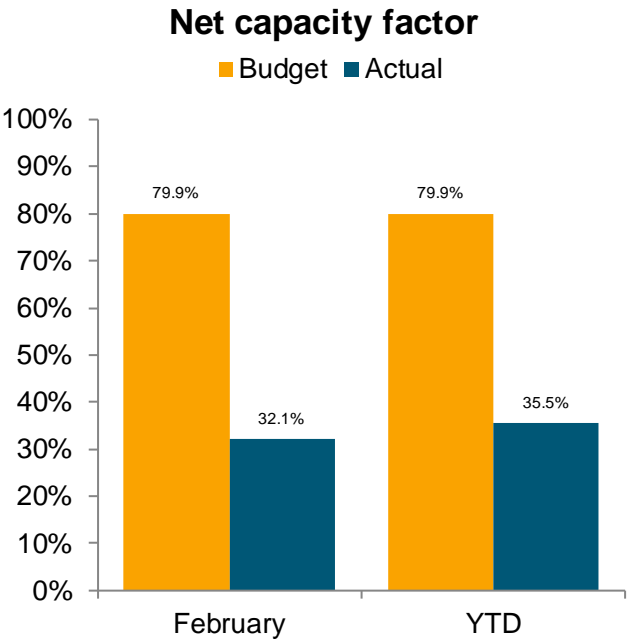
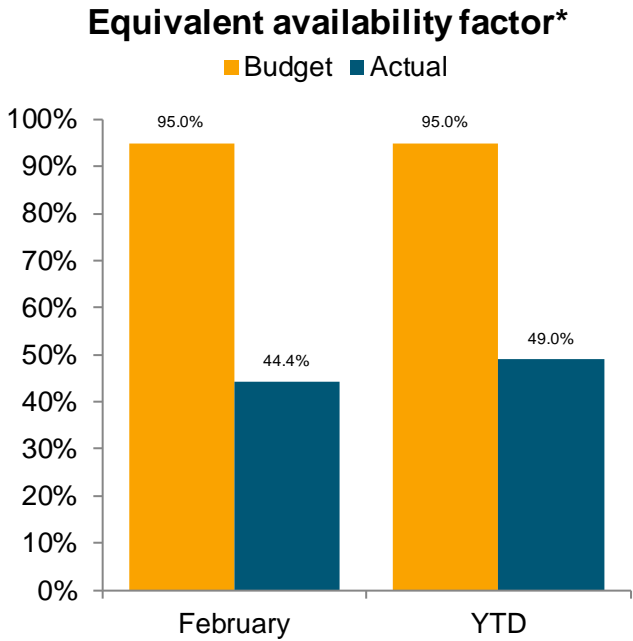


# Thermal resources

## Power generation - Rawhide

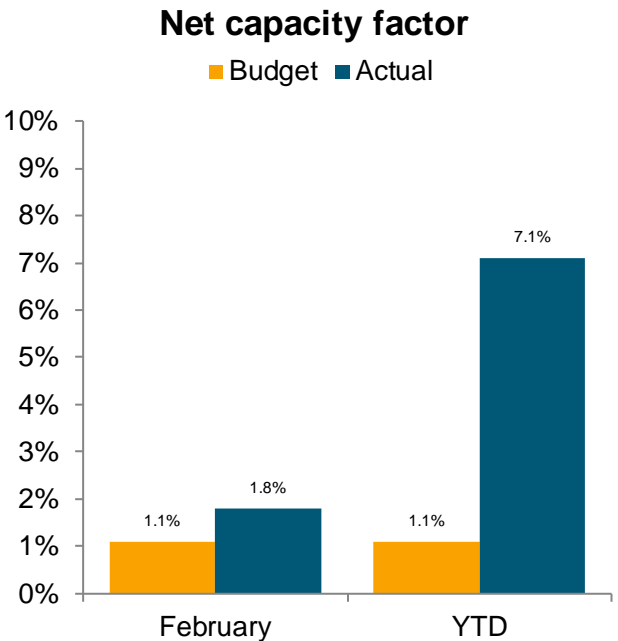
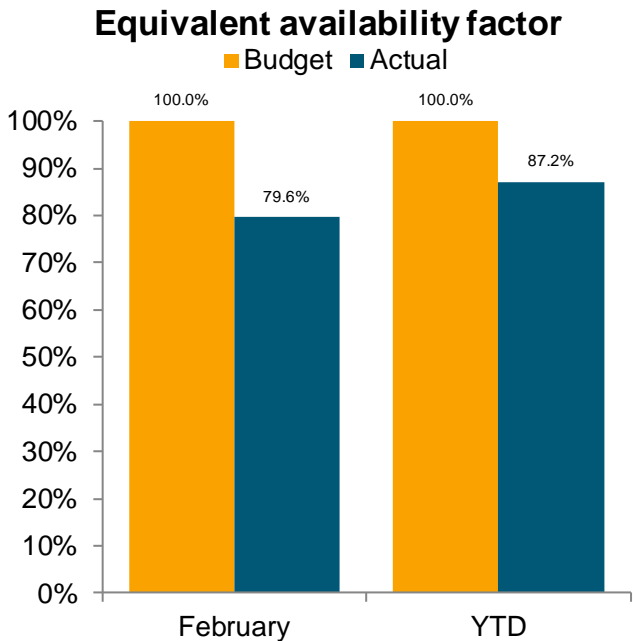


## Power generation – Craig



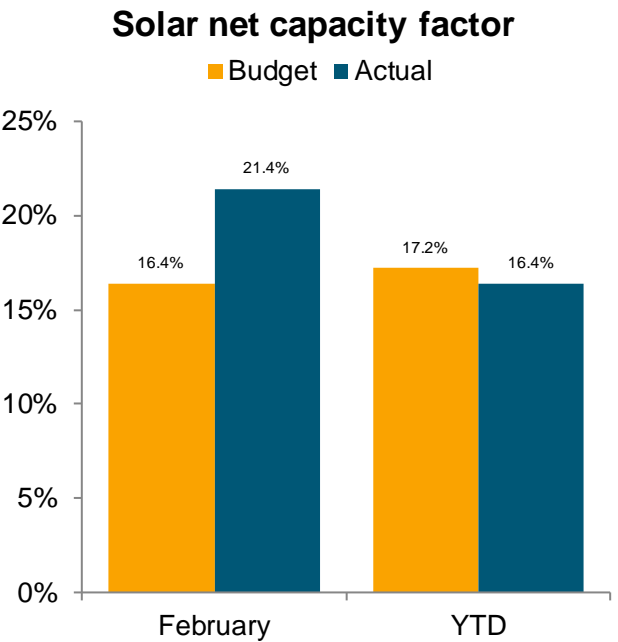
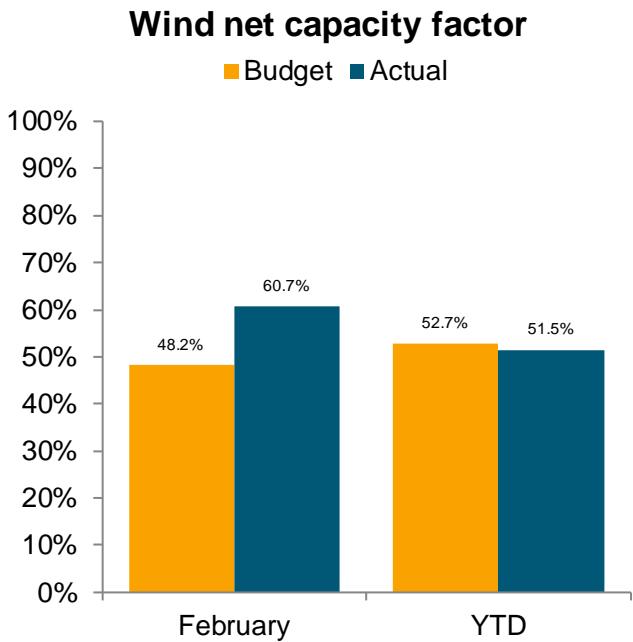
\*Estimated due to a delay

Power generation – combustion turbines

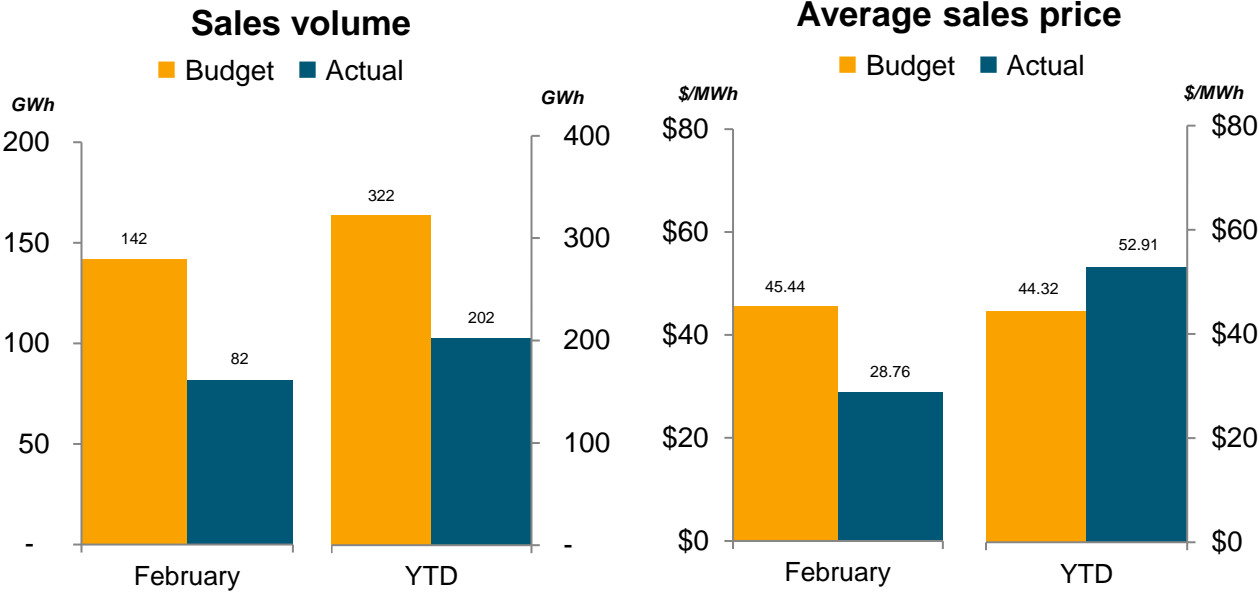


Renewable resources

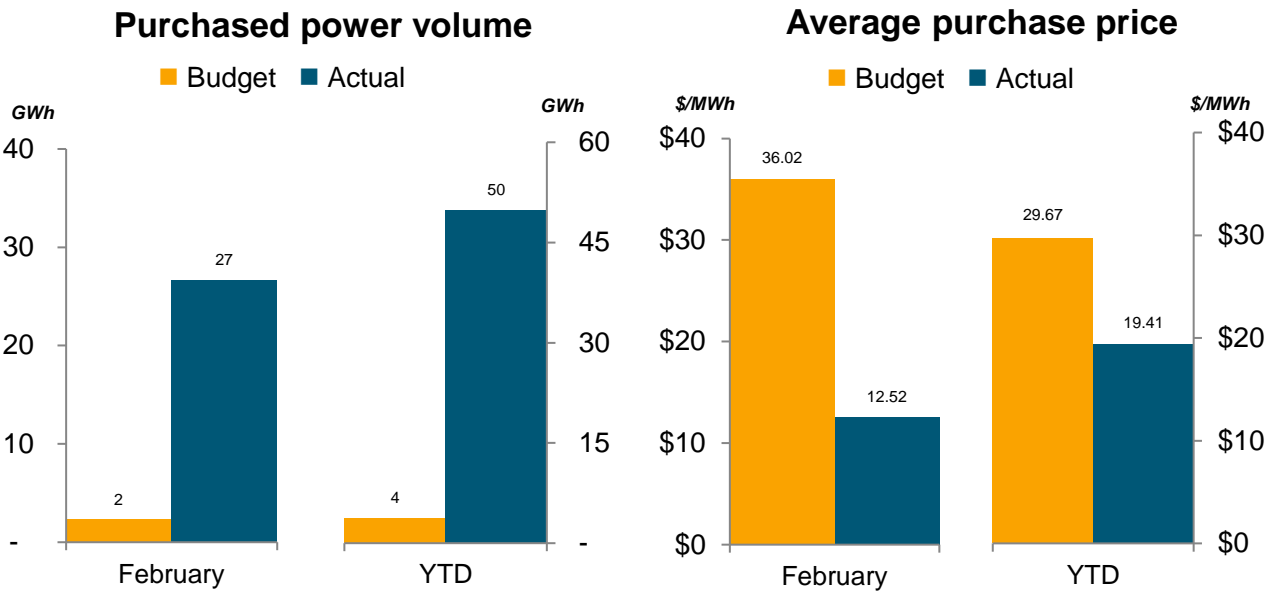
Power generation – wind and solar production



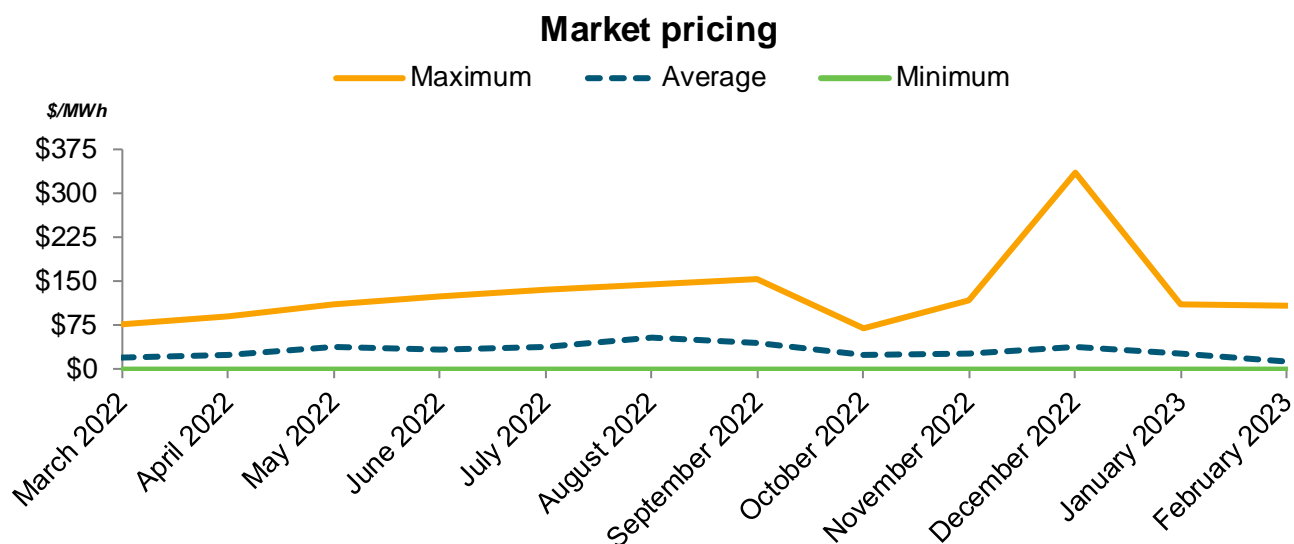
# Surplus sales



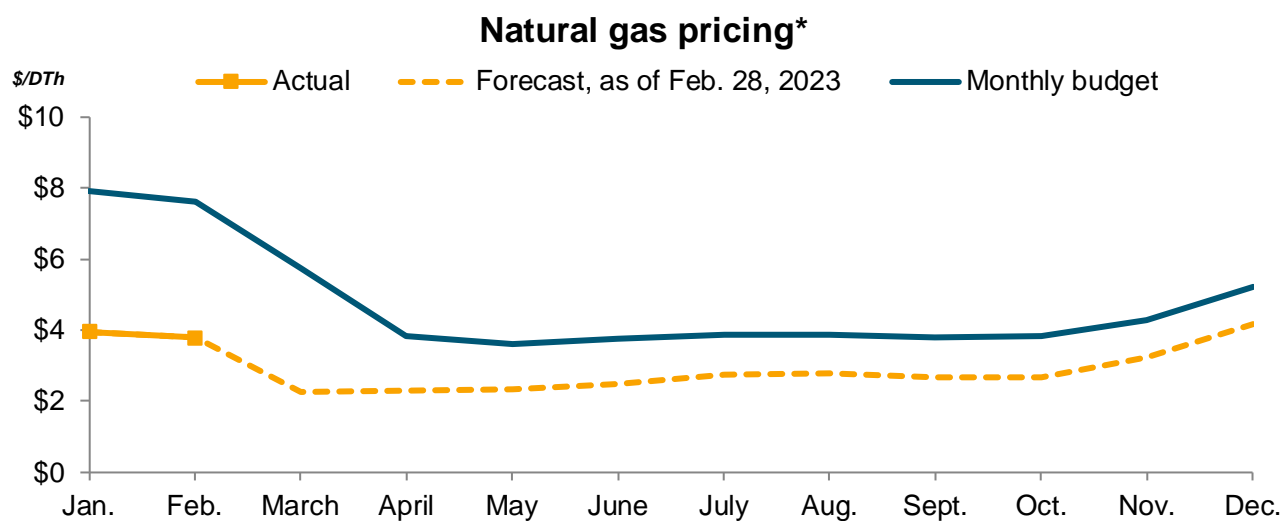
# Purchased power



## Market pricing



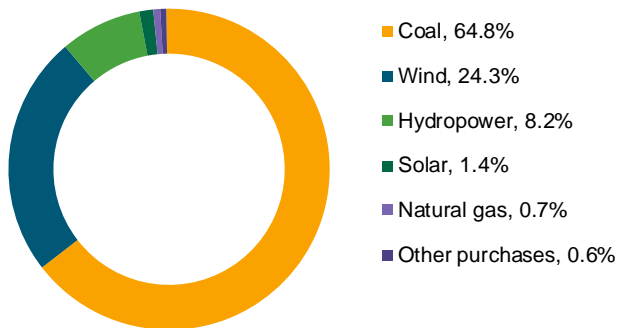
## Natural gas pricing



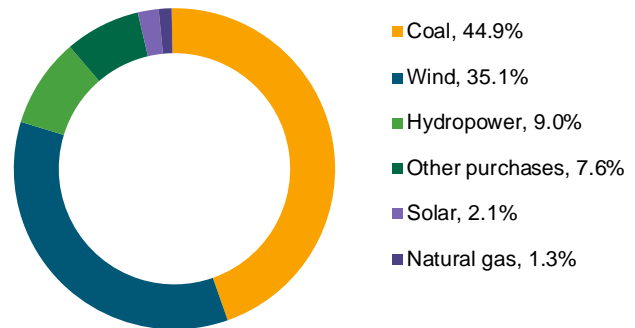
\*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

## Total resources

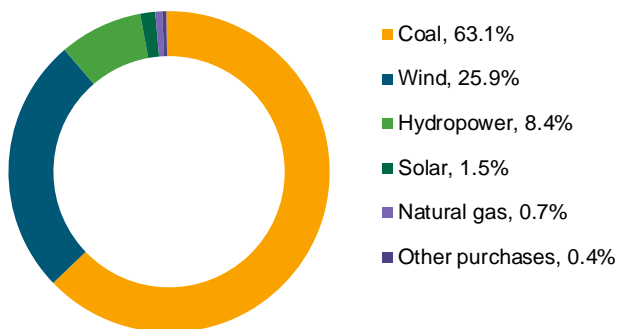
**February generation budget**



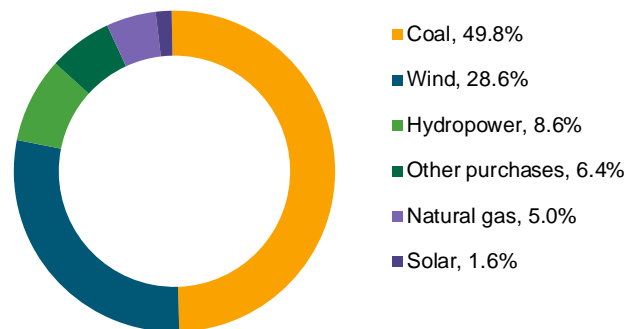
**February generation actual**

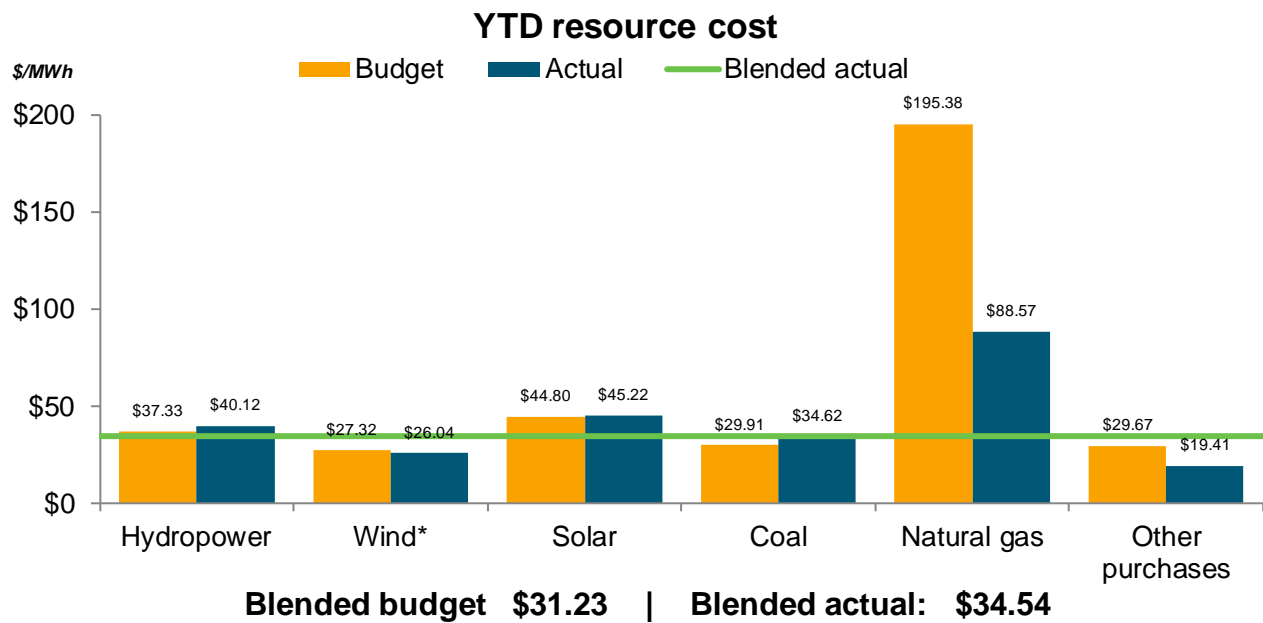
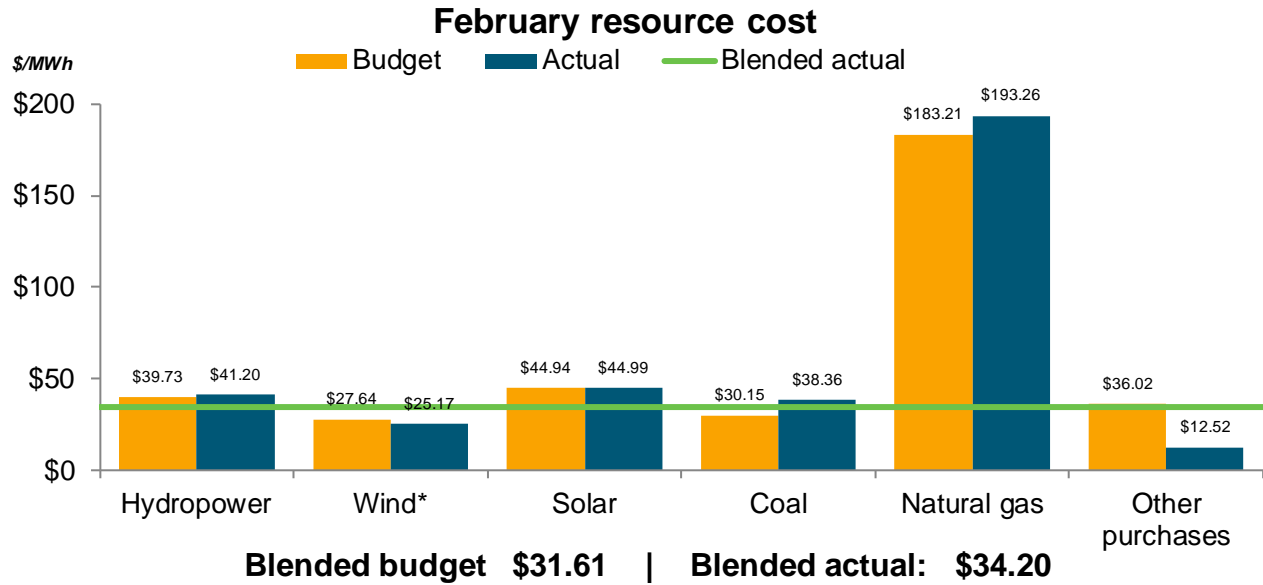


**YTD budget**



**YTD actual**





\*Some off-system wind RECs 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.





# Financial report

February 2023





## Financial highlights year to date

Platte River reported favorable results year to date. Net income of \$7 million was favorable by \$1.1 million compared to budget due to below-budget operating expenses, partially offset by below-budget revenues.

Key financial results (\$ millions)	February		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
Net income/(loss)	\$ 2.7	\$ (0.2)	■	\$ (2.9)	(107.4%)	\$ 5.9	\$ 7.0	●	\$ 1.1	18.6%	\$ 22.4
Fixed obligation charge coverage	2.74x	2.00x	■	(.74x)	(27.0%)	2.72x	2.94x	●	.22x	8.1%	2.43x

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

## Budgetary highlights year to date

The following budgetary highlights are presented on a non-GAAP budgetary basis.

Key financial results (\$ millions)	February		Favorable			Year to date		Favorable			Annual budget
	Budget	Actual		(unfavorable)		Budget	Actual		(unfavorable)		
Total revenues	\$ 24.7	\$ 20.9	■	\$ (3.8)	(15.4%)	\$ 52.0	\$ 49.3	■	\$ (2.7)	(5.2%)	\$ 305.0
Sales to owner communities	17.2	17.0	◆	(0.2)	(1.2%)	35.4	35.5	◆	0.1	0.3%	224.1
Sales for resale - long-term	1.0	0.9	■	(0.1)	(10.0%)	2.3	2.9	●	0.6	26.1%	14.9
Sales for resale - short-term	5.6	1.6	■	(4.0)	(71.4%)	12.3	8.1	■	(4.2)	(34.1%)	53.6
Wheeling	0.5	0.8	●	0.3	60.0%	1.0	1.6	●	0.6	60.0%	6.1
Interest and other income	0.4	0.6	●	0.2	50.0%	1.0	1.2	●	0.2	20.0%	6.3
Total operating expenses	\$ 18.3	\$ 16.0	●	\$ 2.3	12.6%	\$ 38.8	\$ 34.5	●	\$ 4.3	11.1%	\$ 238.1
Purchased power	4.3	4.1	●	0.2	4.7%	9.4	7.6	●	1.8	19.1%	55.1
Fuel	5.1	3.4	●	1.7	33.3%	10.7	9.8	●	0.9	8.4%	62.7
Production	3.9	4.3	■	(0.4)	(10.3%)	8.5	8.3	●	0.2	2.4%	54.8
Transmission	1.6	1.8	■	(0.2)	(12.5%)	3.5	3.7	■	(0.2)	(5.7%)	20.2
Administrative and general	2.5	2.1	●	0.4	16.0%	5.0	4.4	●	0.6	12.0%	31.5
Distributed energy resources	0.9	0.3	●	0.6	66.7%	1.7	0.7	●	1.0	58.8%	13.8
Capital additions	\$ 4.8	\$ 0.5	●	\$ 4.3	89.6%	\$ 7.5	\$ 1.9	●	\$ 5.6	74.7%	\$ 42.7
Debt service expenditures	\$ 1.5	\$ 1.5	◆	\$ -	0.0%	\$ 3.0	\$ 3.0	◆	\$ -	0.0%	\$ 17.8

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

### Total revenues, \$2.7 million below budget

#### Key variances greater than 2% or less than (2%)

- **Sales for resale - long-term** were above budget \$0.6 million due to calls on a capacity contract, partially offset by below-budget resold wind generation and lower available baseload generation that serves a contract.
- **Sales for resale - short-term** were below budget \$4.2 million as energy volume was 48.9% below budget, partially offset by 28.3% above-budget average prices.
- **Wheeling** was above budget \$0.6 million due to unplanned point-to-point transmission sales.
- **Interest and other income** was above budget \$0.2 million primarily due to higher interest income earned on investments.

## Total operating expenses, \$4.3 million below budget

### Key variances greater than 2% or less than (2%)

- **Purchased power** was \$1.8 million below budget. The below-budget expenses include: 1) net energy provided to Tri-State Generation and Transmission Association, Inc. (Tri-State) under the forced outage assistance agreement, 2) wind generation and 3) hydropower purchases due to drought conditions. Partially offsetting the below-budget variances were above-budget market and bilateral purchases to replace baseload generation during outages and curtailments. A forced outage of Craig Unit 2 led to an early start to the scheduled maintenance outage.
- **Distributed energy resources** were \$1 million below budget due to the unpredictability of the completion of customers' energy efficiency projects, below-budget personnel expenses and consulting services. Of the net below-budget variance, at least \$0.9 million is expected to be spent by the end of the year.
- **Fuel** was \$0.9 million below budget.
  - Coal - Craig units** 200% of the overall variance, \$1.8 million below budget. Generation was below budget due to unplanned outages, curtailments and the early start to the Craig Unit 2 scheduled maintenance outage.
  - Coal - Rawhide Unit 1** 122% of the overall variance, \$1.1 million below budget. Generation was below budget due to an unplanned outage and curtailments.
  - Natural Gas** (222%) of the overall variance, \$2 million above budget. The combustion turbine units were used predominantly to make sales. Further, non-generation gas expense was above budget due to losses on price-locked gas that wasn't burned, as prices had fallen. Price was below budget due to lower market prices.
- **Production, transmission, and administrative and general** were \$0.6 million below budget. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) personnel, 2) transmission non-routine projects, 3) digital and communications consulting services and 4) general facility and plant maintenance. The above-budget expenses include: 1) SCADA and energy management and 2) combustion turbine equipment. Of the net below-budget variance, at least \$0.3 million is expected to be spent by the end of the year.

## Capital additions (year-end estimates as of February 2023)

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 2023 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)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>Above budget projects</b>				
<b>Relay upgrades - (T1 and T2 bays) Dixon Creek Substation</b> - This project will be above budget for the construction of relay upgrades which will improve the transformer bus protection and modernize the existing relay protection package. Project design began in late 2022 and funds could not be budgeted timely for 2023.	\$ 17	\$ 197	\$ (180)	\$ -

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>Out-of-budget projects</b>				
<b>** Perimeter detection system - Horseshoe Substation -</b> This project will install forward-looking infrared thermal cameras to detect and monitor breaches into the substation. In addition, perimeter lighting will be installed to act as a deterrent and to aid in investigation if there was a breach. This project was escalated due to recent physical security events at substations across the country.	\$ -	\$ 164	\$ (164)	\$ -
<b>Canceled projects</b>				
<b>Subscription based information technology arrangements</b> - Due to the implementation of GASB 96 <i>Subscription-Based Information Technology Arrangements</i> , a right-to-use subscription asset was budgeted as capital for a variety of subscription software. After further analysis, it was determined that appropriated funds for this standard should not be attributed to capital additions. Rather, the related expenditures will be classified as financing arrangements and reported as debt service for budgetary purposes.	\$ 1,160	\$ -	\$ 1,160	\$ -
<b>Transformer (Flats) replacement - Rawhide Substation</b> - This project was canceled and will be evaluated with future generation resources to ensure construction and system impacts at the Rawhide Energy Station are optimized.	\$ 949	\$ -	\$ 949	\$ -
<b>** Real time tools</b> - This project was canceled as a capital addition. COVID-19 restrictions delayed the project leading to an estimated remaining useful life of less than two years and a replacement asset was in progress. Therefore, it did not meet capitalization criteria when completed and the expenditures were reclassified as operating expenses.	\$ -	\$ (561)	\$ 561	\$ -
<b>** Control enclosure and relay upgrades - Valley Substation</b> - This project was canceled and will be rebudgeted in a future year to align with City of Loveland projects. This will minimize outages and gain efficiencies.	\$ 453	\$ -	\$ 453	\$ -

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

\*\* Project is new to the report.

### Debt service expenditures

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 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	11,549					
Total revenue bonds outstanding	149,634					
Less: due within one year	(12,215)					
Total long-term debt, net	\$ 137,419					

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.

As discussed in the capital additions section, Platte River is subject to the subscription reporting model applicable under GASB 96 *Subscription-Based Information Technology Arrangements*. Payments for right-to-use subscription assets will be presented as debt service expenditures rather than capital additions. Because these were budgeted as capital additions, an appropriation for debt service expenditures was not approved for these transactions. Therefore, a contingency transfer appropriation will be required. Staff will continue to evaluate subscriptions and results presented may not represent full implementation of the standard until the end of 2023.

### Other financial information

- **Forced outage assistance agreement** - This agreement, which involves Platte River's Rawhide Unit 1 and Tri-State's Craig Unit 3, provides that each party supply replacement energy to the other party during a forced outage of either unit. The Energy Account Balance Limit, defined in the agreement, was exceeded and Tri-State was invoiced \$2.4 million. Pursuant to the terms of the agreement, this payment buys down the energy balance to half of the contract limit.

## Budget schedules

# Schedule of revenues and expenditures, budget to actual

**February 2023**

Non-GAAP budgetary basis (in thousands)

	Month of February		Favorable
	Budget	Actual	(unfavorable)
<b>Revenues</b>			
<i>Operating revenues</i>			
Sales to owner communities	\$ 17,200	\$ 16,987	\$ (213)
Sales for resale - long-term	996	897	(99)
Sales for resale - short-term	5,622	1,623	(3,999)
Wheeling	499	811	312
Total operating revenues	24,317	20,318	(3,999)
<i>Other revenues</i>			
Interest income <sup>(1)</sup>	411	489	78
Other income	13	63	50
Total other revenues	424	552	128
Total revenues	<u>\$ 24,741</u>	<u>\$ 20,870</u>	<u>\$ (3,871)</u>
<b>Expenditures</b>			
<i>Operating expenses</i>			
Purchased power	\$ 4,268	\$ 4,111	\$ 157
Fuel	5,056	3,364	1,692
Production	3,946	4,262	(316)
Transmission	1,646	1,861	(215)
Administrative and general	2,459	2,086	373
Distributed energy resources	913	337	576
Total operating expenses	18,288	16,021	2,267
<i>Capital additions</i>			
Production	1,636	319	1,317
Transmission	1,508	242	1,266
General	1,688	(35)	1,723
Total capital additions	4,832	526	4,306
<i>Debt service expenditures</i>			
Principal	1,018	1,018	-
Interest expense	464	464	-
Total debt service expenditures	1,482	1,482	-
Total expenditures	<u>\$ 24,602</u>	<u>\$ 18,029</u>	<u>\$ 6,573</u>
<b>Revenues less expenditures</b>	\$ 139	\$ 2,841	\$ 2,702

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



# Schedule of revenues and expenditures, budget to actual

## February 2023 year-to-date

Non-GAAP budgetary basis (in thousands)

	February year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
<b>Revenues</b>				
<i>Operating revenues</i>				
Sales to owner communities	\$ 35,436	\$ 35,481	\$ 45	\$ 224,082
Sales for resale - long-term	2,277	2,934	657	14,889
Sales for resale - short-term	12,310	8,071	(4,239)	53,584
Wheeling	997	1,612	615	6,165
Total operating revenues	51,020	48,098	(2,922)	298,720
<i>Other revenues</i>				
Interest income <sup>(1)</sup>	810	998	188	5,978
Other income	197	175	(22)	301
Total other revenues	1,007	1,173	166	6,279
Total revenues	\$ 52,027	\$ 49,271	\$ (2,756)	\$ 304,999
<b>Expenditures</b>				
<i>Operating expenses</i>				
Purchased power	\$ 9,401	\$ 7,633	\$ 1,768	\$ 55,115
Fuel	10,692	9,827	865	62,676
Production	8,482	8,267	215	54,770
Transmission	3,548	3,724	(176)	20,254
Administrative and general	4,991	4,406	585	31,508
Distributed energy resources	1,681	682	999	13,789
Total operating expenses	38,795	34,539	4,256	238,112
<i>Capital additions</i>				
Production	1,985	645	1,340	14,668
Transmission	2,897	741	2,156	14,953
General	2,590	464	2,126	13,048
Asset retirement obligations	-	-	-	52
Total capital additions	7,472	1,850	5,622	42,721
<i>Debt service expenditures</i>				
Principal	2,036	2,036	-	12,550
Interest expense	928	928	-	5,233
Total debt service expenditures	2,964	2,964	-	17,783
Total expenditures	\$ 49,231	\$ 39,353	\$ 9,878	\$ 298,616
Contingency reserved to board	-	-	-	52,000
Total expenditures and contingency	\$ 49,231	\$ 39,353	\$ 9,878	\$ 350,616
<b>Revenues less expenditures and contingency</b>	\$ 2,796	\$ 9,918	\$ 7,122	\$ (45,617)

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



## Financial statements

# Statements of net position

Unaudited (in thousands)

	February 28	
	2023	2022
<b>Assets</b>		
<i>Electric utility plant, at original cost</i>		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,464,985	1,444,290
Less: accumulated depreciation and amortization	(942,999)	(907,516)
Plant in service, net	541,432	556,220
Construction work in progress	26,500	28,292
Total electric utility plant	567,932	584,512
<i>Special funds and investments</i>		
Restricted funds and investments	22,384	22,300
Dedicated funds and investments	161,554	133,633
Total special funds and investments	183,938	155,933
<i>Current assets</i>		
Cash and cash equivalents	47,530	43,151
Other temporary investments	45,789	43,875
Accounts receivable - owner communities	16,960	16,494
Accounts receivable - other	10,325	8,878
Fuel inventory, at last-in, first-out cost	10,123	9,150
Materials and supplies inventory, at average cost	16,185	15,394
Prepayments and other assets	7,411	5,427
Total current assets	154,323	142,369
<i>Noncurrent assets</i>		
Regulatory assets	128,471	126,186
Other long-term assets	5,866	6,015
Total noncurrent assets	134,337	132,201
Total assets	1,040,530	1,015,015
<i>Deferred outflows of resources</i>		
Deferred loss on debt refundings	2,943	3,824
Pension deferrals	14,849	2,115
Asset retirement obligations	24,858	22,154
Total deferred outflows of resources	42,650	28,093
<b>Liabilities</b>		
<i>Noncurrent liabilities</i>		
Long-term debt, net	137,419	152,201
Other long-term obligations	95,183	94,295
Net pension liability	30,520	7,770
Asset retirement obligations	31,700	27,549
Other liabilities and credits	7,438	7,671
Total noncurrent liabilities	302,260	289,486
<i>Current liabilities</i>		
Current maturities of long-term debt	12,215	11,660
Current portion of other long-term obligations	-	889
Current portion of asset retirement obligations	1,547	1,706
Accounts payable	17,779	17,406
Accrued interest	1,392	1,533
Accrued liabilities and other	6,303	2,779
Total current liabilities	39,236	35,973
Total liabilities	341,496	325,459
<i>Deferred inflows of resources</i>		
Deferred gain on debt refundings	124	138
Regulatory credits	75,441	56,222
Pension deferrals	287	6,024
Lease deferrals	852	999
Total deferred inflows of resources	76,704	63,383
<b>Net position</b>		
Net investment in capital assets	399,025	396,113
Restricted	20,992	20,766
Unrestricted	244,963	237,387
Total net position	\$ 664,980	\$ 654,266

Note: Certain prior year line items have changed due to the restatement of financial statements.

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

Unaudited (in thousands)

	Month of February	February year to date		Twelve months ended February 28	
		2023	2022	2023	2022
<b>Operating revenues</b>					
Sales to owner communities	\$ 16,987	\$ 35,481	\$ 34,082	\$ 213,717	\$ 201,371
Sales for resale	2,520	11,005	8,515	75,930	58,963
Wheeling	811	1,612	1,179	8,070	5,889
Deferred regulatory revenues	-	-	-	(21,602)	-
Total operating revenues	<u>20,318</u>	<u>48,098</u>	<u>43,776</u>	<u>276,115</u>	<u>266,223</u>
<b>Operating expenses</b>					
Purchased power	4,111	7,633	10,140	50,872	54,932
Fuel	3,364	9,827	7,935	68,348	49,074
Operations and maintenance	6,343	12,216	10,863	68,836	61,191
Administrative and general	2,221	4,629	3,425	27,219	21,728
Distributed energy resources	354	699	867	8,316	6,817
Depreciation, amortization and accretion	<u>3,210</u>	<u>6,394</u>	<u>5,730</u>	<u>36,792</u>	<u>35,019</u>
Total operating expenses	<u>19,603</u>	<u>41,398</u>	<u>38,960</u>	<u>260,383</u>	<u>228,761</u>
Operating income	<u>715</u>	<u>6,700</u>	<u>4,816</u>	<u>15,732</u>	<u>37,462</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	486	996	174	3,735	1,251
Other income	63	175	250	354	1,011
Interest expense	(464)	(928)	(1,022)	(5,709)	(6,268)
Amortization of bond financing costs	123	246	274	1,613	1,799
Net decrease in fair value of investments	<u>(1,115)</u>	<u>(150)</u>	<u>(1,513)</u>	<u>(5,011)</u>	<u>(3,110)</u>
Total nonoperating revenues (expenses)	<u>(907)</u>	<u>339</u>	<u>(1,837)</u>	<u>(5,018)</u>	<u>(5,317)</u>
Change in net position	<u>(192)</u>	<u>7,039</u>	<u>2,979</u>	<u>10,714</u>	<u>32,145</u>
Net position at beginning of period, as previously reported	<u>665,172</u>	<u>657,941</u>	<u>651,287</u>	<u>654,266</u>	<u>622,121</u>
Net position at end of period	\$ 664,980	\$ 664,980	\$ 654,266	\$ 664,980	\$ 654,266

## Statements of cash flows

Unaudited (in thousands)

	Month of February	February year to date		Twelve months ended February 28	
		2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 24,296	\$ 51,351	\$ 45,498	\$ 296,633	\$ 267,097
Payments for operating goods and services	(12,351)	(29,622)	(26,880)	(173,493)	(153,062)
Payments for employee services	(3,563)	(7,522)	(7,192)	(47,852)	(45,794)
Net cash provided by operating activities	8,382	14,207	11,426	75,288	68,241
<b>Cash flows from capital and related financing activities</b>					
Reductions/(additions) to electric utility plant	443	(923)	(460)	(21,648)	(25,520)
Payments from accounts payable incurred for electric utility plant additions	(1,794)	(3,493)	(1,581)	(1,057)	(271)
Proceeds from disposal of electric utility plant	-	-	3	71	281
Principal payments on long-term debt	-	-	-	(11,660)	(11,145)
Interest payments on long-term debt	-	-	-	(5,850)	(6,371)
Payments on other long-term obligations	-	-	(889)	-	(889)
Payments from lease receivables	-	-	-	148	-
Payments on lease liabilities	-	-	-	(14)	-
Net cash used in capital and related financing activities	(1,351)	(4,416)	(2,927)	(40,010)	(43,915)
<b>Cash flows from investing activities</b>					
Purchases and sales of temporary and restricted investments, net	(9,688)	(11,444)	(6,153)	(34,932)	(36,182)
Interest and other income, including realized gains and losses	549	1,166	398	4,033	2,201
Net cash used in investing activities	(9,139)	(10,278)	(5,755)	(30,899)	(33,981)
(Decrease)/increase in cash and cash equivalents	(2,108)	(487)	2,744	4,379	(9,655)
Balance at beginning of period in cash and cash equivalents	49,638	48,017	40,407	43,151	52,806
Balance at end of period in cash and cash equivalents	\$ 47,530	\$ 47,530	\$ 43,151	\$ 47,530	\$ 43,151
<b>Reconciliation of net operating income to net cash provided by operating activities</b>					
Operating income	\$ 715	\$ 6,700	\$ 4,816	\$ 15,732	\$ 37,462
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>					
Depreciation	3,315	6,625	6,247	39,610	38,487
Amortization	(453)	(926)	(1,032)	(6,529)	(5,003)
<b>Changes in assets and liabilities that provided/(used) cash</b>					
Accounts receivable	5,490	3,542	1,330	(1,912)	(140)
Fuel and materials and supplies inventories	150	(376)	1,317	(1,766)	4,500
Prepayments and other assets	263	(1,392)	(3,718)	(1,983)	(2,566)
Regulatory assets	178	355	172	(3,064)	994
Deferred outflows of resources	229	458	294	(15,438)	(1,384)
Accounts payable	(2,462)	(4,137)	881	399	2,846
Net pension liability	-	-	-	22,750	(7,834)
Asset retirement obligations	(39)	(39)	-	3,991	1,663
Other liabilities	628	2,628	388	3,362	957
Deferred inflows of resources	368	769	731	20,136	(1,741)
Net cash provided by operating activities	\$ 8,382	\$ 14,207	\$ 11,426	\$ 75,288	\$ 68,241
<b>Noncash capital and related financing activities</b>					
Additions of electric utility plant through incurrence of accounts payable	1,032	1,032	1,057	1,032	1,057
Additions of electric utility plant through leasing	-	-	-	-	134
Additions to regulatory assets and other assets through incurrence of other long-term obligations	-	-	-	-	96,073
Amortization of regulatory asset (debt issuance costs)	7	13	15	86	96
Amortization of bond premiums, deferred loss and deferred gain on refundings	(130)	(259)	(288)	(1,700)	(1,894)

Note: Certain prior year line items have changed due to the restatement of financial statements.

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

Unaudited (in thousands)

	Month of February	February year to date		Twelve months ended February 28	
		2023	2022	2023	2022
<b>Bond service coverage</b>					
<b>Net revenues</b>					
Operating revenues	\$ 20,318	\$ 48,098	\$ 43,776	\$ 276,115	\$ 266,223
Operations and maintenance expenses, excluding depreciation, amortization and accretion	16,393	35,004	33,230	223,591	193,742
Net operating revenues	3,925	13,094	10,546	52,524	72,481
Plus interest income on bond accounts and other income <sup>(1)</sup>	552	1,173	409	4,091	2,266
Net revenues before rate stabilization	4,477	14,267	10,955	56,615	74,747
Rate stabilization					
Deposits	-	-	-	-	-
Withdrawals	-	-	-	-	-
Total net revenues	\$ 4,477	\$ 14,267	\$ 10,955	\$ 56,615	\$ 74,747
<b>Bond service</b>					
Power revenue bonds	\$ 1,482	\$ 2,964	\$ 2,965	\$ 17,785	\$ 17,914
<b>Coverage</b>					
Bond service coverage ratio	3.02	4.81	3.69	3.18	4.17
	Month of February	February year to date		Twelve months ended February 28	
		2023	2022	2023	2022
<b>Fixed obligation charge coverage</b>					
Total net revenues, above	\$ 4,477	\$ 14,267	\$ 10,955	\$ 56,615	\$ 74,747
Fixed obligation charges included in operating expenses <sup>(2)</sup>	1,510	2,852	3,131	16,749	15,145
Adjusted net revenues before fixed obligation charges	\$ 5,987	\$ 17,119	\$ 14,086	\$ 73,364	\$ 89,892
<b>Fixed obligation charges</b>					
Power revenue bonds, above	\$ 1,482	\$ 2,964	\$ 2,965	\$ 17,785	\$ 17,914
Fixed obligation charges	1,510	2,852	3,131	16,749	15,145
Total fixed obligation charges	\$ 2,992	\$ 5,816	\$ 6,096	\$ 34,534	\$ 33,059
<b>Coverage</b>					
Fixed obligation charge coverage ratio	2.00	2.94	2.31	2.12	2.72

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

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







# General management report

February 2023





## Business strategies

### Communications, marketing and external affairs

During February, the communications, marketing and external affairs staff:

- Attended the American Public Power Association Legislative Rally in Washington, D.C.
- Attended the Coal Users' Group annual meeting in Orlando, FL where Rawhide Energy Station received the 2023 Plant of the Year Award.
- Provided public presentations to the Loveland Sertoma Club in Loveland, CO and the Poudre Golden Kiwanis Club in Fort Collins, CO.
- Participated in community events including the Longmont Jubilee Membership Celebration Gala in Longmont, CO, the WomenGive luncheon (a program of United Way of Larimer County) and volunteered at the Loveland Sweetheart Festival where Platte River served as a sponsor of the Arts Alive Block.
- Attended workshops and trainings including the Chimney Hollow Reservoir Project Public Affairs Workshop in Berthoud, CO and the Virtual Social Media Strategies Summit.
- Engaged with stakeholder groups in Fort Collins and Loveland, providing an update on Platte River's progress toward the Resource Diversification Policy goals.
- Continued planning the fourth-annual NoCo Time Trials solar/battery car competition for middle school students (scheduled for early May).

Efficiency Works™ marketing staff:

- Began a radio and social media advertising campaign, including more than 2,000 individual runs of an advertisement on radio stations throughout northern Colorado.
- Developed and deployed outreach plans for Efficiency Works Business programs, including social media campaigns, letters to prospective participants and informational resource sheets for small and medium businesses and multifamily properties.
- Developed and deployed outreach plans for Efficiency Works Homes programs in collaboration with the owner communities.

### Human resources

Human resources staff:

- Initiated a formal request for proposals to evaluate the third-party administrator as a part of its overall benefits review to ensure positive employee experience and customer service.
- Continued work on the compensation study with the senior leadership team to validate job family groups (e.g., administrative, technical, management, executive) and corresponding compensation across the organization.
- Following manager training in January, initiated manager one-on-one conversations in February to discuss hybrid work status and expectations for individual employees.

## Safety

Safety staff:

- Hosted safety meetings at Rawhide and headquarters on the topic of healthy sleep habits. The presentation was given by a certified occupational therapist and expert in chronic insomnia treatments.
- Engaged a subject-matter vendor to host a substation entry safety training for employees who enter substations but are not qualified electrical workers.
- Collaborated with communications and marketing staff along with headquarters fleet staff to create a guide for safety features related to Platte River's Ford Mustang Mach-E electric vehicle.

Injury statistics	2021 year end	2022 year end	YTD through February 2022	YTD through February 2023
Recordable injury rate	1.67	1.25	2.32	2.19
DART	0.00	0.83	2.32	0.00
Lost time rate	0.00	0.00	0.00	0.00

Platte River experienced no recordable injuries in February.

## Emergency response team

An outside subject-matter expert provided training at Rawhide on electric vehicle fire and extrication and lithium-ion battery safety measures.

## Financial

### 2024 budget preparation

Platte River's 2024 budget process has begun. We continually look for ways to improve the existing process and to improve work planning and budgeting by better aligning scope, schedules and available resources. Staff received instructions on forms, processes and procedures to facilitate departmental budget preparation. Below is a condensed schedule to show the overall budget process.

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

December	Final budget review with board and request adoption
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## Defined benefit pension plan actuarial valuation

Platte River received the annual actuarial valuation in February, allowing staff to complete financial statements and prepare for the external financial audit. The net pension liability was updated for 2022 based on the actuary report. The liability increased \$22.8 million to \$30.5 million primarily due to market losses on investments. The average rate of return was -10.3% compared to the assumed rate of 7.5%.

The valuation report includes a funding recommendation for 2024. The recommended funding is increasing \$6.1 million from \$3.0 million in 2023 to \$9.1 million in 2024. At the March board meeting, staff will seek concurrence from the board to fund a portion of the 2024 recommended contribution in 2023. Staff and the retirement committee recommend smoothing funding over two years, \$6.0 million in 2023 and \$6.1 million in 2024. The retirement committee will review the full actuarial valuation report in May.

## 2022 financial audit

Between Feb. 21, 2023 and March 7, 2023, staff from FORVIS, LLP, performed audit fieldwork. Platte River staff prepared audit schedules and were available to respond to audit inquiries. Chris Telli and Anna Thigpen from FORVIS, LLP, will present the results of the audit at the April 2023 board meeting.

## Enterprise resource planning project update

In 2022, Platte River initiated a multi-year enterprise resource planning (ERP) project to replace business systems with Oracle Cloud. Emtec is Platte River's implementation partner. Staff leads meet weekly with counterparts at Emtec to ensure the project is on-track to meet the phase 1 implementation goal of April 2024. To date, the prepare and discovery phases are complete, and the design and construction stages are underway. Test cases have been created for the training scheduled in March and April 2023.

# Transition and integration

## Energy solutions

Through the administration and implementation of Efficiency Works™ customer programming the Energy Solutions department began shifting programming initiatives to expand services beyond energy efficiency to increasing customer opportunities in other distributed energy resource technologies. Platte River is collaborating with owner community staff to develop new initiatives and services for customers. The initial focus will be on residential building electrification and electric vehicle charging infrastructure in the commercial sector. Key department achievements for February include the following:

- Efficiency Works Homes experienced high demand for assessment and advising services in February with over 350 home assessments scheduled in addition to over 200 hours of free energy advising services provided to residential customers.

- Collaborative efforts continued with owner community staff in the development of home building electrification measures that align with the Inflation Reduction Act, where possible, with official launch of incentives planned for April 1, 2023.
- Efficiency Works Consumer Engagement programming focused on school education through the Think! Energy program, which has started shipping efficiency kits to local schools. In February, 53 students received kits, with an additional 1,300 fourth grade students expected to receive kits in March and April. The efficiency kits complement curriculum material provided by Think! Energy based on state education requirements. There is participation in all four owner communities.
- Efficiency Works Business continues to experience strong participation among the largest commercial and industrial customers in the owner communities, while participation among small and medium business continues to lag pre-pandemic levels in traditional retrofit rebate services.

Through February 2023, Efficiency Works programs have achieved 571 MWh of energy savings and have spent \$0.5 million including incentives and administrative costs. Platte River has budgeted \$11.1 million for efficiency programs and administration with a goal of achieving 26,768 MWh energy savings. Owner communities may provide as much as \$2.7 million additional directive funding.

## Digital department

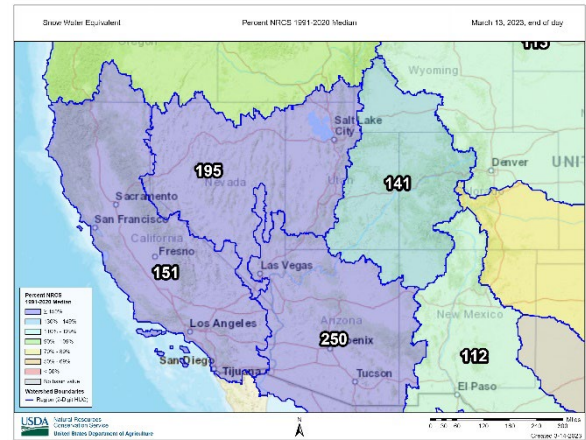
The Digital Department supports all information technology infrastructure and software projects within Platte River. Below are some of the key department initiatives and activities completed or underway in February.

- Supported ERP system implementation.
- OSI Energy Management System implementation.
  - The infrastructure team completed the deployment of the network infrastructure and tested failover of communications between our primary control center, located at Platte River headquarters, and our backup control center, at our off-site disaster recovery center, for the automated dispatch signaling environment of the OSI Energy Management System.
  - The system control and data acquisition team completed implementation of the Automatic Dispatch Signaling (ADS) functionality in the OSI application. Since January the team has expanded the test cases from Rawhide Unit 1 to all of Platte River's generation resources. Control signals from the Southwest Power Pool were successfully accepted, relaying signals to the generation resources and receiving confirmation that the resources responded accordingly. The ADS system is slated for go-live on April 1, 2023.
- Microsoft 365 tenant migration
  - Preparations continue to migrate our Microsoft 365 implementation to a new tenant. The cutover is planned for the weekend of April 7 – 10, 2023.

## Operations

### Fuels and water

Snowpack conditions continue to be robust throughout the Colorado River basin and the southwest United States. As shown in the image to the right, snowpack in the upper Colorado basin, which corresponds to the watershed above Lake Powell, is currently at 141% of average and recent forecasts for Lake Powell also indicate above-average inflows in the spring. Combined with wet conditions in the lower basin that should ease downstream demands. The increased inflows to Powell should provide some short-term relief for reservoir operations. More locally, snowpack above Lake Granby and Windy Gap Reservoir is 122% of average. Early modeling from Northern Water indicates that there is a moderate chance of Lake Granby filling and spilling in late spring or early summer. The implications for Windy Gap operations will become clearer as the spring runoff approaches. Staff will continue to monitor water supply conditions and adjust operations as needed.



Chimney Hollow Reservoir construction continues to be slowed by winter weather conditions. However, the contractor expects progress to improve with additional staff and night shifts in the spring. Despite challenges, the top of the rockfill embankment is now at or above the original grade of the valley floor and asphalt core construction is expected to resume in late March. The height of the asphalt core for the main dam is now 50 feet up from the plinth (concrete base), with another 334 feet to the top of the dam. The subsurface grouting program poses the greatest schedule risk but the contractor is taking steps to improve production. With the project approaching the halfway point of the construction timeline, Northern Water staff members are developing estimates for Completion Costs and Expenses (Completion C&E), a component of the allotment contract related to project completion. While the final estimate remains uncertain, initial indications are that additional funding will be needed for final construction costs as well as required environmental mitigation and enhancement projects. For the participants, the formal notification of Completion C&E is mid-2024, with funds secured by early 2025. Financing options will be similar to those included for the initial project costs and could include either self-funding or group financing. Staff will work closely with Northern Water to update the board as the cost estimates become more certain. Currently, the project is one week behind the critical path but completion remains scheduled for mid-2025.