



Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525
Thursday, July 27, 2023, 9 a.m.

Call to order

1. Consent agenda
 - a. Minutes of the regular meeting of May 25, 2023

Motion to approve

Public comment

Committee reports

2. Defined Benefit Plan committee report

Board action items

3. Acceptance of the 2023 strategic plan
4. Executive session
 - a. Discuss potential land transactions to enable resource development opportunities
 - b. Reconvene regular session

Motion to accept

Management presentations

5. Enterprise risk management
6. Chimney Hollow Reservoir project update
7. Market update and RTO West progression
8. First IRP listening session recap

Monthly informational reports – May and June

9. Q2 performance dashboard
10. Legal, environmental and compliance report
11. Resource diversification report
12. Operating report
13. Financial report
14. General management report

Strategic discussions

Adjournment



2023 board meeting planning calendar

Updated July 19, 2023

Aug. 31, 2023

Retirement committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
Potential policy on real estate transactions for resource development			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
Committee report			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
Committee report			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

Date: 7/19/2023

To: Board of directors

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

Subject: **Consent agenda – July**

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.

Attachments

- Minutes of the regular meeting May 25, 2023



Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, May 25, 2023

Attendance

Board members

Representing Estes Park: Mayor Wendy Koenig¹ and Reuben Bergsten
Representing Fort Collins: Kendall Minor
Representing Longmont: Mayor Joan Peck and David Hornbacher
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

Absent: Mayor Jeni Arndt

Platte River staff

Jason Frisbie (general manager/CEO)
Sarah Leonard (general counsel)
Dave Smalley (chief financial officer and deputy general manager)
Melie Vincent (chief operating officer)
Raj Singam Setti (chief transition and integration officer)
Eddie Gutiérrez (chief strategy officer)
Angela Walsh (executive assistant/board secretary)
Kaitlyn McCarty (executive assistant – finance and IT)
Josh Pinsky (IT service desk technician II)
Libby Clark (director of human resources and safety)
Shelley Nywall (director of finance)
Wade Hancock (financial planning and rates manager)
Javier Camacho (director of public and external affairs, strategic communications and social marketing)
Libby Clark (director of human resources and safety)
Staci Sears (human resource manager)
Carol Ballantine (director of power markets)
Heather Banks (fuels and water manager)
Kari Lynch (senior communications and marketing specialist)
Kendal Perez (communications and marketing specialist)
Leigh Gibson (senior external affairs specialist)

¹ Attended via Zoom; joined at 11:10 a.m.

Chelsea Friel (graphics specialist)

Guests

Carrie Hackenberger (Husch Blackwell Strategies)

Call to order

Chair Bergsten called the meeting to order at 9:00 a.m. A quorum of board members was present via roll call. The meeting, having been duly convened, proceeded with the business on the agenda. Jason Frisbie, general manager and chief executive officer, congratulated Dave Hornbacher on his recent appointment of assistant city manager for the City of Longmont.

Action items

1. Consent Agenda

- a. Approval of the regular meeting minutes of April 27, 2023
- b. Employee total compensation policy: Resolution 07-23
- c. Revision to wholesale transmission service tariff (Tariff WT-24): Resolution 08-23

Director Hornbacher moved to approve the consent agenda as presented. Director Peck seconded. The motion carried 6-0.

Public comment

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

Management presentations

2. Strategic plan (presenter: Eddie Gutiérrez)

Eddie Gutiérrez, chief strategy officer, previewed the final draft strategic plan, highlighting the four strategic initiatives providing focus and direction for Platte River. Mr. Gutiérrez thanked his staff for the work on the strategic plan and for coordinating a cross-functional review process. Staff will return during the July board meeting to ask for approval of the 2023 strategic plan.

Director Hornbacher complimented staff on the document. Chair Bergsten emphasized the board's greater cultural support responsibility toward regional collaboration and asked how to help Platte River's engagement efforts within the communities. Mr. Frisbie reflected on the expansion of the communications and marketing department from a few staff members seven years ago to a full

department of talented people who produce quality reporting, communications and engagement within the owner communities at a deeper level. He also requested direction on how to provide support for the city councils and municipal staffs. Director Marsh commented on Loveland's practices for public comment and offered to have consistently scheduled updates from Platte River staff to keep councilmembers informed. Mr. Frisbie reiterated his wish for all four councils to know and understand Platte River's path to reach the 2030 goal. Mr. Gutiérrez offered educational work sessions or customized council coordination throughout the communities and requested staff support within the communities to help schedule those. Discussion ensued among directors and staff on how Platte River can keep the owner communities and town and city council members informed and engaged.

3. State legislation recap (presenter: Javier Camacho)

Javier Camacho, director of public and external affairs, strategic communications and social marketing, provided an overview of the First Regular Session of the Seventy-fourth General Assembly that convened on Jan. 11, 2023, and adjourned on May 8, 2023, and Platte River's efforts throughout the session. He introduced Carrie Hackenberger with Husch Blackwell Strategies (HBS), Platte River's state lobbyist. Ms. Hackenberger discussed the legislature's areas of focus during this year's session, including environmental issues, employment issues, affordable housing and property taxes.

Platte River tracked 27 bills. Mr. Camacho highlighted three bills Platte River focused on: Senate Bill 23-198, House Bill (HB) 23-1039 and HB23-1294. He explained how Platte River staff worked in conjunction with HBS, Colorado Association of Municipal Utilities and bill supporters and sponsors to incorporate a series of amendments to the three bills. Chair Bergsten asked what value HB23-1039 adds for Platte River when an integrated resource plan (IRP) has already been submitted in the past. Sarah Leonard, general counsel, explained how HB23-1039 addressed gaps in the reporting structure and it will establish a baseline for all entities on reporting responsibility. Raj Singam Setti, chief transition and integration officer, commented that the bill requires organizations to prove they can provide adequate capacity into the market with real assets. Discussion ensued among directors and staff on how the bill was structured and how it affects Platte River and the owner communities.

Mr. Camacho introduced Leigh Gibson, senior external affairs specialist, who will focus on the 2023 Legislative session recap analysis to prepare for 2024, coordinate with state agencies on follow-up action items and update the legislative resource manual. Director Peck expressed concerns about lack of clear oversight to keep entities accountable to the bills that are passed. Ms. Hackenberger described reporting requirements and state agencies with authority to regulate the entities. Discussion ensued among directors and staff on reporting, accountability structures and unique concerns for low-income ratepayers affected by the unintended consequences of bills with competing objectives.

4. Hydro allocation update (presenter: Carol Ballantine)

Carol Ballantine, director of power markets, provided an overview of the Loveland Area Project and Colorado River Storage Project resources and allocations, Western Area Power Administration's distribution of the power, current and future hydropower conditions and rates.

5-minute break (10:30-10:35)

5. Integrated Resource Plan overview (presenter: Raj Singam Setti)

Mr. Singam Setti highlighted the focus areas for the 2024 IRP, summarizing the lessons learned from the 2020 IRP process, outlining the development process for the current IRP, including the pre-IRP studies, the modeling process and the timeline to meet a July 2024 submittal deadline.

Chair Bergsten pointed out the competing objectives associated with financial demand on owner communities to modernize the distribution utilities to support Platte River's board-approved Resource Diversification Policy and its 2030 decarbonization goal. Director Gertig discussed the prerequisites to achieve the goal. He noted working together as five utilities is more imperative than ever, to manage different timelines and the need to transition together. Mr. Frisbie highlighted Platte River's historical resource addition decisions while working with regional power providers to share financial burdens. This helped lower costs and will be essential as market participation evolves. He said staff members have been evaluating emerging technologies that may give the five utilities a competitive advantage in the market. Discussion ensued among directors and staff about the Organic Contract, supplying electricity in a whole new way, enabling all board members to talk about Platte River's path and the progress toward the next IRP filing.

Chair Bergsten thanked staff for the trip to California to visit facilities that are testing emerging technologies Platte River might consider.

6. Wholesale rate projections (presenter: Shelley Nywall, Wade Hancock)

Shelley Nywall, director of finance, discussed how rate projections have become more complex and uncertain as Platte River continues its resource diversification journey, which requires enhanced communication and collaboration efforts between Platte River and owner community staffs. She reminded the board that the rate projections are based on current resource planning model assumptions and cautioned that model inputs can and will change. Ms. Nywall discussed tools the financial planning division can use to support financial sustainability and keep rates as low as possible.

Ms. Nywall recapped the May work session hosted at Platte River headquarters for utility directors and their staff to have an in-depth look at details behind Platte River's resource and financial planning processes.

Wade Hancock, financial planning and rates manager, provided an overview of Platte River's strategic financial plan, rate-setting framework and historical average wholesale rates. He also summarized the financial plan updates and projections, the rate schedule tariffs for 2024 Firm Power Service and other services. Chair Bergsten asked if the average wholesale dollar per megawatt hour is only the energy charge or if it is all costs combined. Mr. Hancock responded that the average wholesale rate is all revenues divided by the kilowatt hours converting it to energy-only rate. Director Peck asked if Platte River seeks out grants or completes capital investment planning. Mr. Smalley confirmed that Platte River does conduct capital planning that is incorporated into the rates charged to the owner.

communities and staff continues to investigate various grants that are available. Director Peck observed that ratepayers may perceive near-term rate increases as obligations to pay for resources upfront. Chair Bergsten noted that pursuing grants is very work-intensive and we must be confident the effort matches the rewards. Director Hornbacher commented on investing in building the renewable energy future, how Platte River's wholesale rates are currently the lowest in the state and how Platte River has managed past transitions. Discussion ensued among directors and staff on grants, public power economic benefits and rate setting.

During the financial projections portion of the presentation, Director Minor asked if revenue generated from the communities is paid toward debt service capacity. Mr. Hancock confirmed that a portion of the revenues received from the owner communities pays debt service on Platte River's power revenue bonds.

Director Gertig emphasized the importance for public power entities to focus on the distribution because of the challenges the distribution systems experience with asset management and advancements. Mr. Frisbie explained that Platte River is in a position of relative strength with low debt service on retiring resources. This should help Platte River manage rate pressure and deliver value to the owner communities through carbon reduction, reliable power and lower costs to borrow money. He also discussed replacing equipment now to minimize future costs as inflation continues to rise. Director Peck urged support for public education on power generation costs, rate impacts and the value Platte River provides to the owner communities. Discussion ensued among directors and staff regarding modernizing distribution system equipment, rate impacts and low-cost efficiencies for the owner communities.

Management reports

7. Water Resources Reference Document (presenter: Heather Banks)

Heather Banks, fuels and water manager, provided an overview of the seventh edition of the Water Resources Reference Document and outlined the updates made from the sixth edition. She noted staff will develop a condensed version of the document to present in 2024 and moving to a three-year update cycle.

Monthly informational reports for March

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

Ms. Leonard highlighted that the Western Area Power Administration is formally evaluating whether to enter into final negotiations in joining the Southwest Power Pool's western regional transmission organization and initiated a public comment process on the recommendation to move forward.

9. Resource diversification report (presenter: Raj Singam Setti)

Mr. Singam Setti highlighted the request for proposals for wind energy and storage with the expectation the projects will be commercially operative in 2027. He also summarized a daylong workshop titled "Distributed Energy Resource Functions and Capabilities" in collaboration with the project consultant, Utilicast, and staff from the owner communities.

10. Operating report (presenter: Melie Vincent)

Melie Vincent, chief operating officer, highlighted operating results for April. Wind and solar generation were close to budget. Thermal energy generation decreased, while purchased power was above budget, so fuel costs were below budget. Chair Bergsten asked how the market is performing. Ms. Vincent explained the chart on page 10 of the operating report shows the first full month of results, which are not unusual in a market. She noted a full year of results will tell a better story of how Platte River will benefit from being in a market.

11. Financial report (presenter: Dave Smalley)

Mr. Smalley discussed the financial results for April. He highlighted how year-to-date sales reflect volatility in the organized market, mostly being driven by volume. He explained the projections for the year shown in the financial report will change throughout the year. There were no questions from the board.

12. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the positive rating agency outlook recently received, the market analysis report, and summarized the trip to California to explore innovative technologies, thanking Mr. Singam Setti for setting up the trip for the utility directors. There were no questions from the board.

Chair Bergsten thanked Mr. Frisbie and Mr. Singam Setti for setting up the trip to California and establishing relationships with the companies.

Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 12:24 p.m. The next regular board meeting is scheduled for Thursday, July 27, 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

Date: 7/19/2023

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**

The retirement committee held its quarterly meeting on May 25, 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 May retirement committee meeting.

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

Attachment

- May 25, 2023 defined benefit plan committee minutes - DRAFT



Regular meeting minutes of the defined benefit plan committee

2000 E. Horsetooth Road, Fort Collins, CO and virtually via Microsoft Teams
Thursday, May 25, 2023

Attendance

Committee members

David Hornbacher, chair
Jason Frisbie (plan administrator)
Reuben Bergsten
Jacki Marsh¹
Dave Smalley

Committee members - absent

Jeni Arndt

Platter River staff

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

Guests

Brian Arnell of Willis Towers Watson
Jason Palmer of Northern Trust Asset Management (Northern Trust)
Armand Yambao of Northern Trust

Call to order

The meeting was called to order at 1:02 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 Feb. 23, 2023, meeting. Chair David Hornbacher asked for a motion to approve the minutes from the Feb. 23, 2023, meeting. Reuben Bergsten moved to approve the minutes as submitted. Dave Smalley seconded, and the motion carried 4-0. Jacki Marsh was not present at the time of the vote.

¹Jacki Marsh joined the meeting at 1:06 p.m.

(2) Recommended plan contribution for 2024. Brian Arnell with Willis Towers Watson, the plan's actuary, reviewed the Dec. 31, 2022 actuarial valuation (2024 funding) memorandum stating if assumptions are met going forward, the plan's actuary projects a steady decline in funding from 2027 to 2044, with funding falling below \$1 million beginning in 2034. Mr. Arnell reviewed the defined benefit plan 20-year funding projections chart included in the memorandum and explained how the chart depicts the most recent funding projection compared to the funding expectations developed by the actuary in 2021 and 2022. The shift in the projections reflects the impact of market returns, plan experience (e.g., actual salary increases, terminations and retirements, cost of living adjustments, etc.).

Mr. Arnell also reviewed the five-year historical funding and pension information table included in the memorandum, explaining how the total recommended contribution for the funding year is determined. Platte River's funding for the plan will increase from \$3.0 million in 2023 to \$9.1 million in 2024. At the March 2023 board meeting, the board approved contributing \$3.0 million of additional funding in 2023. This reduces the 2024 contribution from \$9.1 million to \$6.1 million. The increase in funding is due to the negative return on assets during 2023. The 2024 funding includes a \$4.9 million additional funding charge. The additional funding charge is implemented (amortized over five years) when the estimated present value of accrued benefits exceeds the estimated market value of assets.

(3) First quarter investment performance. Jason Palmer of Northern Trust reviewed the first quarter 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%, meeting the benchmark of 6.5%. The long-term return goal is 7.5%. Mr. Palmer reviewed the plan's portfolio position for the first quarter and summarized their firm's asset allocation process. The portfolio consists of risk control and risk assets. For the quarter the plan was slightly overweight in risk control assets.

For the quarter, the plan assets increased from \$105.1 million to \$106.8 million, which accounts for contributions, income, appreciation/depreciation and benefit payments.

Mr. Palmer reviewed the plan's key performance drivers for the quarter. Global equities and fixed income produced positive results while real assets fell slightly during the quarter. Positioning was negative due to cash overweight as equity markets rebounded. Tactical positioning hurt results by 0.1% to 0.3%. Investment manager selection was negative during the quarter. Each of the low-volatility equity strategies underperformed their benchmarks and selection hurt performance by 2.3% to 2.6%.

Per Platte River's request, Northern Trust provided a tactical positioning performance report (page 16), which depicts that from the time Northern Trust became the plan's outsourced chief investment officer in late 2019, tactical positioning has detracted an estimated 55 basis points (annualized). The majority of the detraction occurred in 2020 (-2.5%) when the portfolio was moderately overweight in risk tactical positioning prior to the sharp COVID-19 pandemic equity market drawdown and modestly underweight in risk positioning during the subsequent recovery.

Page 18 of the quarterly investment report provides rationales for the portfolio's positioning in each asset class.

(4) Asset and liability study. Armand Yambao of Northern Trust provided an asset liability study update. He noted the purpose of an asset liability study is to help a plan sponsor review the investment strategy and explore opportunities for improvement. The study models the financials of the pension plan over a ten-year forecasting period and across a full spectrum of economic scenarios. The last full asset liability study was completed in 2022.

Platte River remains on track, as the current strategic asset allocation continues to provide a reasonable balance to manage the asset volatility while earning sufficient returns to improve the funded ratio over time. Platte River's disciplined contribution strategy continues to be key and contribution amounts could decline over time. Northern Trust recommends that Platte River consider de-risking the asset allocation in 2029 if the funded ratio is at least 95%.

(5) Educational session. Moved to the August meeting.

(6) Other business. None.

The next regular committee meeting is scheduled for Aug. 31, 2023, at 12:30 p.m. in the Platte River board room or virtually via Microsoft Teams.

The meeting adjourned at 2:00 p.m.

Chair David Hornbacher



Memorandum

Date: 7/19/2023

To: Board of directors

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

Subject: **Acceptance of the 2023 strategic plan**

Platte River's updated strategic plan is now complete after an 18-month process. Work on the strategic plan began with Moss Adams to evaluate, assess, and update the organization's core areas and was completed with intake from a variety of key stakeholders. This is a continuation of the 2018 strategic plan and the Resource Diversification Policy. Draft concepts and updates were presented to the board in 2022, with the near-final version presented at the May 2023 board meeting.

Staff will ask the board for a motion to accept the 2023 strategic plan during the July board meeting.



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

2023 STRATEGIC PLAN

TABLE OF CONTENTS

Overview

Platte River at a glance.....	4
Vision, mission, values and core pillars	6
Our communities	8
Board of directors	10
Senior leadership team	11

Executive summary

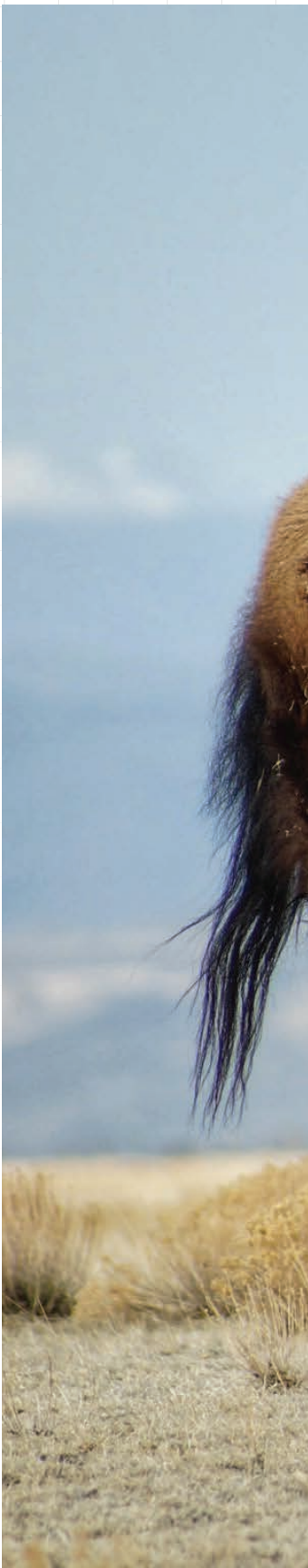
Executive summary.....	12
------------------------	----

Strategic initiatives

Resource diversification planning and integration	14
Community partner and engagement.....	20
Workforce culture	24
Process management and coordination	26

Acknowledgment and notes

Acknowledgment and notes.....	28
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PLATTE RIVER AT A GLANCE

Platte River Power Authority is a not-for-profit, community-owned public power utility that generates and delivers safe, reliable, environmentally responsible and financially sustainable energy and services to Estes Park, Fort Collins, Longmont and Loveland, Colorado, for delivery to their utility customers.

Headquarters	2022 peak demand of owner communities
Fort Collins, Colorado	684 MW
General manager/CEO	2022 deliveries of energy
Jason Frisbie	5,036,762 MWh
Began operations	2022 deliveries of energy to owner communities
1973	3,249,401 MWh
Staff	Transmission system
268	Platte River has equipment in 27 substations, 263 miles of wholly owned and operated high-voltage lines, and 522 miles of high-voltage lines jointly owned with other utilities.

CAPACITY AND ENERGY

Resource capacity

MW

Coal	431	
Natural gas	388	
Hydropower	80	
Wind power ⁽¹⁾⁽²⁾	303	67
Solar ⁽¹⁾	52	22
Total	1,254	988

(1) For the effective capacity calculation, wind facilities are assigned firm capacity of 22% of their nameplate capacity and solar facilities are assigned 42% of their nameplate capacity. Platte River is also using a 2 MWh battery charged by solar.

(2) 72 MW of wind is currently sold to other entities, 60 MW of which will return to Platte River in 2030.



2022 system total

- Coal **54%**
- Wind **26%**
- Hydropower **8%**
- Other purchases **6.5%**
- Natural gas **3.2%**
- Solar **2.3%**

Includes renewable energy credit allocations to carbon resources

VISION, MISSION, VALUES AND CORE PILLARS

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.

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.

CORE PILLARS

RELIABILITY, ENVIRONMENTAL RESPONSIBILITY,
FINANCIAL SUSTAINABILITY

VALUES

The following values define our daily commitment to following the vision and mission of Platte River, which will strengthen our organization and improve the quality of life in the communities we serve.

SAFETY

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

RESPECT

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

INNOVATION

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

SUSTAINABILITY

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

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.

OPERATIONAL EXCELLENCE

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

OUR COMMUNITIES

Platte River Power Authority is a Colorado political subdivision established to provide wholesale electric generation and transmission to the communities of Estes Park, Fort Collins, Longmont and Loveland.



*Based on the U.S. Census Bureau



BOARD OF DIRECTORS

Platte River is governed by an eight-person board of directors designed to bring relevant expertise to the decision making process. The board includes two members from each owner community.

The mayor may serve or designate some other member of the governing board of their owner community to serve in their place on Platte River's Board of Directors. Each of the other four directors is appointed to a four-year staggered term by the governing body of the owner community represented by that director.



Wendy Koenig
Mayor
Town of Estes Park



Reuben Bergsten
Director of utilities
Town of Estes Park



Jeni Arndt
Mayor
City of Fort Collins



Kendall Minor
Utilities executive
director
City of Fort Collins



Joan Peck
Mayor
City of Longmont



David Hornbacher
Assistant city
manager (interim)
City of Longmont



Jacki Marsh
Mayor
City of Loveland



Kevin Gertig
Director of Loveland
Water and Power
City of Loveland

SENIOR LEADERSHIP TEAM

Platte River operates under the direction of a general manager who serves at the pleasure of the board of directors. The general manager is the chief executive officer with full responsibility for planning, operations and the administrative affairs of Platte River. Platte River's senior leadership team has substantial experience in the utility industry.



Jason Frisbie
General manager/CEO



Eddie Gutiérrez
Chief strategy officer



Sarah Leonard
General counsel



Raj Singam Setti
Chief transition and
integration officer



Dave Smalley
Chief financial officer
and deputy general
manager



Melie Vincent
Chief operating officer



Angela Walsh
Executive assistant to
the GM/CEO, board
secretary, administrative
services supervisor



EXECUTIVE SUMMARY

As Platte River Power Authority (Platte River) celebrates 50 years of service for Estes Park, Fort Collins, Longmont and Loveland, the utility is looking forward to the next 50 years of transformation, innovation and opportunity to build a cleaner energy future. Platte River has one of the most accelerated decarbonization plans for an electric utility in the country. The energy landscape is also changing rapidly with emerging technologies including battery and thermal storage, advanced metering infrastructure, renewable noncarbon-emitting energy sources and lower carbon natural gas resources. These changes are happening amid

an electrification of transportation, homes and businesses, evolving customer needs and expectations and a sweeping commitment to a cleaner energy future.

To address the evolving energy landscape, Platte River has updated the strategic plan for the benefit of our four owner communities of Estes Park, Fort Collins, Longmont and Loveland. The update to the strategic planning process started in early 2022 evaluating the initiatives laid out in 2018: enhanced customer experience, communications and community outreach, resource diversification and alignment and



infrastructure advancement and technology development. The 2018 Strategic Plan created the framework that outlined the path for the Platte River Board of Directors to adopt the Resource Diversification Policy (RDP) that was approved later that year. This moment in Platte River's history marked an inflection point for our organization. As Platte River celebrates a half century of providing power in 2023, this updated strategic plan reflects the ongoing evolution our industry has experienced over the last several years and now outlines how this trajectory is inspired by our organization's legacy to proudly serve northern Colorado.

The purpose of the 2023 Strategic Plan is to provide Platte River with direction and guidance for our organization's future. It is also intended to align activities throughout the organization with these four strategic initiatives that are anchored by Platte River's vision, mission, values and core pillars to safely provide energy and services.

- Resource diversification planning and integration
- Community partner and engagement
- Workforce culture
- Process management and coordination

*More specific information about the strategies, tactics and activities related to implementing these initiatives will be developed over time, communicated through key business documents, including the strategic financial plan and annual budget, integrated resource plan and annual report.

RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

Since the Platte River Board of Directors adopted the RDP in 2018, one of the major areas of strategic focus is the implementation phase of our overall resource planning into 2030. In 2021, Platte River created a new division – transition and integration – to direct resources into Platte River’s overall portfolio integration and strategy, which is fundamentally committed to implementing the RDP as the organization proactively works toward a 100% noncarbon energy future. This includes developing sustainable solutions through resource planning and integration of distributed energy solutions (DES) and distributed energy resources (DER).

Platte River is committed to identifying emerging technologies, information and operational efficiencies as well as developing more data science capabilities to ensure Platte River and the owner communities can transition to a noncarbon energy future. The new portfolio strategy and integration team works directly with operations and finance to ensure system reliability and financial sustainability are maintained as Platte River’s portfolio continues to decarbonize.

Platte River’s carbon reduction effort and portfolio transition will be led by an acceleration of renewable integration while maintaining our overall system reliability, leveraging current energy storage technologies at a large scale, DER integration and additional dispatchable thermal capacity that balances the core pillars of the organization.

IMPLEMENTATION AREAS

- Incorporate reliability resources, including additional dispatchable capacity and emerging technologies such as long-duration storage and hydrogen
- Undertake strategic transmission planning and expansion
- Participate in a full regional transmission organization
- Design and align rates for the energy transition
- Leverage data science, artificial intelligence and machine learning



INTEGRATED RESOURCE PLAN

Platte River's Board approved the 2020 integrated resource plan (IRP) outlining a roadmap for a zero-coal energy portfolio by 2030. The plan called for the systematic expansion of large-scale solar and wind resources, energy storage projects, and DERs and low-carbon thermal generation between 2020 and 2030. Platte River's accelerated asset integration schedule is designed to gain operational experience before retiring coal-fired generation and fully test the reliability and operational flexibility of new renewable resources.

In 2021, Platte River issued a request for proposals to competitively procure up to 250 MW of new solar generating capacity and energy storage capacity with estimated commercial operation in late 2025. Resource planning, portfolio strategy and integration staff also analyzed and evaluated the cost effectiveness and market for large-scale four-hour and longer duration energy storage and evaluated adding more wind and solar resources to Platte River's portfolio

In 2023, Platte River confirmed the purchase of 150 MW of solar energy from the selected vendor for the Black Hollow Solar project. The agreement was restated in 2022 and the project is slated for commercial operation in 2025. Platte River also signed an easement and purchase agreement for 20 acres of land to construct a 230-kilovolt (kV) switching substation. This substation will facilitate interconnection of the Black Hollow Solar project, as well as other future renewable projects, with Platte River's system.

At the time of publishing this strategic plan, current resource planning anticipates an 85% carbon reduction in our generation portfolio by 2030, pending the next IRP process in 2024. Platte River remains committed to pursuing a 100% noncarbon energy portfolio that does not compromise the core pillars of the organization.





ORGANIZED ENERGY MARKET

Together with our joint dispatch agreement partners, Platte River entered the Southwest Power Pool's (SPP) Western Energy Imbalance Service (WEIS) market in April 2023, defining an important milestone in our pursuit of a carbon-free energy future. Participating in the SPP WEIS market enables Platte River to reduce costs and balance our energy generation with the real-time power needs of the region, as well as integrate greater amounts of renewable energy.

Platte River is also among several western electric service providers committed to exploring SPP's regional transmission organization – West (RTO West) expansion into the Western Interconnection. Moving into a full RTO membership could bring additional savings and benefits to reliably and economically serve our owner communities while meeting the region's clean energy goals. All efforts to participate in an organized energy market are part of Platte River's initiative to achieve the goals set forth in the RDP.





COMMUNITY PARTNER AND ENGAGEMENT

Guided by its vision to serve as a respected leader and responsible energy provider, Platte River fundamentally believes in collaboration and regionalism alongside our owner communities to become a trusted community partner. The organization strives to facilitate, convene and educate with message discipline and consistency, working in partnership with our owner communities and the customers they serve.



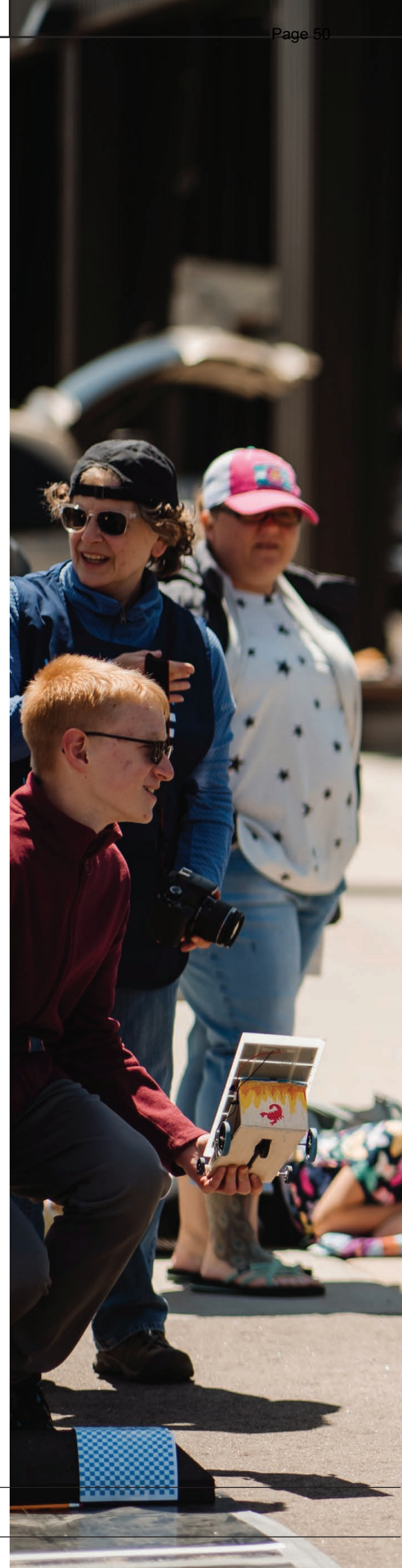
PHILOSOPHY AND APPROACH

In recent years, demand for more renewable energy integration, emerging technologies and environmentally conscious solutions have challenged the very idea of what an electric utility should become. This focus is also sparking increased public interest in Platte River's strategic initiatives and overall operations.

Historically Platte River has relied on its owner communities to communicate with the public; however, the utility is working to build a stronger presence with a more regional focus across our owner communities to speak with a unified voice about the complexities and opportunities associated with the energy transition. Collaborating to create more regional engagement to emphasize the relationship between our organization and our owner communities – that is, Platte River was created 50 years ago by the township of Estes Park and the cities of Fort Collins, Longmont and Loveland as a community-owned, public power entity dedicated to providing energy and services guided by its three core pillars. Platte River and our owner communities are working together to amplify the vision of our organization as it strives to be one of the most transformative energy providers in the country.

IMPLEMENTATION AREAS

- Organize working groups across the owner communities to develop consistent, key messages
- Identify regional engagement opportunities through digital and community activations to develop deeper partnerships with local organizations and stakeholder groups
- Create and implement regional educational assets and campaigns to ensure transparency and access to RDP information
- Engage proactively with national, regional and industry media partners to share our strategic initiatives and respond effectively to public inquiries
- Develop and deploy an effective, multi-media strategy to further engage and educate the public about programs, services and initiatives





WORKFORCE CULTURE

As Platte River works toward a more decarbonized energy portfolio and develops into a more data-driven organization, Platte River must equally focus on maintaining a high-performing workforce that can successfully achieve this transition. Platte River's philosophy is to advocate for both the employee and the organization, focusing on career longevity and modernized workforce practices that retain and attract the brightest and most talented in the industry.

Workforce culture at Platte River is deeply rooted in the values the organization holds for its employees. As employees develop a deeper understanding of how they can be part of the decision-making process, the organization will more clearly define how employee performance and accountability are evaluated and rewarded. This strategic initiative will systematically guide Platte River's trajectory to becoming the utility of the future.



IMPLEMENTATION AREAS

- Build a workforce roadmap that focuses on employee development and planning that clearly defines career advancement and growth opportunities for employees, to include the development of a transition strategy directed by the board-adopted Responsible Transition for Rawhide Employees resolution
- Modernize the organization's total benefits and rewards program to reflect industry-leading practices
- Utilize market-based modeling for a new, comprehensive compensation philosophy and approach
- Create more hybrid and work flexibility as the organization evolves into a multi-state employer
- Create a talent review and succession planning process to baseline strategies for long-term retention and recruitment
- Create a matrix-driven, performance review process that aligns with the organization's current strategic plan
- Identify more systemic ways to bridge a digital and physical workforce, with a combination of virtual and in-person engagement opportunities and initiatives that could include more immersion activations to engage employees cross-functionally
- Create a baseline assessment for a larger diversity, equity and inclusion initiative that could lead to specific emerging leaders and leadership pipeline programs
- Work alongside the strategic budgeting process, forecasting immediate and multi-year staffing needs across the organization based on growth areas and larger enterprise goals

PROCESS MANAGEMENT AND COORDINATION

Platte River will continue to accelerate the decarbonization of our energy portfolio, focus on improved integration, planning and collaboration with our owner communities, and create new processes to aid in more cross-functional teamwork across the organization. The emphasis on process management and coordination will support the organization's ability to deliver on its core services and improve efficiencies in internal and external processes and systems.

DER implementation is an example of process management and coordination to serve Platte River's carbon reduction effort. The success of this project will be measured in the coordination and collaboration between Platte River and its four owner communities. The flow of data between Platte River and the owner community will be integral to the results DERs can produce. This information will enable DERs to respond to dynamic system conditions such as energy prices, renewable energy availability and system reliability constraints. The work between Platte River and each owner community will deliver DERs at a scale that can support the integration of dispatchable energy sources, renewable energy generation and emerging technologies.

Internally, process management and coordination will help create new structures and processes for Platte River teams to work more collaboratively across the organization. The cross-functionality of these team members and their work areas will optimize our energy transformation. There will be an emphasis on creating more project management structures, which include developing a comprehensive risk management strategy.

IMPLEMENTATION AREAS

- Create a project management culture guided by the design of project and process management strategies for internal and external initiatives
- Develop energy management tools and other integration capabilities
- Facilitate more regional transmission and distribution coordination and planning
- Clearly define roles and responsibilities to create more cross-functional teams across owner communities and within Platte River
- Develop a comprehensive risk management strategy for Platte River





ACKNOWLEDGMENT AND NOTES



The continued publication of the Platte River Power Authority Strategic Plan is to provide a specific focus on the strategic initiatives and to reduce overlap or redundancy with other key business documents. The 2023 Strategic Plan reflects the most current strategic initiatives guiding Platte River's leadership per the approval of the Board of Directors.

Please visit www.prpa.org to view Platte River's:

- Strategic financial plan
- Strategic budget
- Integrated resource plan
- Annual report
- Other reports and plans



Platte River

Power Authority

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WWW.PRPA.ORG





Memorandum

Date: 7/19/2023

To: Board of directors

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

Subject: **Executive session**

Consistent with Colorado law governing open meetings, the Platte River Board of Directors may convene an executive session to discuss the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest. Staff therefore recommends the board convene an executive session to discuss potential land transactions to enable resource development opportunities. Convening an executive session to discuss this matter is permitted by section 24-6-402(4)(a) of the Colorado Revised Statutes.

The board will take no action during executive session.

There is no documentation for public use.



Memorandum

Date: 7/19/2023

To: Board of directors

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

Subject: **Enterprise risk management**

At the July board meeting, staff will give a brief introduction and update on Platte River's enterprise risk management program. We hired a consultant to complete an enterprise risk assessment and the executive summary of the assessment report is attached. The presentation will provide a background of the enterprise risk management framework and a review of the consultant's assessment.

This item is for informational purposes only and does not require any board action.

Attachment

- Enterprise risk assessment executive summary



Proprietary & Confidential

EXECUTIVE SUMMARY

Platte River Power Authority

ENTERPRISE RISK ASSESSMENT

June 2023

Moss Adams LLP
999 Third Avenue, Suite 2800
Seattle, WA 98104
(206) 302-6500



Table of Contents

I.	Introduction	1
	A. Entity Overview	1
	B. Project Scope	1
	C. Methodology	1
II.	Risk Assessment Results	4
III.	Risk Assessment Employee Survey	6



I. INTRODUCTION

A. ENTITY OVERVIEW

Formed in 1973, Platte River Power Authority (Platte River) is a community-owned public power utility owned by four communities: Estes Park, Fort Collins, Longmont, and Loveland, Colorado.

Platte River provides wholesale electric generation and transmission to the utilities of its four owner communities. Platte River's generation portfolio includes coal, wind, hydro, solar, and gas resources. Its mission is to safely provide reliable, environmentally responsible, and financially sustainable energy and services to its owner communities while driving utility innovation.

B. PROJECT SCOPE

Platte River engaged Moss Adams LLP to conduct an independent enterprise risk assessment to analyze its overarching areas of risk. To assess the overall risk level of Platte River's comprehensive risk categories, the enterprise risk assessment process followed conventional Enterprise Risk Management (ERM) methodology, as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and embraced by the Institute of Internal Auditors (IIA).

The Moss Adams team evaluated 18 categories of risk, and business processes within each, that collectively comprise operations across the organization. Risk assessments include identifying current levels of risk, the likelihood of negative events occurring, the impact of a negative event, and the level of preparedness in terms of mitigating negative events. Using this information, Platte River can identify the most important areas of risk and prioritize management of these risks. All major departments were included in the risk assessment process. This assessment includes information provided by senior leadership, managers, supervisors, and staff.

The enterprise risk assessment process reflects a specific point in time; the risk assessment phase, which was conducted from January 2023 to May 2023. Both the overall risk ratings and trajectory levels are directly connected to this timing.

C. METHODOLOGY

The enterprise risk assessment process consists of four phases: 1) planning, 2) fact finding, 3) analysis, and 4) reporting. Planning included requesting documents and identifying which individuals to interview and include in the survey process. Fact finding encompassed document review, analysis of existing data, interviews, and an online survey sent to Platte River employees. Analysis included assessment of the level of uncertainty associated with each risk factor. Reporting entailed developing draft and final deliverables, along with follow-up discussions with management and presentation to key stakeholders.

The following describes the activities and goals for each phase.



PLANNING

We began planning our assessment by requesting a standard set of documents, including but not limited to prior risk assessments, audits, public website documents, and financial reports. We used these to identify the first round of individuals to interview and additional document needs based on business process/functional areas.



FACT-FINDING

Fact-finding encompassed analysis of received documents, employee interviews, and soliciting additional employee feedback via an online survey. During this phase, we gathered information to gain a clear understanding of the organization and the way it operates to achieve its goals and purpose.



ANALYSIS

With the information collected and compiled, we performed a risk assessment that included a thorough review and analysis of the categories of risk factors. This analysis included assessing current risk conditions and trajectory, the level of preparedness efforts to mitigate risks, and the probability and potential impact a negative event may have on the organization's ability to achieve its mission, vision, and strategic goals.



REPORTING







During the reporting phase, we developed a draft report to engage in review and discussion with senior leadership. Based on feedback, we finalized the report for delivery to Platte River's leadership.

The enterprise risk assessment process relied heavily on evidence obtained from Platte River employees. By design, the assessment process required access to all senior leadership, directors, and many department managers. Full disclosure of information has been assumed in this process.

Risk Assessment Framework

The process to identify and assess risks considers both internal and external factors. As part of this risk assessment, Moss Adams used a variety of techniques, both qualitative and quantitative, to identify external and internal factors that contribute to risk. Risk assessments involve a dynamic and iterative process to identify and analyze risks to Platte River's ability to achieve its objectives, forming a basis for determining how risks should be managed.

For each of the categories assessed, our risk assessment contains an overview of the risk condition at Platte River, including the current risk level, likelihood, impact, preparedness, and trajectory. Risk mitigation identifies potential strategies to reduce overall risk for each category. Residual risk represents the probable risk exposure after risk mitigation efforts have been implemented. The elements provided below make up the risk assessment framework, which are industry standards and defined by COSO's ERM methodology.

RISK LEVEL	<p>Level of uncertainty that could impair functions and processes, in the absence of any actions taken to alter either the risk's likelihood or impact</p>	<ul style="list-style-type: none"> • Low • Low-to-Moderate • Moderate • Moderate-to-High • High
LIKELIHOOD 	<p>Qualitative assessment of the probability of a negative event occurring, given the current risk conditions</p>	<ul style="list-style-type: none"> • Low • Low-to-Moderate • Moderate • Moderate-to-High • High
IMPACT 	<p>Level of potential impact of a negative event on strategy, people, operations, systems, and resources</p>	<ul style="list-style-type: none"> • Low • Low-to-Moderate • Moderate • Moderate-to-High • High
PREPAREDNESS 	<p>Level of preparedness through activities and resources to manage risks and minimize and limit potential losses</p>	<ul style="list-style-type: none"> • Low • Low-to-Moderate • Moderate • Moderate-to-High • High
TRAJECTORY 	<p>Trajectory of the risk level, given the current risk conditions</p>	<ul style="list-style-type: none"> • Decreasing • Flat • Increasing
RISK MITIGATION 	<p>Potential strategies for reducing risk</p>	
RESIDUAL RISK 	<p>Possible remaining exposure after known risks have been mitigated through specific actions</p>	<ul style="list-style-type: none"> • Low • Low-to-Moderate • Moderate • Moderate-to-High • High

II. RISK ASSESSMENT RESULTS

This risk assessment evaluates the organization's risk in 18 categories. The table below presents the summary results of the assessment.

RISK CATEGORY	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
High Risk				
Energy Risk Management	High	High	Moderate	Increasing
Information Systems and Technology	High	Moderate-to-High	Low-to-Moderate	Increasing
Organization and Staffing	High	Moderate-to-High	Low-to-Moderate	Increasing
Planning and Strategy	High	High	Low-to-Moderate	Increasing
Moderate-to-High Risk				
Compliance	Moderate-to-High	Moderate	Moderate	Increasing
Management and Leadership	Moderate-to-High	Moderate-to-High	Moderate	Increasing
Reputation and Public Perception	Moderate-to-High	Moderate	Low	Increasing
Moderate Risk				
Accounting and Financial Reporting	Moderate-to-High	Moderate	Low-to-Moderate	Decreasing
Capital Improvement, Infrastructure, and Asset Management	Moderate-to-High	Moderate-to-High	Moderate-to-High	Flat
External Environment	Moderate-to-High	Moderate	Moderate	Flat
Fraud, Waste, Abuse, and Ethics	Moderate	Moderate	Moderate	Flat
Operations and Service Delivery	Moderate-to-High	Moderate	Moderate	Flat

RISK CATEGORY	IMPACT	LIKELIHOOD	PREPAREDNESS	TRAJECTORY
Procurement and Contracting	Moderate-to-High	Moderate	Moderate	Decreasing
Risk Management and Safety	Moderate-to-High	Moderate-to-High	Moderate	Decreasing
Low-to-Moderate Risk				
Financial Management	Moderate-to-High	Low-to-Moderate	High	Increasing
Human Resources (HR)	Moderate-to-High	Moderate	Moderate-to-High	Decreasing
Policies, Procedures, and Processes	Low-To-Moderate	Low-To-Moderate	Moderate	Flat
Low Risk				
Governance	Low-to-Moderate	Low	Moderate to High	Flat

III. RISK ASSESSMENT EMPLOYEE SURVEY

Distribution of a risk assessment survey offers staff the opportunity to identify perceived strengths and weaknesses of Platte River, which helps us assess potential opportunities for improvement and identify areas of specific vulnerability. The survey poses a variety of statements to employees, including rating scale questions and open-ended questions for each risk category. The confidential questionnaire was distributed to employees and was open for submission between January 17, 2023 and January 27, 2023. The survey was emailed prior to the distribution of the survey via the research platform Qualtrics to inform employees of the upcoming survey. Out of the 272 employees invited to take the survey, 166 individuals submitted responses to the survey, a participation rate of 61%, an above-average level of participation.

Survey results are not incorporated into the final risk rating; they provide additional context and point of comparison to understand staff sentiment and identify trends occurring across departments. In general, staff survey responses were lower than the overall risk assessment levels assigned by Moss Adams, a common pattern.



Memorandum

Date: 7/19/2023

To: Board of directors

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

Subject: **Chimney Hollow project update**

Chimney Hollow Reservoir, the most significant component of the Windy Gap Firming Project, is now midway through a four-year construction window. The project supports the long-term, dependable delivery of Platte River's Windy Gap water (which is essential for reliable operations) and helps optimize Platte River's water resource portfolio.

Platte River staff will provide a high-level overview of the project status and a virtual tour of the key construction activities.

This item is for informational purposes only and does not require any board action.



Memorandum

Date: 7/19/2023

To: Board of directors

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

Subject: **Market update and Regional Transmission Organization progression**

Platte River staff will review market outcomes and lessons learned from the first three months of participation in the Southwest Power Pool Western Energy Imbalance Service (SPP WEIS). In addition, staff will present progress toward the transition from the SPP WEIS real-time only market to the SPP Regional Transmission Organization – West (SPP RTO-West), a full two-day market. SPP RTO-West is expected to go live April 1, 2026.

This presentation is for informational purposes only and does not require board action.



Memorandum

Date: 7/19/2023

To: Board of directors

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

Subject: **First IRP listening session recap**

Platte River hosted the first community listening session on Thursday, June 1 as part of the 2024 Integrated Resource Plan process.

This presentation will provide an overview of the intake process and stakeholder highlights from the region. The focus of the first session was to receive feedback from community members and stakeholders, take questions regarding the resource planning process and inform community members how they can remain engaged in the process.

As Platte River organizes a larger engagement strategy alongside our owner communities, next steps will include working with each utility's staff to coordinate presentations at council meetings and participate in local outreach opportunities.

This presentation is for informational purposes only and does not require board action.

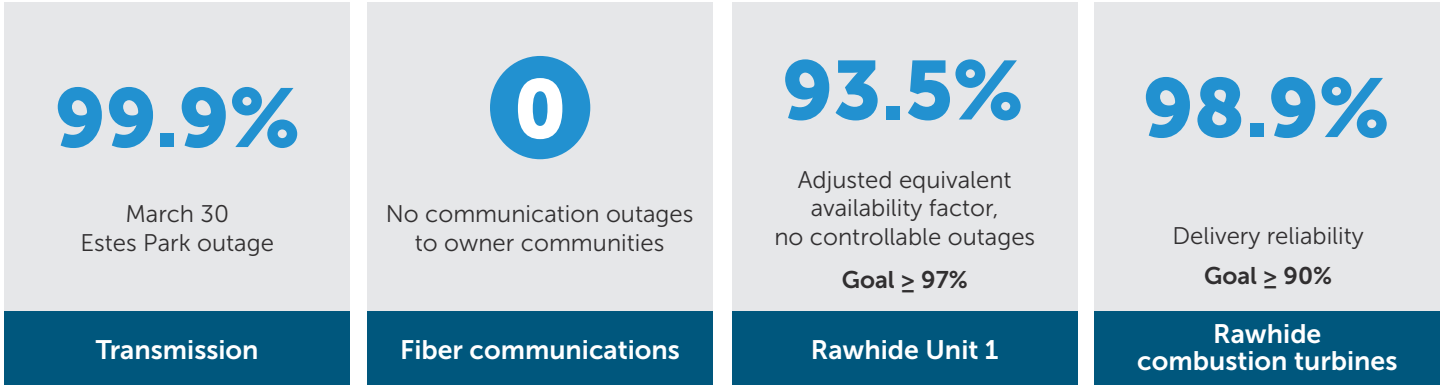


Estes Park • Fort Collins • Longmont • Loveland

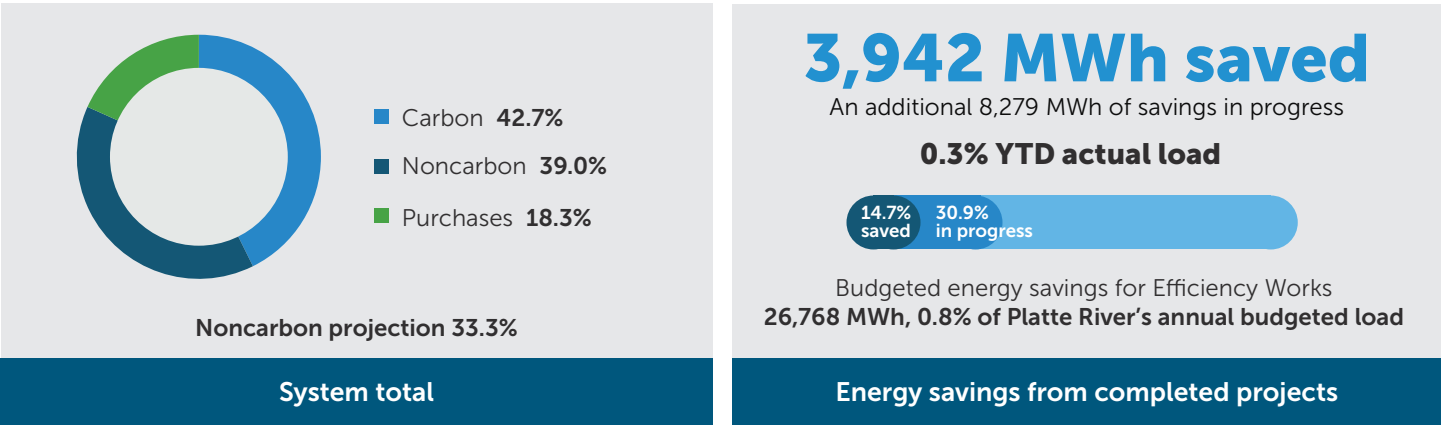
Performance dashboard

June 30, 2023 (YTD)

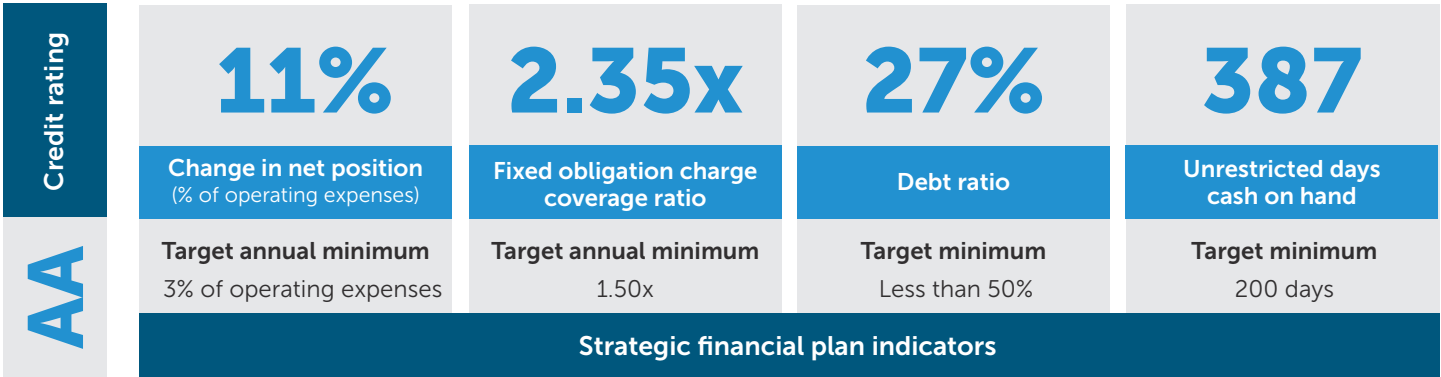
Reliability



Environmental responsibility



Financial sustainability





Legal, environmental and compliance report

May and June 2023



Overview of recent developments

Legal matters

Platte River signs commitment agreement to join the Southwest Power Pool's western regional transmission organization (new item)

Platte River entered the Southwest Power Pool's (SPP) Western Energy Imbalance Service (WEIS) market on March 31, 2023. A subset of WEIS market participants expressed interest in progressing from the WEIS to SPP's regional transmission organization expansion into the Western Interconnection (RTO West), which includes day-ahead as well as real-time operational and tariff services. The target "go-live" date for RTO West is April 2026. Platte River worked with the legal teams from SPP and the other participants to draft an agreement (Commitment Agreement) to allocate shared development costs SPP would not otherwise recover if the RTO West effort were to fail. Platte River signed the Commitment Agreement on May 30, 2023 (slightly modified on June 29, 2023). The full report is on [page 4](#) of this document.

Western Area Power Administration process to evaluate joining the Southwest Power Pool's western regional transmission organization

As SPP prepares to develop its RTO West capabilities, the Western Area Power Administration (WAPA) has recommended entering into final negotiations to join as a transmission-owning member. On April 28, 2023, WAPA initiated a public comment process seeking input on this recommendation. Platte River submitted comments in support of WAPA on June 6, 2023. The full report is on [page 5](#) of this document.

Proposed revisions to Colorado Air Quality Control Commission Regulation No. 3 for sources in disproportionately impacted communities

In 2021, the Colorado legislature passed House Bill 21-1266, the Environmental Justice Act, which required the Colorado Air Pollution Control Division (Division) to establish rules to reduce environmental health disparities in disproportionately impacted communities (DI Communities). The Division proposed revisions to Air Quality Control Commission (Air Commission) Regulation No. 3 (governing stationary source permitting and air pollution emission notice requirements) to enhance modeling, monitoring, and reporting requirements for sources in DI Communities. Although Platte River's Rawhide Energy Station is far from any DI Community, Platte River joined with its industry partners to evaluate and advocate further modifications to the proposed rules. On May 18, 2023, the Air Commission adopted most of the Division's proposed rules affecting air permitting for stationary sources and air pollution emission notice requirements in DI Communities, including enhanced modeling and enhanced monitoring requirements, but retained the "minor modification" provisions the Division proposed to remove. The full report is on [page 5](#) of this document.



Platte River
Power Authority

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. 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. On June 1, 2023, the plaintiffs (now appellants) filed their opening brief at the Ninth Circuit. The defendants (now appellees), including the Bureau and the Colorado River Energy Distributors Association, must file their responding briefs by August 2, 2023. The full report is on [page 6](#) of this document.

Environmental matters

EPA's proposed new regulations for greenhouse gas emissions from power plants (new item)

On May 11, 2023, the U.S. Environmental Protection Agency (EPA) issued its long-awaited proposed rules to regulate carbon dioxide (CO₂) emissions from the power sector, replacing the Clean Power Plan from 2015 and the Affordable Clean Energy rule from 2018. EPA proposes more stringent standards for greenhouse gas emissions from fossil fuel-fired stationary combustion turbines based on highly efficient generation, hydrogen co-firing, and carbon capture and sequestration technologies. EPA also proposes to establish new emission guidelines for existing steam generators that are fossil fueled, based on carbon capture and availability of natural gas co-firing. The full report is on [page 7](#) of this document.

Compliance matters

There are no new compliance matters to report.

Grant opportunities

Inflation Reduction Act direct pay provisions guidance issued (new item)

On Aug. 16, 2022, President Biden signed into law the Inflation Reduction Act (IRA). Among other things, the IRA substantially expands tax benefits and subsidies for renewable "green" energy projects and creates new energy tax credits. Most significantly for Platte River, the IRA allows tax credits to be "refundable" as direct cash payments (so-called "direct pay" provisions). On June 14, 2023, the U.S. Department of Treasury and Internal Revenue Service released guidance on how to claim the direct pay tax credits under the IRA. The guidance includes temporary regulations on how utilities can claim the credits. The full report is on [page 8](#) of this document.



Monitoring—status unchanged

Page 9 of this document provides a list of matters previously reported but unchanged since our last report.

Recently concluded matters

Page 10 of this document provides a list of matters that have concluded within the last three months.

Active matters

Legal matters

Platte River signs commitment agreement to join the Southwest Power Pool's western regional transmission organization (new item)

Platte River entered the Southwest Power Pool's (SPP) Western Energy Imbalance Service (WEIS) market on March 31, 2023. Over the past year or so, Platte River has collaborated with other regional utilities, as well as SPP, to explore the potential for SPP to expand its current 14-state regional transmission organization into the Western Interconnection (RTO West).

RTO West would include day-ahead as well as real-time operational and tariff services. Potential participants include Basin Electric Cooperative, Colorado Springs Utilities, Deseret Generation and Transmission Cooperative, Municipal Energy Agency of Nebraska, Platte River Power Authority, Tri-State Generation and Transmission Association, and the Western Area Power Administration (WAPA) (encompassing three divisions—the Rocky Mountain Region, the Upper Great Plains Region, and the Colorado River Storage Project (CRSP)). The target “go-live” date for RTO West is April 2026.

To begin the RTO West expansion, SPP required prospective participants to make financial commitments. Platte River worked with the legal teams from SPP and the other participants to draft an agreement (Commitment Agreement) to enable SPP to recover its development costs if RTO West does not go forward as planned. (If RTO West launches as planned, SPP will recover its development costs over time through its generally applicable administrative fees.) Most participants were asked to sign their Commitment Agreements by June 30, 2023. WAPA, as a federal agency, is currently conducting a public notice and comment process (described further below) and must commit by October 10, 2023. Platte River signed its Commitment Agreement on May 30, 2023 (and, on June 29, 2023, signed a slightly modified version to accommodate another participant's adjusted approval schedule).

SPP's current cost estimate for the RTO West expansion is approximately \$40 million. Platte River's estimated share is roughly \$5 million. Under the Commitment Agreement, the obligation to reimburse SPP for its full development costs arises only for participants that withdraw before the go-live date or if RTO West does not launch in the Western Interconnection. There are separate provisions that would apply if WAPA does not sign by October 10. In that case, the Commitment Agreements (and the RTO West expansion effort) would terminate. SPP's reimbursable start-up costs would be limited to \$1 million and Platte River would be responsible for 15% of those costs, or \$150,000.



Western Area Power Administration process to evaluate joining the Southwest Power Pool's western regional transmission organization

Background:

As described above in the discussion of the RTO West Commitment Agreement, WAPA has been considering whether its Rocky Mountain Region should join RTO West as a transmission-owning member. The Rocky Mountain Region includes WAPA's Loveland Area Projects and CRSP and their associated transmission facilities. Platte River has announced its plans to join RTO West and has signed a Commitment Agreement. Platte River is also a WAPA preference customer and purchases power from the Loveland Area Projects and CRSP. For these reasons, Platte River is keenly interested in whether WAPA joins RTO West.

On April 28, 2023, WAPA issued a notice in the Federal Register announcing its recommendation that WAPA's Rocky Mountain Region "pursue final negotiations regarding transmission owning membership" in SPP (and that WAPA's Upper Great Plains Region, which already has facilities in SPP's Eastern Interconnection RTO footprint, expand its participation to encompass facilities in the Western Interconnection). WAPA's Federal Register notice invited public comment on its recommendation. Comments were originally due June 12, 2023, but WAPA extended the comment period to July 11, 2023.

Current Status:

On June 6, 2023, Platte River submitted written comments supporting WAPA's recommendation to participate in RTO West. Platte River and the other RTO West participants await WAPA's formal decision whether to pursue final negotiations and sign a Commitment Agreement by Oct. 10, 2023.

Proposed revisions to Colorado Air Quality Control Commission Regulation No. 3 for sources in disproportionately impacted communities

Background:

In 2021, the Colorado legislature passed House Bill 21-1266, the Environmental Justice Act, which required the Colorado Air Pollution Control Division (Division) to establish rules to reduce environmental health disparities in disproportionately impacted communities (DI Communities). The Division proposed a set of revisions to Air Quality Control Commission (Air Commission) Regulation No. 3 (governing stationary source permitting and air pollution emission notice requirements) to enhance modeling, monitoring, and reporting requirements for stationary sources in DI Communities (as identified in the state's "Enviroscreen" mapping tool). Although Platte River's Rawhide Energy Station is far from any DI Community, Platte River joined with its industry partners in the Colorado Utility Coalition for Clean Air to evaluate and advocate further modifications to the proposed rules.

Current Status:

On May 18, 2023, the Air Commission adopted most of the Division’s proposed rules affecting air permitting for stationary sources and air pollution emission notice requirements in DI Communities, including enhanced modeling and enhanced monitoring requirements. But notably, the Air Commission did not adopt the Division’s proposal to remove “minor modification” procedures for sources subject to air permit requirements, which allows sources like Platte River to continue to use these procedures when appropriate. Platte River will continue to monitor any updates to the rules or changes to the definition of DI Community that may affect it.

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 CRSP. Platte River is one of the largest off-takers of hydropower from CRSP, accounting for almost 13% of its 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 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’s Decision failed to consider their climate data, 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).

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 CRSP and Platte River’s hydropower interests. But on Feb. 16, 2023, the plaintiffs appealed the decision to the Ninth Circuit Court of Appeals, which is currently hearing the case.

Current Status:

On June 1, 2023, the plaintiffs (now appellants) filed their opening brief at the Ninth Circuit. The defendants (now appellees), including the Bureau and the Colorado River Energy Distributors Association (of which Platte River is a member), must file their responding briefs by August 2, 2023. Platte River will update the Board as the appeal develops.

Environmental matters

EPA's proposed new regulations for greenhouse gas emissions from power plants (new item)

On May 11, 2023, the U.S. Environmental Protection Agency (EPA) issued its long-awaited proposed rules to regulate carbon dioxide (CO₂) emissions from the power sector, replacing the Clean Power Plan from 2015 and the Affordable Clean Energy rule from 2018. EPA proposes more stringent new source performance standards for greenhouse gas (GHG) emissions from new and reconstructed fossil fuel-fired stationary combustion turbines that are based on highly efficient generation, hydrogen co-firing, and carbon capture and sequestration (CCS) technologies. EPA also proposes to establish new emission guidelines for existing steam generators that are fossil fueled, based on CCS and natural gas co-firing.

For new and reconstructed fossil fuel-fired combustion turbines, EPA proposes to create three subcategories based on the function the combustion turbine serves. Limits for new natural gas-fired combustion turbines would apply as soon as they are constructed and become more stringent in 2035 for turbines that install CCS; or in 2032 and 2038 for turbines that co-fire with low-GHG hydrogen.

The three subcategories are:

- Low load “peaking units” or combustion turbines with capacity factors of less than 20%;
- Intermediate load units or combustion turbines with capacity factors between 20% and a source-specific upper bound based on combustion turbine design efficiency; and
- Base load units or combustion turbines that operate above the upper-bound threshold for intermediate load turbines.

The requirements for the intermediate and base load subcategories would be multi-phase. For example, for base load units that adopt CCS, EPA proposes requiring CCS with 90% CO₂ capture starting in 2035. For base load units that adopt low-GHG hydrogen co-firing, EPA proposes co-firing 30% (by volume) low-GHG hydrogen starting in 2032, and co-firing 96% (by volume) low-GHG hydrogen by 2038.

Platte River will carefully watch the development of these proposed rules. Platte River expects EPA to receive many comments, including from public power trade associations. Platte River will evaluate the effect of any final rules, once issued, on its current and any proposed new electric generating units.

Compliance matters

There are no active compliance related matters to report.

Grant opportunities

Inflation Reduction Act direct pay provisions guidance issued (new item)

On Aug. 16, 2022, President Biden signed into law the Inflation Reduction Act (IRA). Among other things, the IRA substantially expands tax benefits and subsidies for renewable “green” energy projects and creates new energy tax credits. These credits include production tax credits for wind, solar, and existing nuclear projects and investment tax credits for wind, solar, stand-alone storage, and biogas projects. There are also tax credits and supports for clean hydrogen, carbon sequestration, and other zero-emission projects. Most significantly for Platte River, the IRA allows the tax credits to be “refundable” as direct cash payments (so-called “direct pay” provisions). This was a long-standing policy goal for public power, so that tax-exempt entities like Platte River can receive the same subsidies and benefits as taxable entities.

On June 14, 2023, the U.S. Department of Treasury and Internal Revenue Service (IRS) released guidance on how to claim the direct pay tax credits under the IRA. The guidance includes temporary regulations on how to claim the credits. While the process is complex, the basic requirements include placing a credit-eligible property in service or having eligible production during the tax year. The resource owner must then complete a “pre-filing registration” to notify the IRS that it intends to claim elective payment of the credit and obtain a registration number, which applies only to that year. The resource owner must then file a tax form to claim the credit.

The IRS expects the electronic portal for this year’s pre-filing registration to open by fall 2023. Platte River staff and consultants are reviewing the guidance to assess whether Platte River could take advantage of the IRA’s direct pay provisions in upcoming years.

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 held oral argument on April 3, 2023. The court will decide the case after argument, but it may be weeks or months before a decision.

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 monofil. 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

Current status:

There are no grant-related opportunities in monitoring status this month.



Recently concluded matters (last three months)

Legal matters

There are no recently concluded legal matters.

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

May and June 2023



Resource integration

Platte River recently finalized the interconnection agreement with BHS Solar, LLC that will allow the Black Hollow Sun (BHS) solar project to interconnect to Platte River’s transmission system. Platte River and 174 Power Global (BHS Solar, LLC’s parent company) have both started ordering equipment to allow construction of the 150 MW BHS solar project to begin in late 2023 or early 2024, with an expected commercial operation date of early 2025.

Platte River has recently finalized a term sheet with a developer to purchase an additional 150 MW of nameplate solar capacity, which is expected to begin commercial operation in early 2026. Staff is currently negotiating a power purchase agreement consistent with the term sheet. The goal is to sign the agreement before October.

Platte River staff also plan to issue a request for proposals (RFP) this summer to purchase additional wind capacity that would be commercially operational in 2027. Another possible RFP could be issued this fall to purchase a utility-scale battery project that could begin commercial operations in late 2026 or early 2027.

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	150		150		
Wind					200			100
Storage				25	75	100		
Dispatchable capacity						166		

(*) In-service year for new resources is based on first year such resource is available during the summer months.

Integrated resource planning 2024

The resource planning team spent most of the past two months working on various studies that will support the 2024 Integrated Resource Plan (IRP). This includes initiating an early modeling project for the IRP and working on the Power Supply Plan for the 2024 budget. Key activities included:

- The team finalized the study to assess extreme weather events and extended periods of low or no renewable generation, also called “dark calms.” The study reviewed hourly data at 70 weather stations for the past 50 years, west of the Mississippi to identify extreme weather and

dark calm events. The study summarized the frequency, depth and duration of these events as well as their impact on customer load and market prices. The results of the study will be used for power supply risk analysis in the 2024 IRP.

- The team is nearing the final stage of the resource adequacy study, which will help determine future planning reserve margins. This study also assessed the effective load carrying capability of renewable generation and storage. The Platte River team is currently reviewing the draft report.
- Platte River Locational Marginal Prices (LMP) study is also nearing its final stage. This study assessed future LMP at major nodes in 2024 and 2030. The Platte River team has received and is reviewing draft results.
- The ongoing low- or no-carbon generation technology screening study is making steady progress in evaluating both mature and emerging power generation technologies. These include long-duration energy storage, low- or no-carbon fuels such as biodiesel, hydrogen, ammonia, and other alternatives, as well as carbon capture, utilization, and sequestration (CCUS) methods. The study aims to determine the viability of these technologies and provide recommendations to Platte River on potential usage or piloting opportunities.
- The team has been actively assisting a consultant's independent assessment of future dispatchable capacity requirements following the retirement of coal in 2030. The study is focused on evaluating future reliability needs, taking into account a significant integration of renewable energy sources. Additionally, it aims to analyze and determine the necessary dispatchable capacity beyond 2030 to ensure a reliable and resilient power system.
- The team has started initial modeling for the 2024 IRP. The modeling will include multiple phases. Currently we are working on the first phase of development, which is a portfolio of low-carbon energy resources. In the next phase, these portfolios will be tested for reliability through extreme weather events and dark calms.

DER system integration

Platte River and its owner communities are working together to integrate distributed energy resources (DERs), whether owned by customers or the utility, into the electric system operated by the owner communities and Platte River to provide value to all customers. This work is taking place through the DER Advisory Committee, DER Planning and Programs Teams, and other working groups that include staff from Platte River and each owner community.

The DER planning forecast in the table below shows how selected DERs are expected to grow over time. Platte River has commissioned Dunskey Energy + Climate Advisors to perform a DER forecast and potential study that will update and expand this forecast. The expansion will add distributed storage and a fleet of electric vehicles, which are currently not included.

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 in load or the addition of generation.

Platte River and owner community staff continue to work to develop distribution-scale storage projects that would be located within the owner communities, near distribution substations. There are multiple goals for this project.

First, these projects would provide significant new storage capacity to improve alignment between growing variables, noncarbon generation and load. These projects may provide as much as 25 MW of four-hour duration storage in total.

Second, locating storage in the owner communities provides geographic diversity, which may improve the value of the storage.

Third, distributed storage may provide transmission and distribution benefits. These storage resources may be operated to provide benefits to Platte River's systems or the owner communities' systems and are intended to be operated as shared resources in the distributed energy resources management system (DERMS) currently being planned.

Each owner community has provided two-to-three preferred locations for storage projects. These locations have been shared with the three storage vendors, selected from Platte River's 2021 RFP for solar and storage. Vendors will provide updated bids later this summer. If proposals are favorable, Platte River will move forward with projects, potentially from one or more vendors, and in all owner communities. Contracting, permitting, design, procurement and construction are anticipated to take approximately two years.

The DER gap assessment and roadmap projects are focused on identifying technologies Platte River and the owner communities need to effectively integrate DERs. Functional use cases have been developed by the project team, which include subject-matter experts from Platte River, the owner communities and Utilicast.

Functional use cases describe the tasks and processes utility staff expects to perform using a DERMS to make DERs visible, predictable and responsive to the electric system and to optimize DER flexibility within constraints set by customers, DER vendors and aggregators, the owner communities and Platte River. As an example, one functional use case for a DERMS is to present a forecast of DERs that are available to a future regional market for dispatch as a load modifier or as a resource. Another related

use case is for a DERMS to manage DER dispatch to prevent distribution constraints based on real-time limits determined by integration with a future advanced distribution management system operating model. We have identified and defined approximately 160 functional use cases in total.

Functional use cases also help to define the DERMS and the DERMS-adjacent technologies that must be deployed and be interoperable—the “target technology state.” The project team is currently defining the target technology state as well as the existing technology state. From this, the team will develop the roadmap, which will lay out how to close the gap between these states over time. Both the functional use cases and roadmap will be included as part of a DERMS RFP, which will be issued later this year. This will help Platte River communicate to DERMS vendors the collective needs and vision for the future.



Operating report

May 2023



Executive summary

Owner community load

May brought above average rainfall and cooler temperatures resulting in owner community demand and energy being below budget. Year to date, both energy and demand are near budget. The overall net variable cost to serve owner community load was significantly above budget for the month due to above budget purchases and significantly below budget surplus sales. Year to date, net variable cost to serve owner community load is significantly above budget.

Thermal resources

Rawhide Unit 1 was offline for a planned outage that began on May 5 and ended May 18. In addition, Rawhide Unit 1 was curtailed prior to the planned outage due to induced draft fan bearing issues. As a result, equivalent availability factor was below budget. Net capacity factor was also below budget for the month due to the unit being dispatched lower in WEIS. Equivalent availability factor and net capacity factor were below budget, year to date.

Craig Unit 1 was offline for mercury emissions the first half of the month and was curtailed the remainder of the month with two mills out of service. Craig Unit 2 was offline most of the month and was curtailed for the remainder of the month for various reasons. As a result, Craig equivalent availability factor was significantly below budget for the month. Net capacity factor was also below budget due to being dispatched lower in WEIS. Equivalent availability factor and net capacity factor are both significantly below budget, year to date. In addition, shaft share was delivered for a Craig Unit 3 forced outage which occurred simultaneously with the Rawhide Unit 1 outage.

The combustion turbines were run during the month for testing, replacement energy for resources on outage, and to serve shaft share obligations. Combustion turbine equivalent availability factor was below budget for the month and year to date. Net capacity factor was above budget for the month and year to date.

Renewable resources

With the mild and cloudy weather, along with curtailments issued through WEIS, wind and solar generation were below budget for the month. Year to date, net capacity factor for wind is below budget and solar is slightly above budget. The battery associated with the Rawhide Prairie Solar farm was charged and discharged 31 times throughout the month.

Surplus sales

The magnitude of unit outages impacted surplus sales in both the bilateral and WEIS markets resulting in surplus sales volume coming in significantly below budget for the month. The average surplus sales price for the month was significantly below budget due to mild weather, low natural gas pricing, and an abundance of hydropower runoff in the region. Surplus sales volume is significantly below budget year to date while average sales price is slightly above budget.

Purchased power

In May, overall purchased power volume was near budget while pricing was significantly above budget. Energy purchased in the bilateral market was significantly above budget in volume, but below budget in pricing. The purchased power volume through the WEIS market was significantly below budget while pricing was significantly above budget, although still well below generating costs. Purchased power volume and price are significantly above budget year to date.

Total resources

Total blended resource costs came in above budget for the month with wind, solar, coal and purchases costs coming in above budget, which were partially offset with hydropower and natural gas coming in below budget. Year to date, resource costs are above budget.

Variances

Category	May variance		YTD variance	
Owner community demand	(6.0%)	■	0.2%	◆
Owner community energy	(3.6%)	■	(1.0%)	◆
Wind generation	(26.0%)	■	(4.8%)	■
Solar generation	(8.4%)	■	1.6%	◆
Net variable cost to serve owner community load	85.7%	■	41.6%	■

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

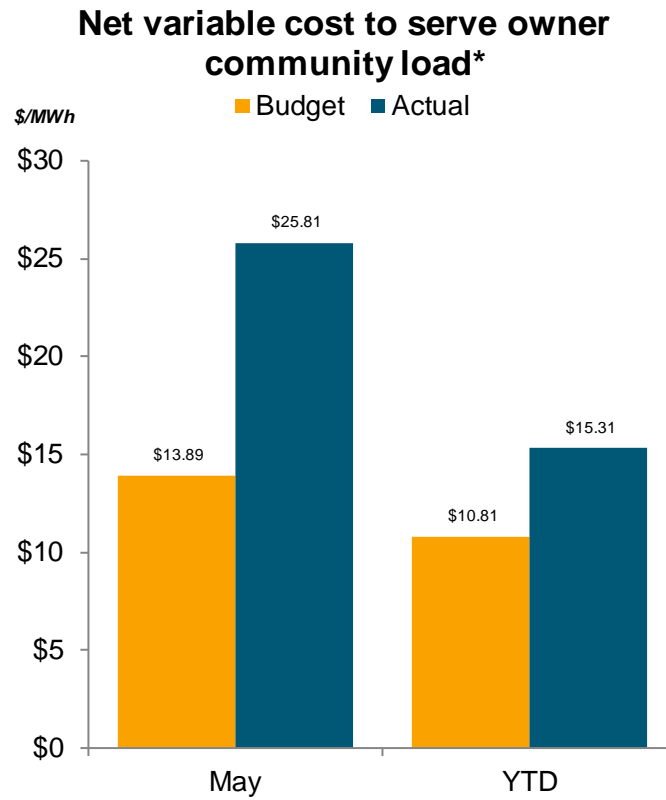
Loss of load

System disturbances

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

2023 goal		May actual		YTD total	
0	●	0	●	1	■

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

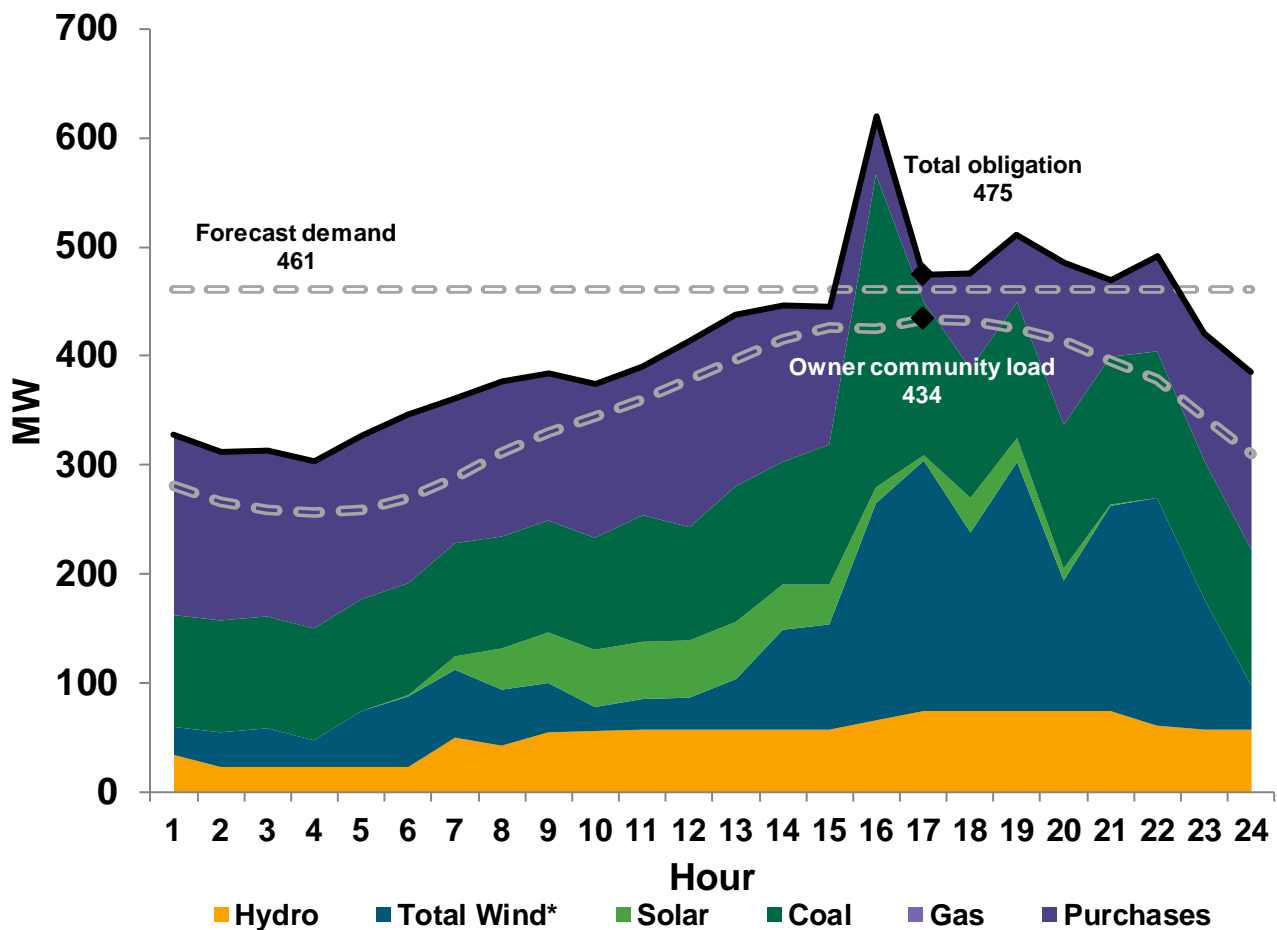
- There was no loss of load due to Platte River personnel or equipment.
- PSO-Transmission participated in 108 switching events.
- The minor outage on Rawhide Unit 1 was completed.
- Borescope inspections on all combustion turbines was completed.
- Completed semi-annual transmission line patrol.
- Completed repairs on Rawhide Unit 1 transformers during outage.
- May 2023 was the highest producing May from the combustion turbines with 22,650 MWh of generation produced.
- Platte River was able to reliably serve owner community loads from May 5 through May 13, when all coal resources were offline for either planned or unplanned outages.
- During Rawhide Unit 1's planned outage, a significant amount of hydropower generation was purchased to serve owner community load.
- With the phenomenal water year experienced, WAPA had excess hydropower that was offered to the firm electric customers increasing our summer allocations.

Peak day

Peak day obligation

Peak demand for the month was 434 megawatts which occurred on May 30, 2023, at hour ending 17:00 and was 27 megawatts below budget. Platte River's obligation at the time of the peak totaled 475 megawatts. Demand response was not called upon at the time of peak.

Peak day obligation: May 30, 2023



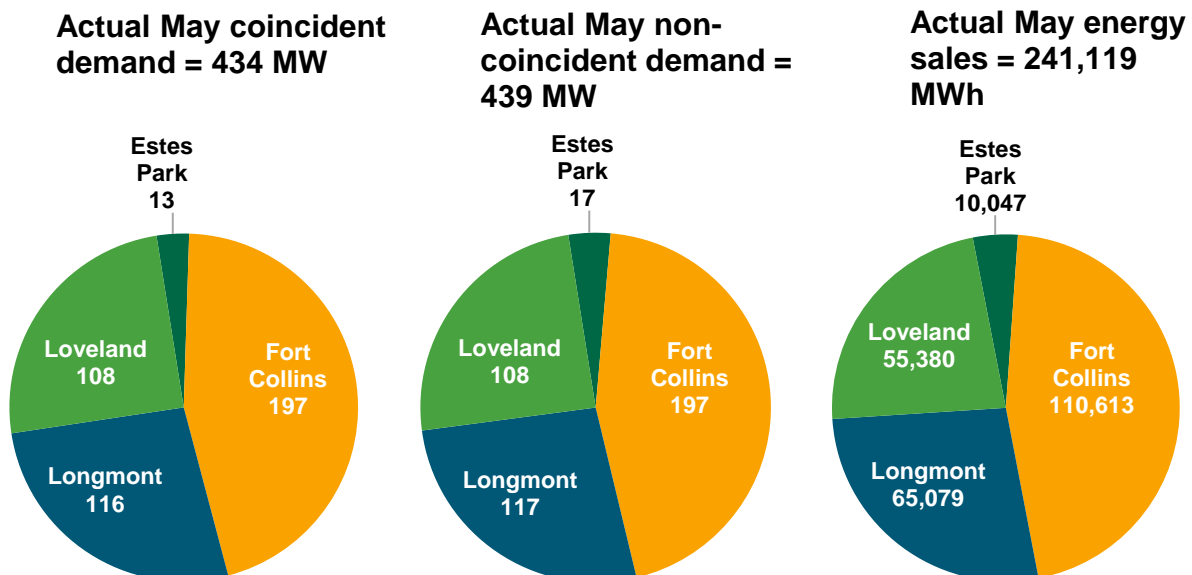
*Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

Owner community loads

	May budget	May actual	Minimum	Actual variance	
Coincident demand (MW)	461	434	500	(5.9%)	■
Estes Park	13	13	13	0.0%	◆
Fort Collins	212	197	229	(7.1%)	■
Longmont	126	116	142	(7.9%)	■
Loveland	110	108	116	(1.8%)	◆
Non-coincident demand (MW)	472	439	508	(7.0%)	■
Estes Park	19	17	20	(10.5%)	■
Fort Collins	213	197	229	(7.5%)	■
Longmont	126	117	142	(7.1%)	■
Loveland	114	108	117	(5.3%)	■
Energy sales (MWh)	250,005	241,119		(3.6%)	■
Estes Park	10,287	10,047		(2.3%)	■
Fort Collins	118,475	110,613		(6.6%)	■
Longmont	64,442	65,079		1.0%	◆
Loveland	56,801	55,380		(2.5%)	■

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.

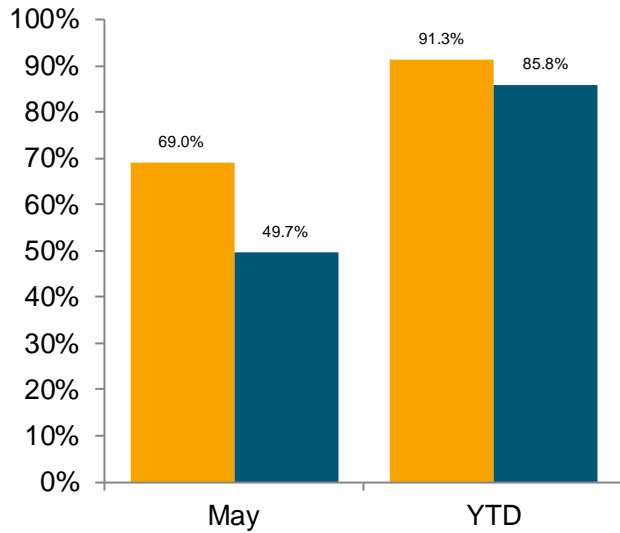


Thermal resources

Power generation - Rawhide

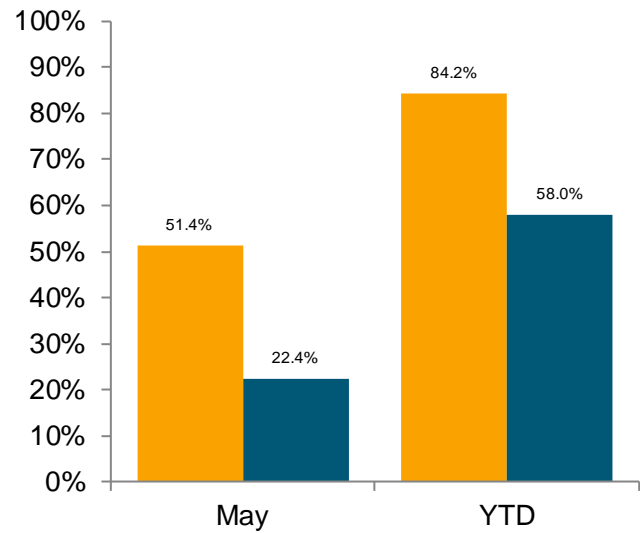
Equivalent availability factor

■ Budget ■ Actual



Net capacity factor

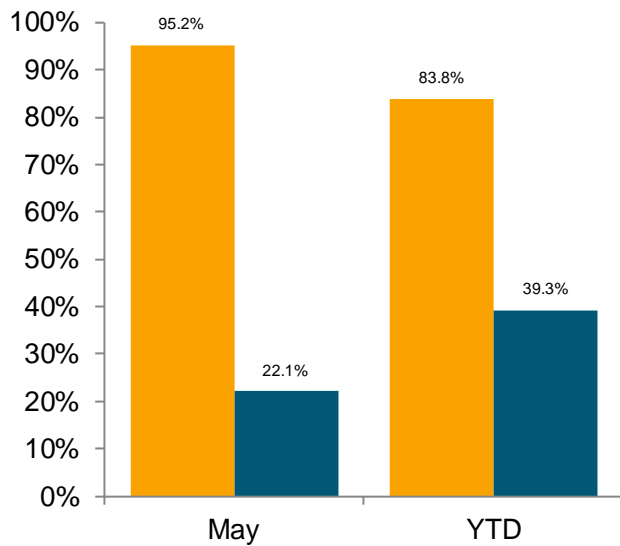
■ Budget ■ Actual



Power generation – Craig

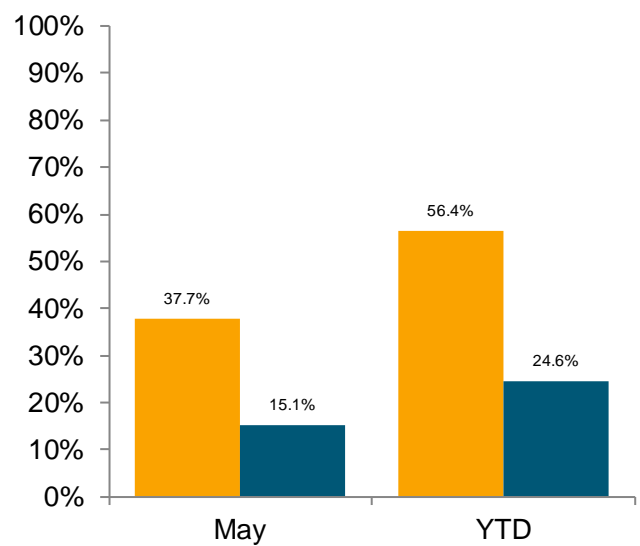
Equivalent availability factor*

■ Budget ■ Actual



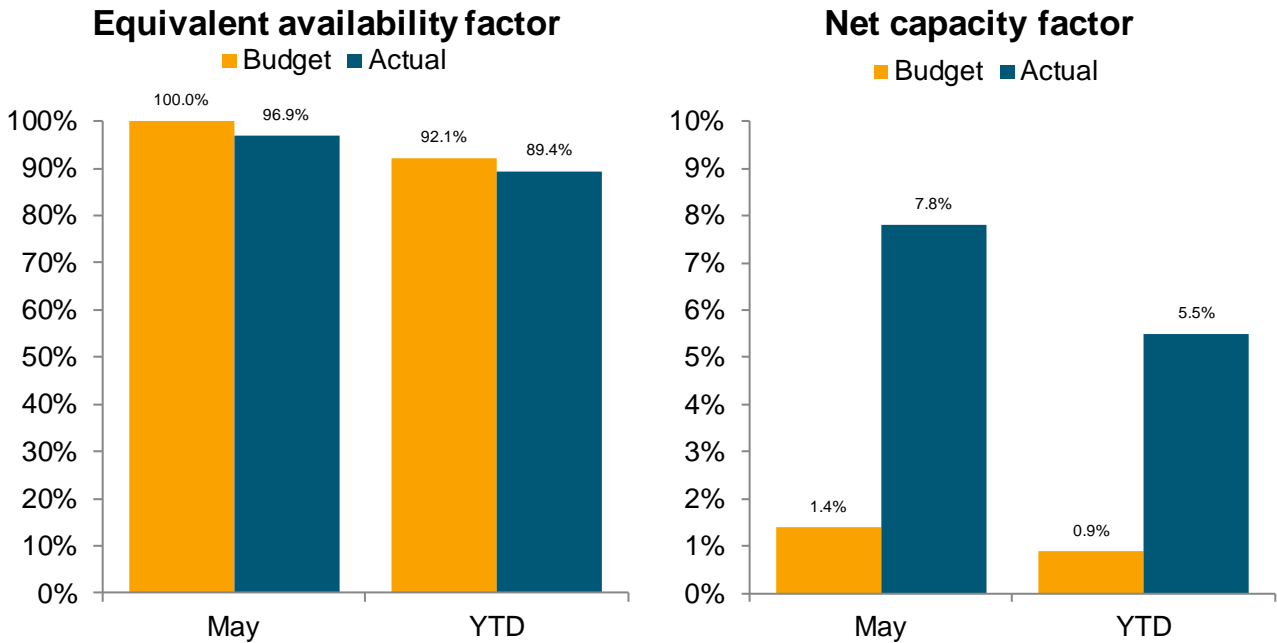
Net capacity factor

■ Budget ■ Actual



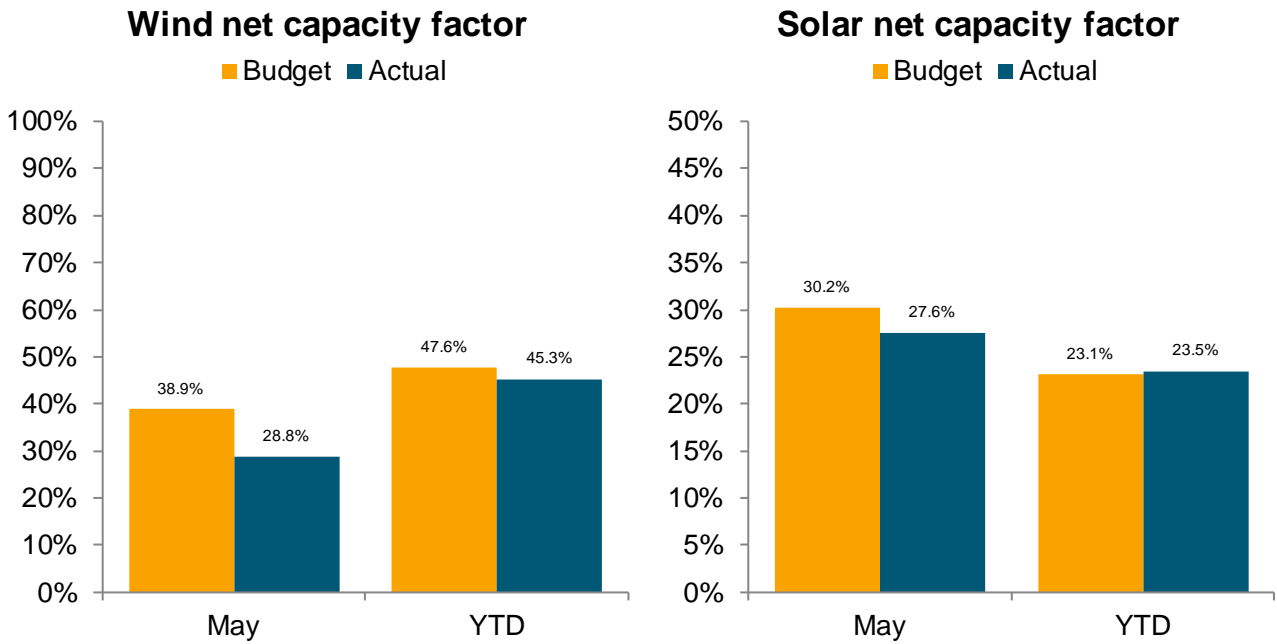
*Estimated due to a delay

Power generation – combustion turbines

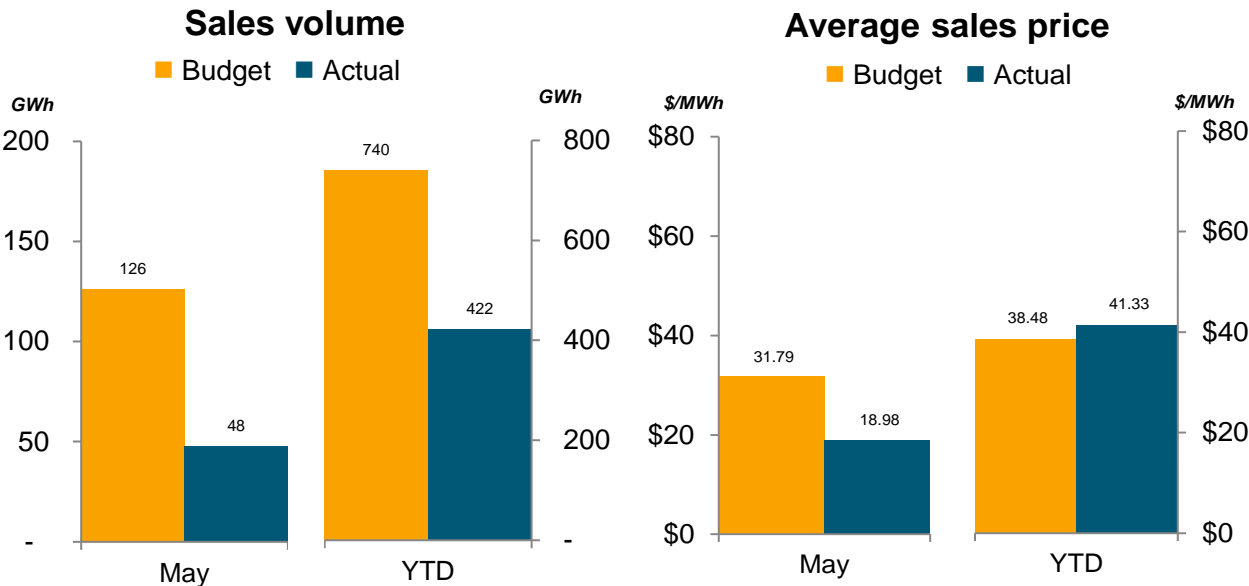


Renewable resources

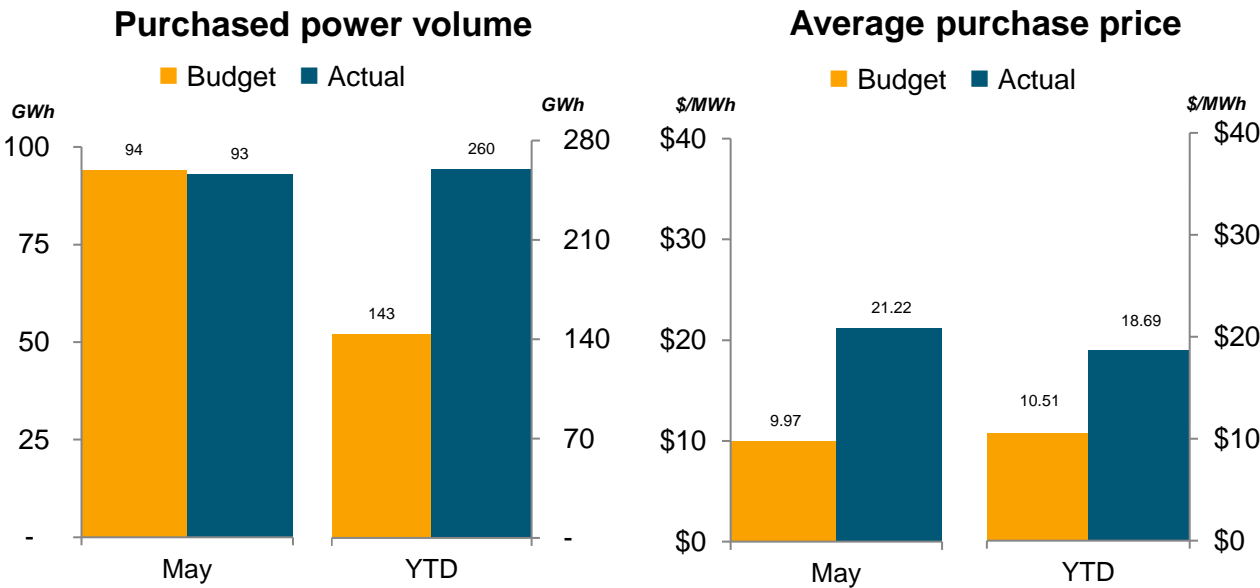
Power generation – wind and solar production



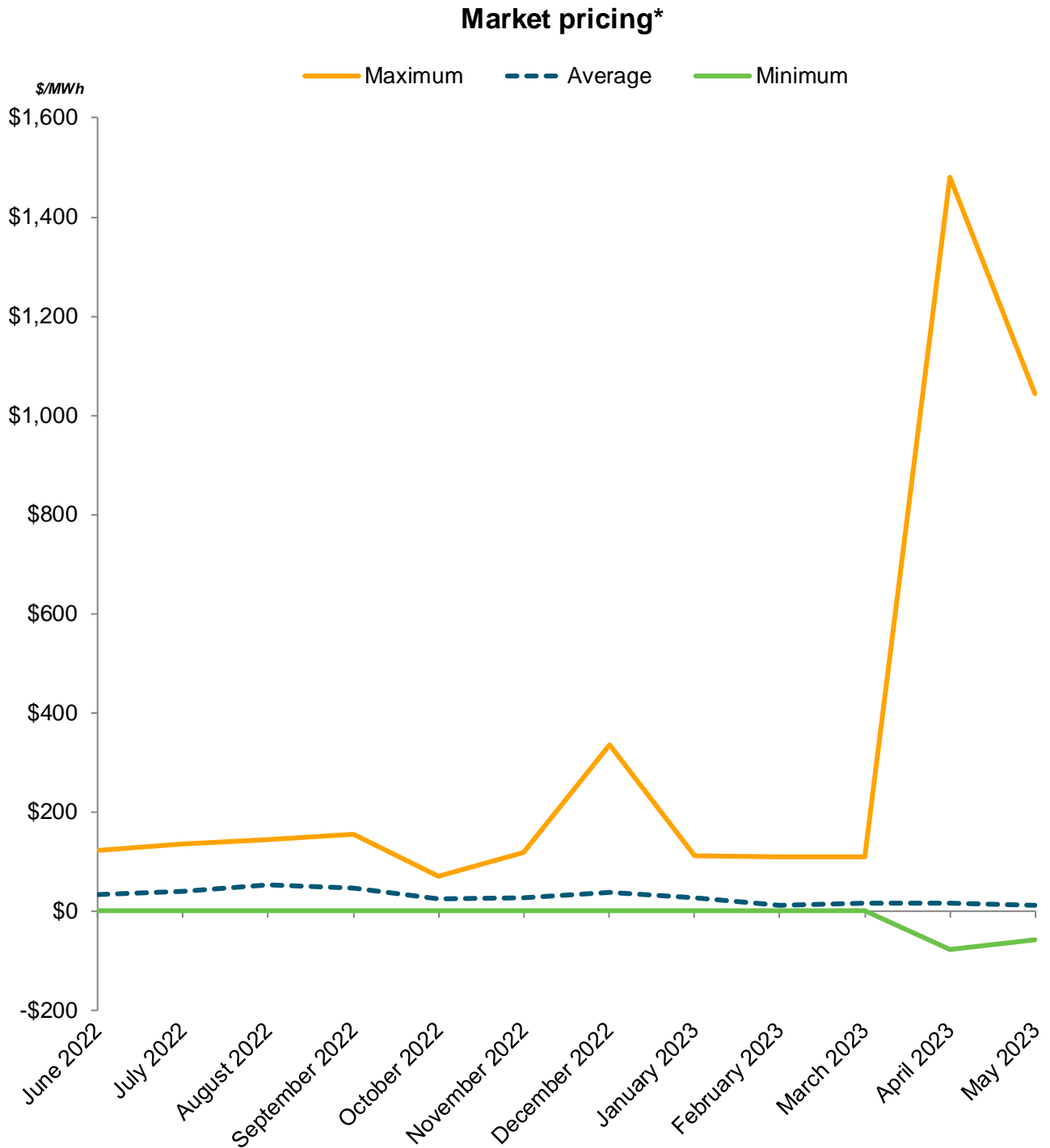
Surplus sales



Purchased power

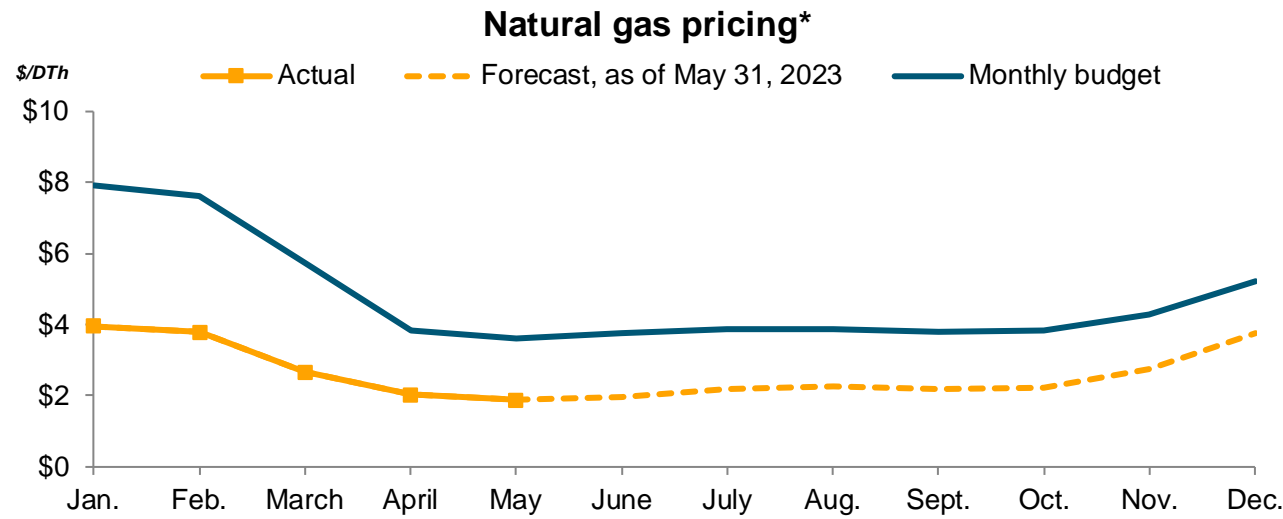


Market pricing



***WEIS Operations started April 1.**

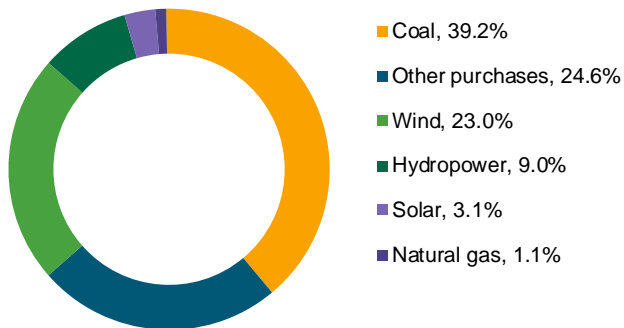
Natural gas pricing



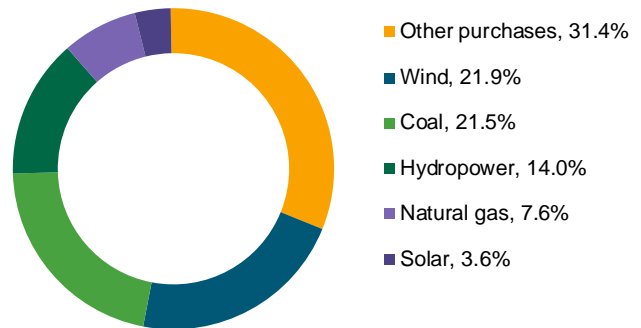
*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

Total resources

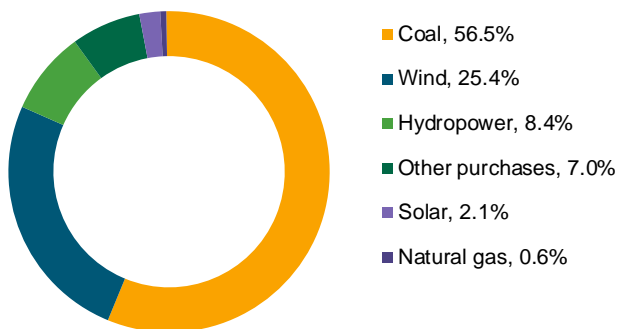
May generation budget



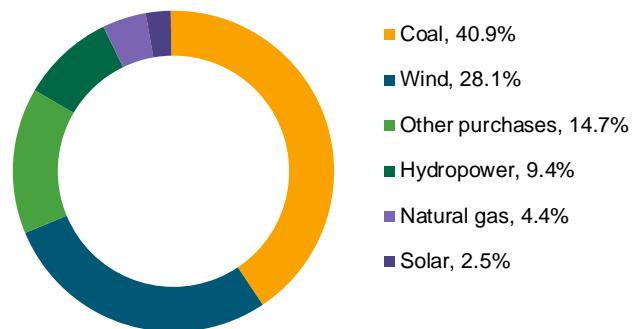
May generation actual

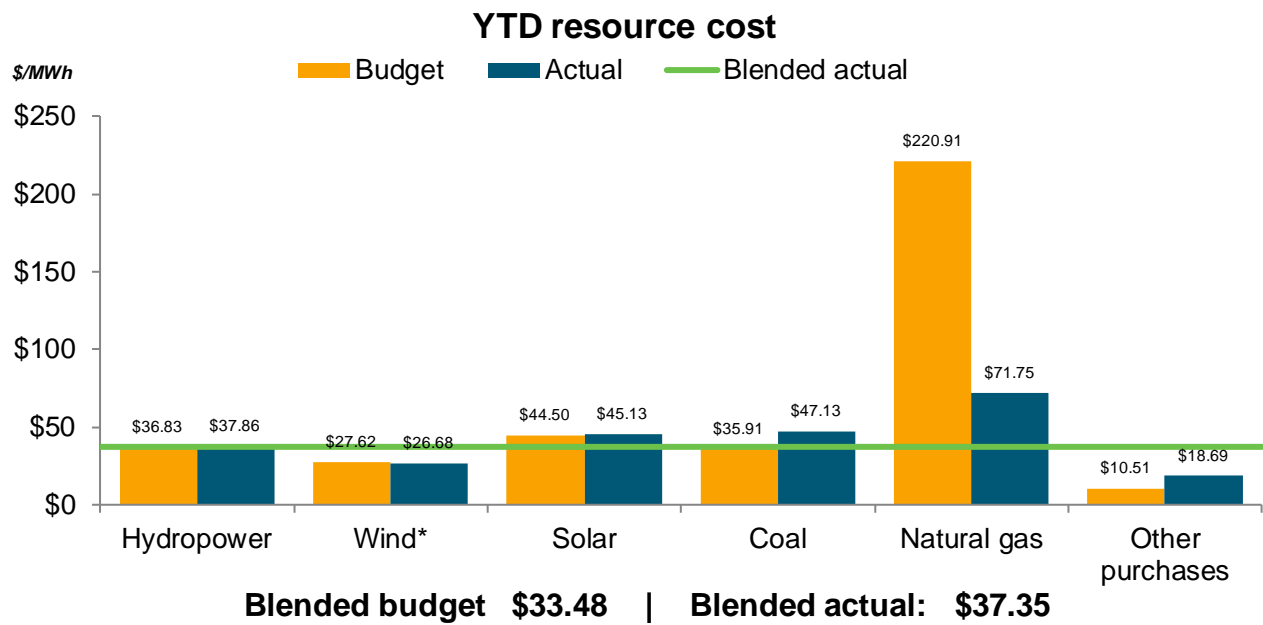
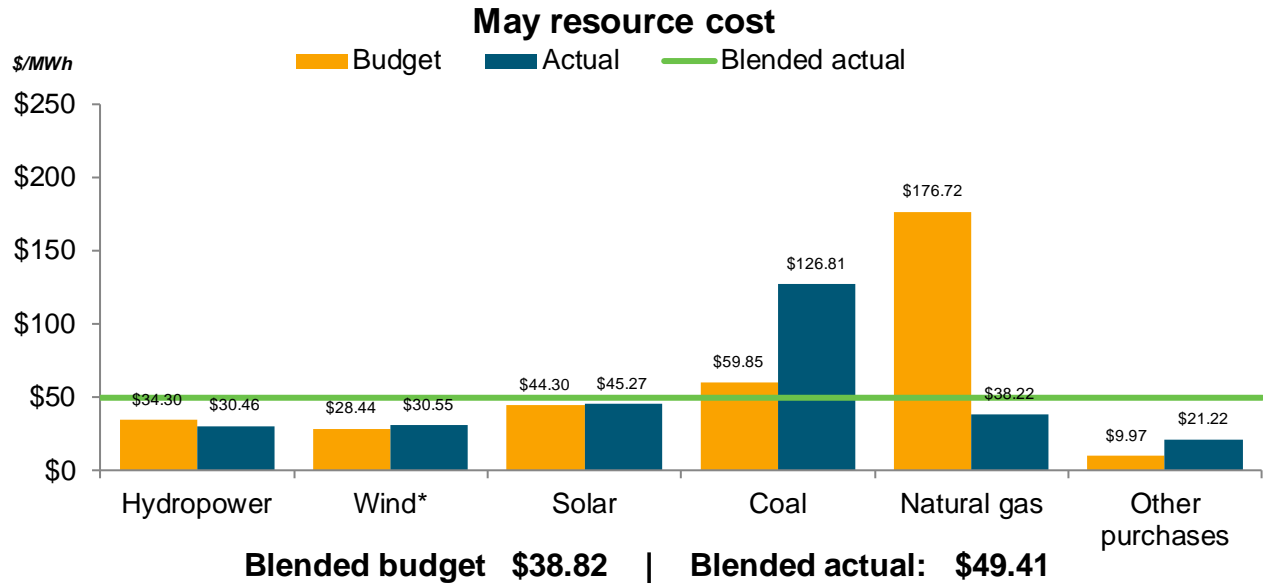


YTD budget



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.



Operating report

June 2023



Executive summary

Owner community load

Mild weather and abnormally cool temperatures throughout June resulted in owner community demand and energy being below budget. Year to date, demand is near budget and energy is below budget. The overall net variable cost to serve owner community load was significantly below budget for the month, largely due to a summer surplus sale made at favorable pricing which was well above market prices. Year to date, the net variable cost to serve load is above budget.

Thermal resources

Rawhide Unit 1 ran well during the month of June, with no unplanned outages or curtailments, resulting in equivalent availability factor coming in above budget. Net capacity factor came in significantly below budget for the month due to being dispatched lower in the SPP WEIS (Southwest Power Pool Western Energy Imbalance Service) market. Year to date, equivalent availability factor is below budget and net capacity factor is significantly below budget.

Craig units 1 and 2 were curtailed most of the month for various reasons, and Craig Unit 1 experienced a brief forced outage resulting in equivalent availability factor coming in below budget. Net capacity factor for the month was below budget due to being dispatched lower in WEIS. Year to date, equivalent availability and net capacity factors are significantly below budget.

The combustion turbines were run during the month for testing and to facilitate sales. Combustion turbine equivalent availability factor was at budget for the month and net capacity factor was below budget, as these resources weren't utilized as anticipated with the mild weather. Year to date, equivalent availability factor is below budget and net capacity factor is above budget.

Renewable resources

Total wind generation was below budget for the month, and curtailments through WEIS further decreased output. Overall solar generation was near budget, although the Rawhide Prairie Solar project was below budget, with further decreased output due to WEIS curtailments. The Rawhide Flats Solar project was above budget, despite a 2 MW derate during the last part of the month. For the month, wind net capacity factor is below budget and solar net capacity factor is near budget. Year to date, wind net capacity factor is below budget and solar net capacity factor is near budget. The battery associated with the Rawhide Prairie Solar project was charged and discharged 30 times throughout the month.

Surplus sales

Surplus sales volume was below budget, as mild weather decreased demand in the region. Average surplus sales pricing was significantly above budget due to a favorable summer sale made at pricing which was well above budget. Year to date, surplus sales volume is significantly below budget and average sales pricing is above budget.

Purchased power

Overall purchased power volume was significantly above budget due to above budget WEIS purchases which were partially offset by below budget bilateral purchases. Average purchased power pricing was significantly above budget, although it is important to note that average purchased power pricing was below generating resource costs. Purchased power volume and average purchase pricing are both significantly above budget, year to date.

Total resources

Total blended resource costs were above budget for the month with wind, solar, coal, natural gas and other purchases all being above budget. Hydropower expenses were below budget, with the additional allocations received during the month of June. Year to date, blended resource costs are above budget.

Variances

Category	June variance		YTD variance	
Owner community demand	(8.3%)	■	(1.7%)	◆
Owner community energy	(11.9%)	■	(2.9%)	■
Wind generation	(18.0%)	■	(6.4%)	■
Solar generation	(1.6%)	◆	0.9%	◆
Net variable cost to serve owner community load	(65.1%)	●	19.5%	■

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

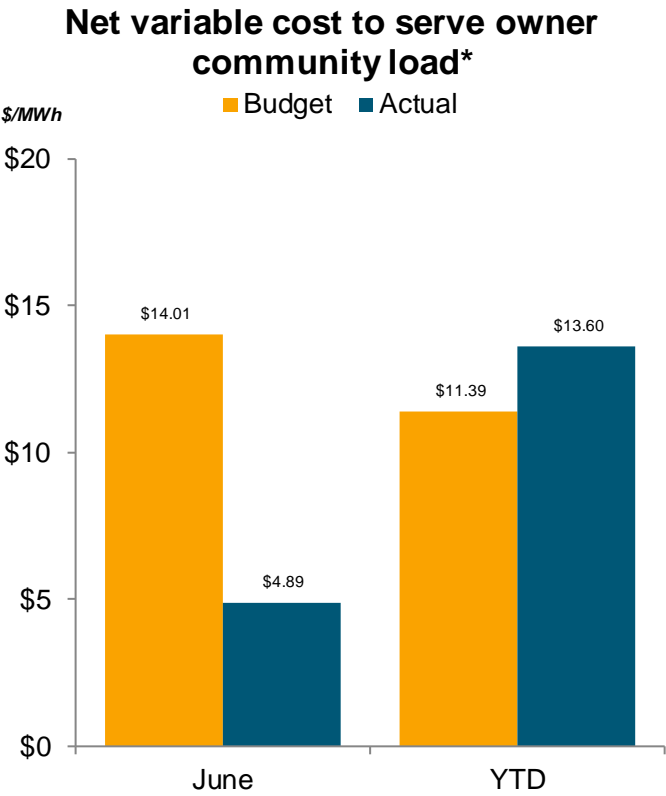
Loss of load

System disturbances

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

2023 goal		June actual		YTD total	
0	●	0	●	1	■

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

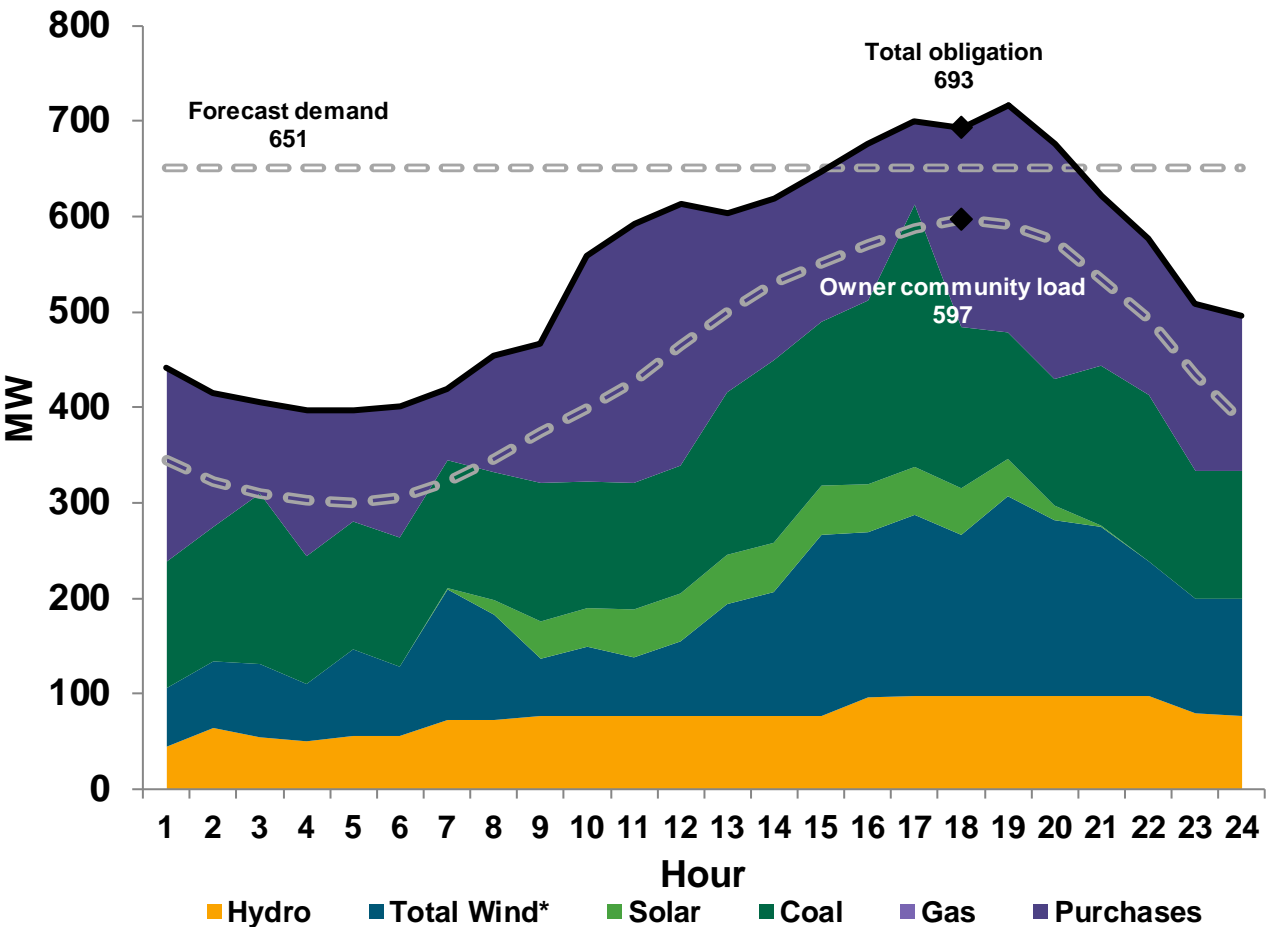
- A four-month summer sale started on June 1.
- There were 62 switching events, during the month of June.
- Transmission power system operators participated in 849 phone and radio interactions.
- The Rawhide Flats Solar project had a small 2 MW derate for a ten-day period to replace negative DC string works.
- Craig units 1 and 2 gradually increased their generation output throughout the month, providing additional resources on the system.
- There were two five-minute locational marginal price (LMP) price spikes over \$1,000 and three five-minute LMP price spikes over \$1,200 in June.
- On June 8, Platte River executed a price lock option for all commodity-only 2025 Rawhide coal supplies. Additional details are provided in the General Management report.
- SPP experienced an outage which lasted approximately five hours. During this time, the WEIS market shut down and market participants were required to balance their own loads and resources.

Peak day

Peak day obligation

Peak demand for the month was 597 megawatts which occurred on June 27, 2023, at hour ending 18:00 and was 54 megawatts below budget. Platte River’s obligation at the time of the peak totaled 693 megawatts. Demand response was not called upon at the time of peak.

Peak day obligation: June 27, 2023



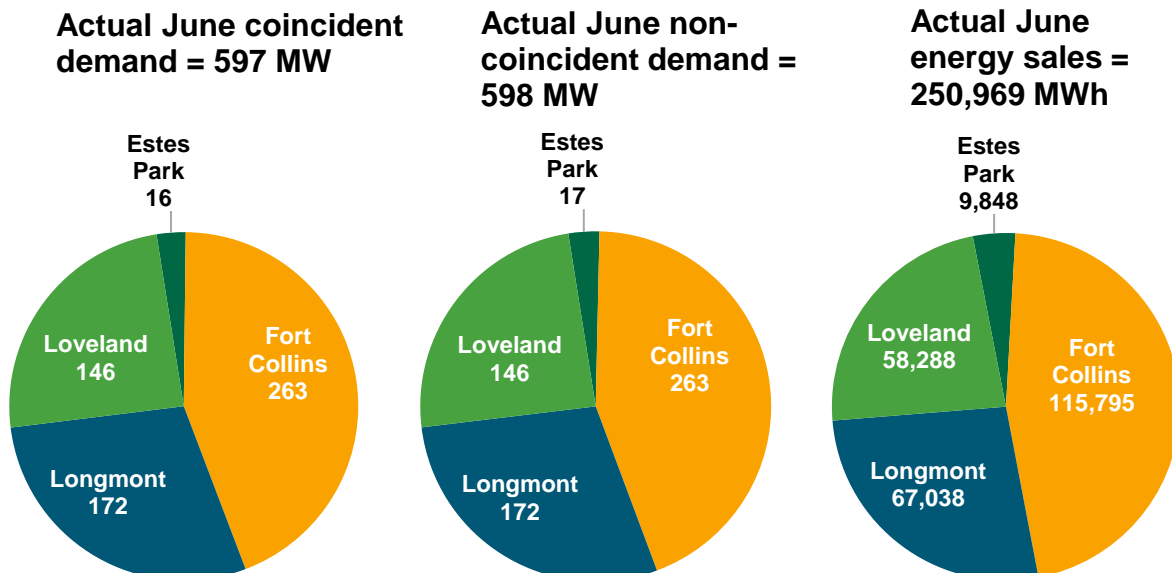
*Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

Owner community loads

	June budget	June actual	Minimum	Actual variance	
Coincident demand (MW)	651	597	500	(8.3%)	■
Estes Park	17	16	13	(5.9%)	■
Fort Collins	295	263	229	(10.8%)	■
Longmont	180	172	142	(4.4%)	■
Loveland	159	146	116	(8.2%)	■
Non-coincident demand (MW)	659	598	508	(9.3%)	■
Estes Park	18	17	20	(5.6%)	■
Fort Collins	297	263	229	(11.4%)	■
Longmont	181	172	142	(5.0%)	■
Loveland	163	146	117	(10.4%)	■
Energy sales (MWh)	284,877	250,969		(11.9%)	■
Estes Park	9,822	9,848		0.3%	◆
Fort Collins	133,715	115,795		(13.4%)	■
Longmont	75,349	67,038		(11.0%)	■
Loveland	65,991	58,288		(11.7%)	■

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.

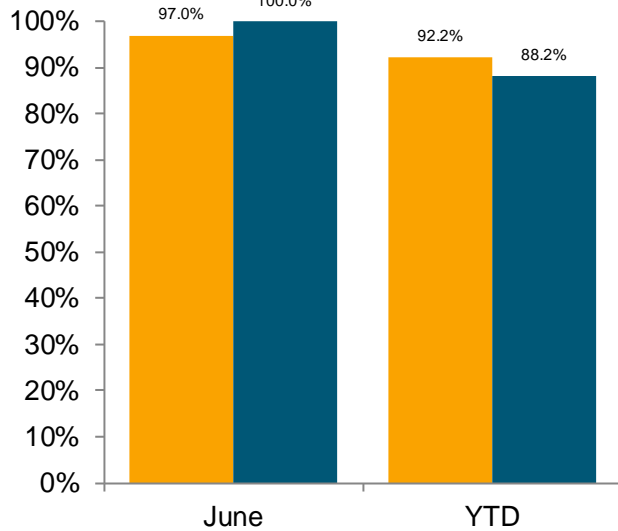


Thermal resources

Power generation - Rawhide

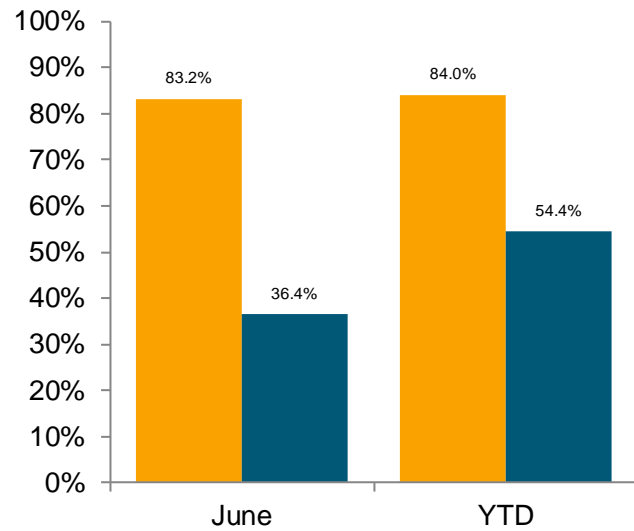
Equivalent availability factor

■ Budget ■ Actual



Net capacity factor

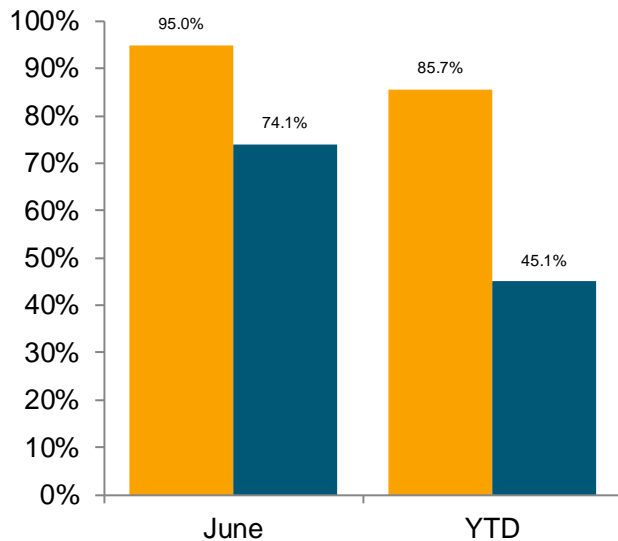
■ Budget ■ Actual



Power generation – Craig

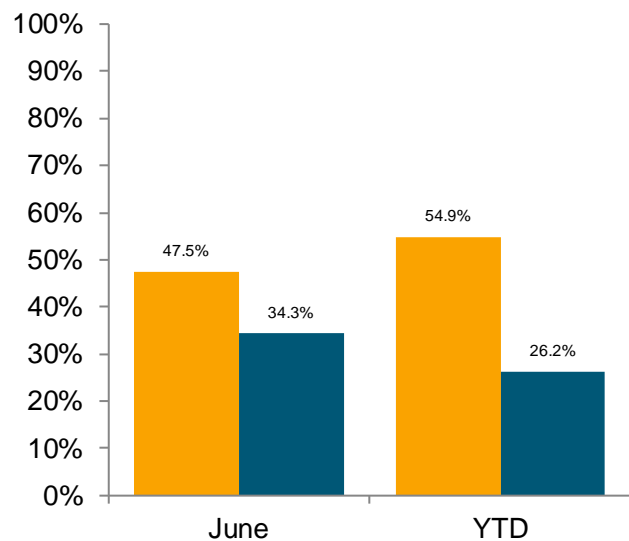
Equivalent availability factor*

■ Budget ■ Actual



Net capacity factor

■ Budget ■ Actual

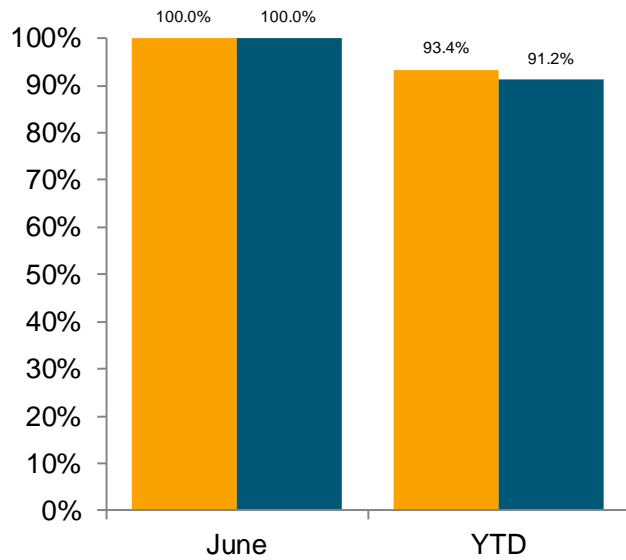


*Estimated due to a delay

Power generation – combustion turbines

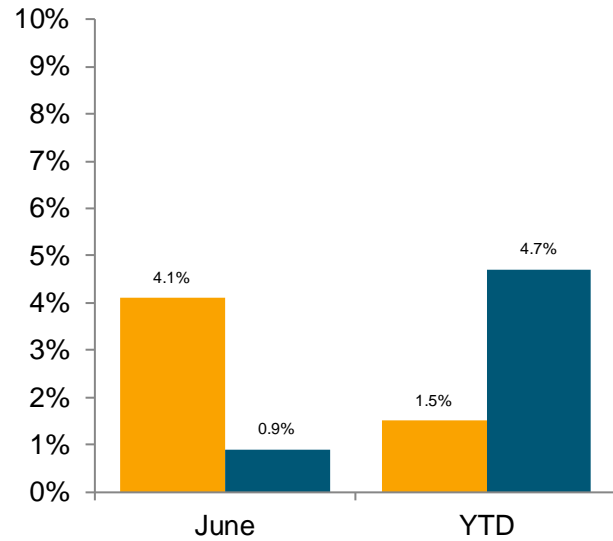
Equivalent availability factor

■ Budget ■ Actual



Net capacity factor

■ Budget ■ Actual

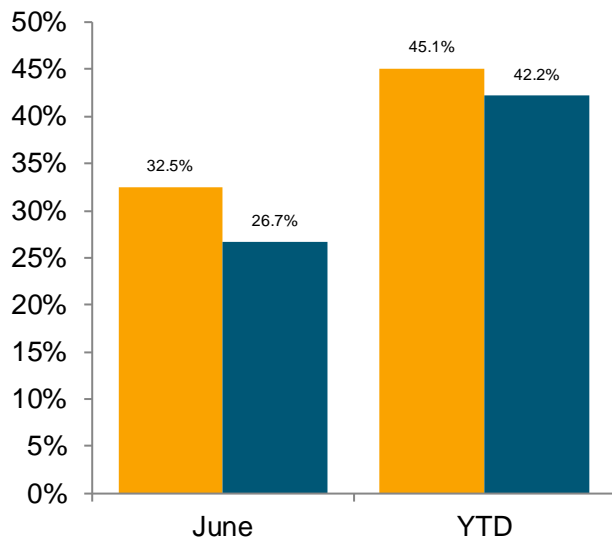


Renewable resources

Power generation – wind and solar production

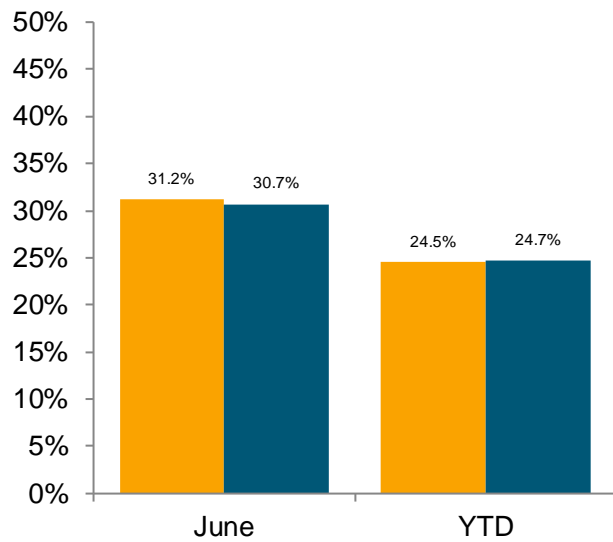
Wind net capacity factor

■ Budget ■ Actual

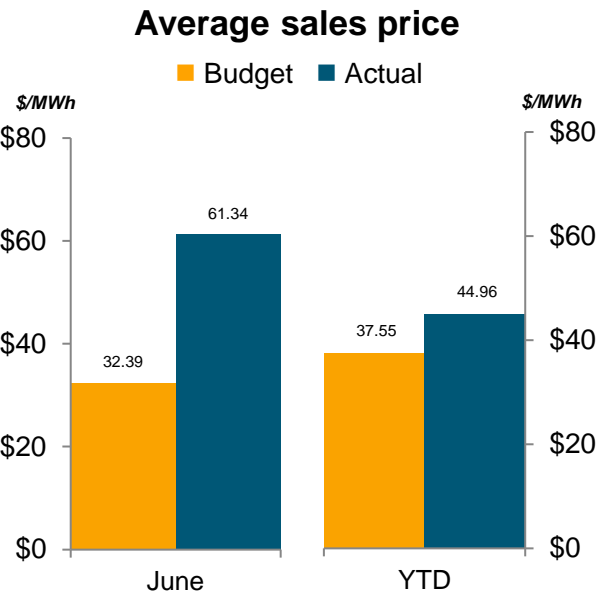
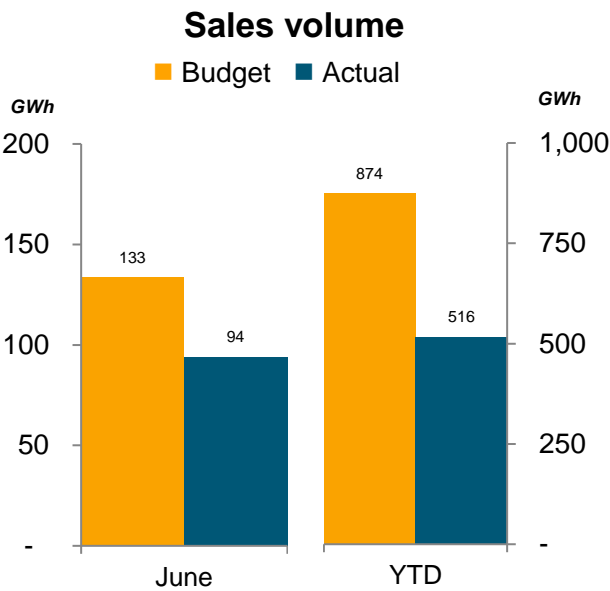


Solar net capacity factor

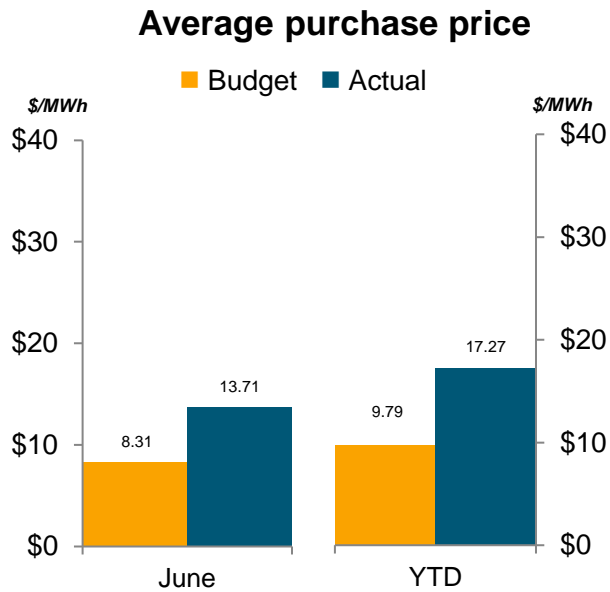
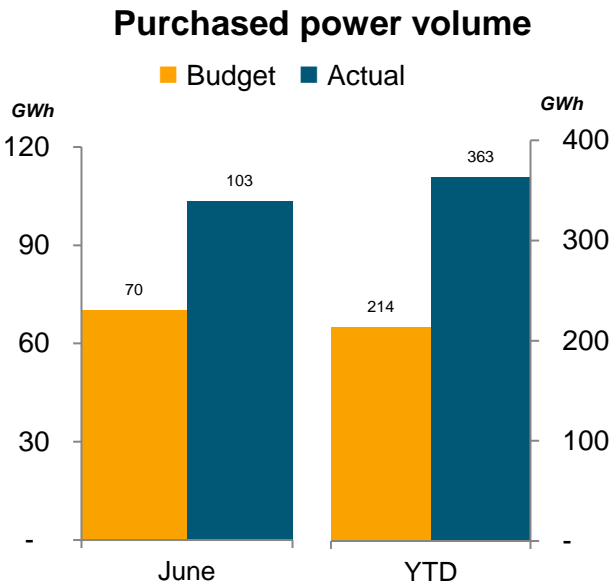
■ Budget ■ Actual



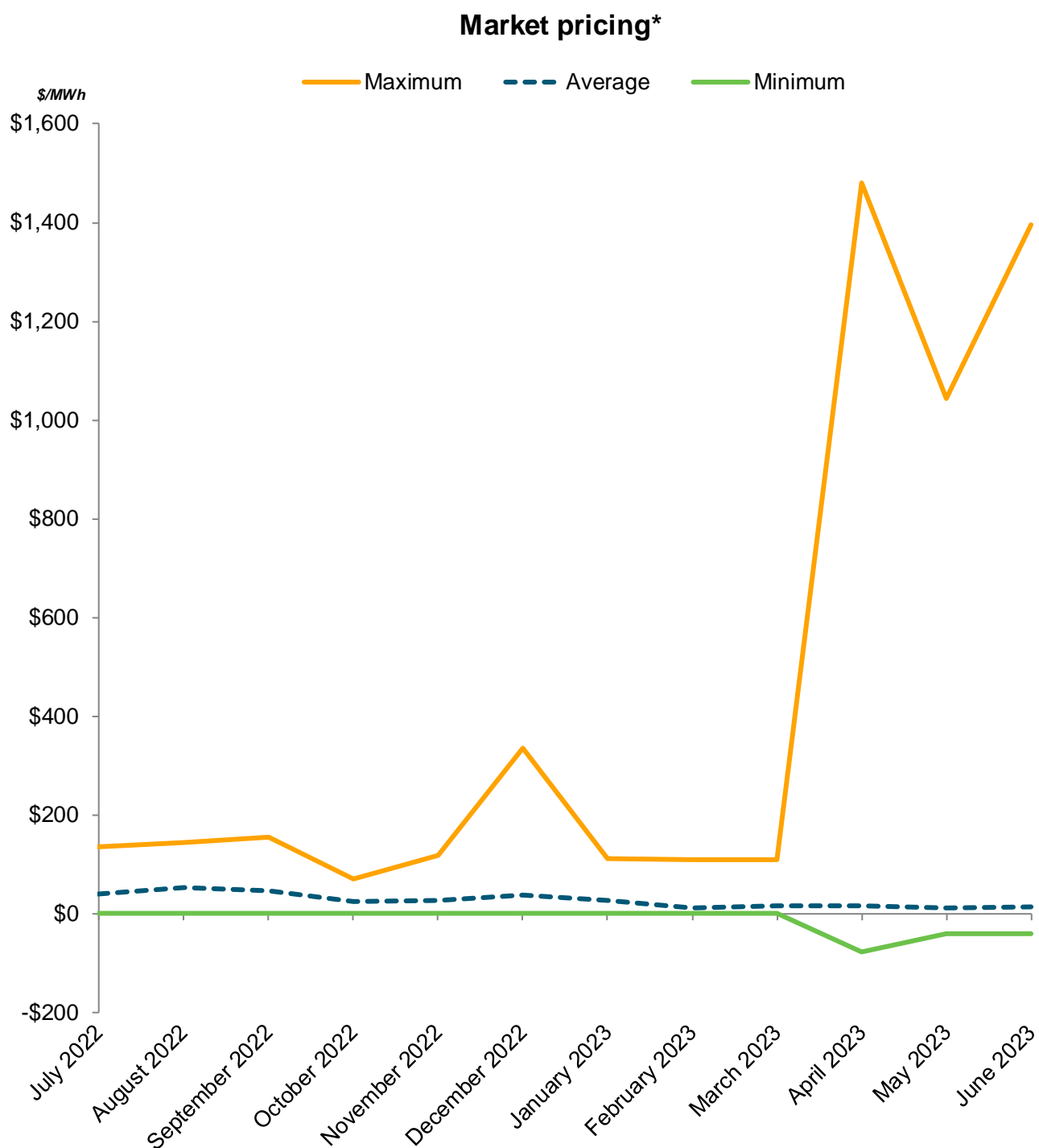
Surplus sales



Purchased power

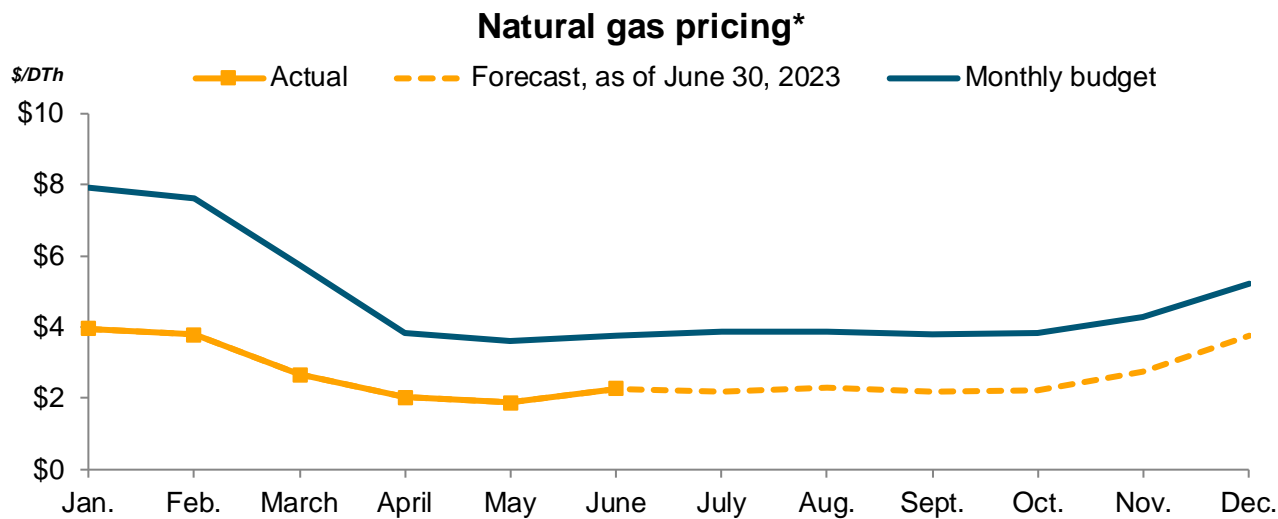


Market pricing



***WEIS Operations started April 1.**

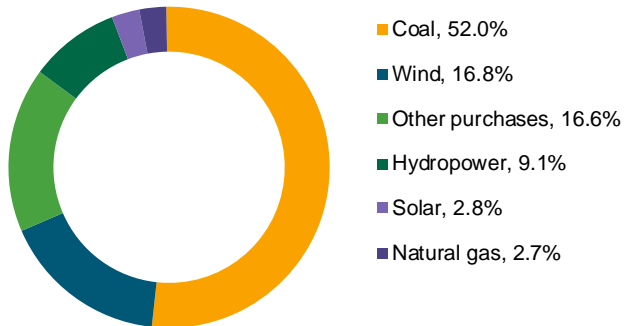
Natural gas pricing



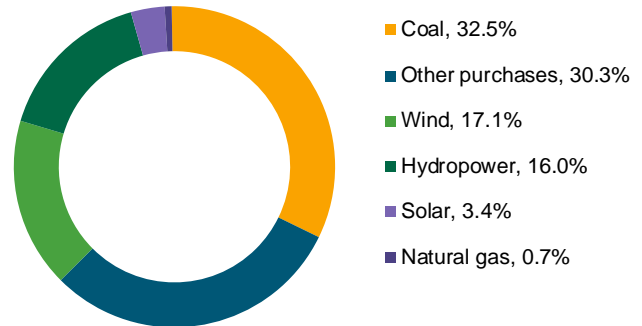
*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

Total resources

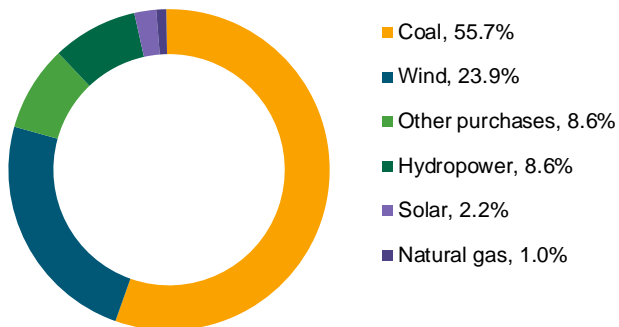
June generation budget



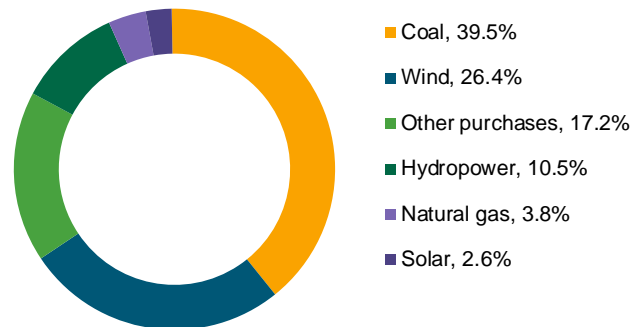
June generation actual

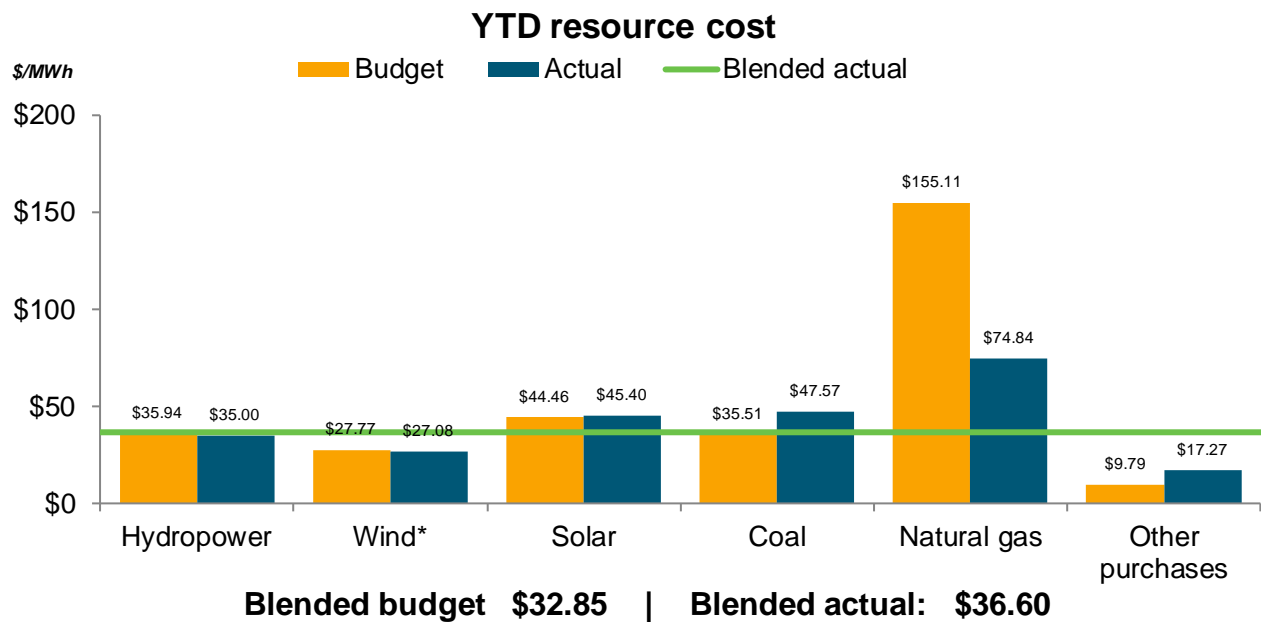
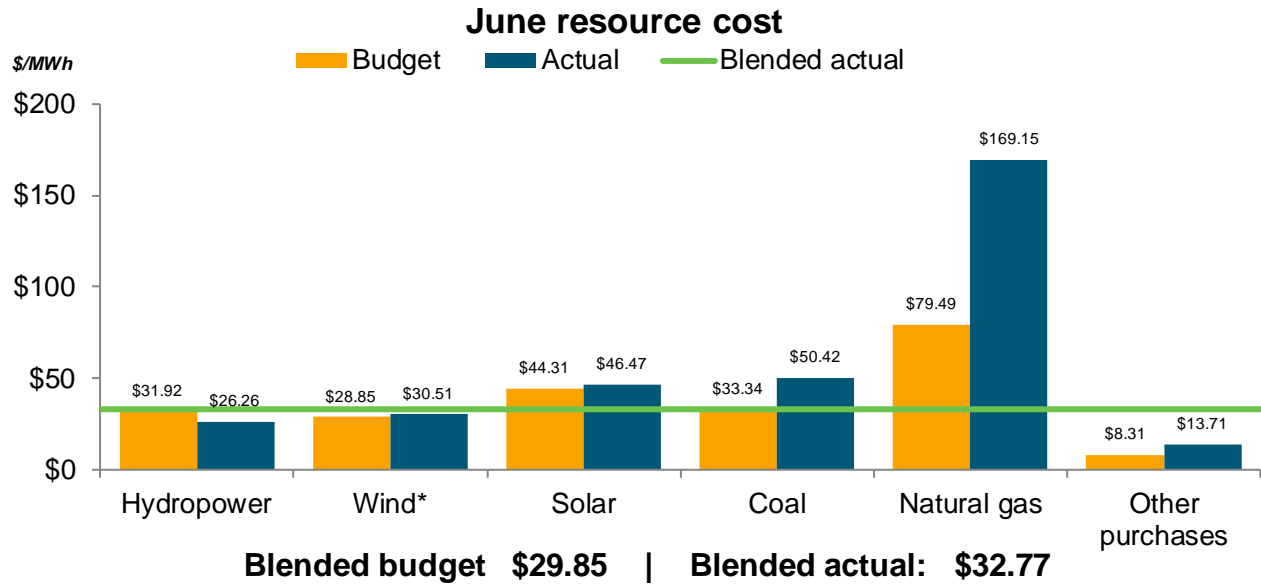


YTD budget



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

May 2023



Financial highlights year to date

Platte River reported favorable results year to date. Change in net position of \$6 million was favorable by \$2.5 million compared to budget due to below-budget operating expenses and above-budget unrealized gains and interest income on investments, partially offset by below-budget revenues.

Key financial results (\$ millions)	May		Favorable		Year to date		Favorable		Annual budget		
	Budget	Actual	(unfavorable)		Budget	Actual	(unfavorable)				
Change in net position ⁽¹⁾	\$ (1.9)	\$ (4.7)	■	\$ (2.8)	(147.4%)	\$ 3.5	\$ 6.0	●	\$ 2.5	71.4%	\$ 7.1
Fixed obligation charge coverage	1.10x	0.28x	■	(0.82x)	(74.5%)	1.99x	2.02x	◆	0.03x	1.5%	1.98x

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

(1) The change in net position for the annual budget of \$22.4 million was adjusted in the annual column for projected deferred revenues of \$15.3 million according to the deferred revenue and expense policy discussed in the other information section. This projected deferral reflects the SFP target of 3% of budgeted operating expenses. Current month and current year to date values are not adjusted. The actual deferral will be determined at the end of the year.

Budgetary highlights year to date

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

Key financial results (\$ millions)	May		Favorable (unfavorable)			Year to date		Favorable (unfavorable)			Annual budget
	Budget	Actual				Budget	Actual				
Total revenues	\$ 21.9	\$ 18.8	■	\$ (3.1)	(14.2%)	\$ 120.2	\$ 110.9	■	\$ (9.3)	(7.7%)	\$ 305.0
Sales to owner communities	16.7	16.4	◆	(0.3)	(1.8%)	86.0	85.6	◆	(0.4)	(0.5%)	224.1
Sales for resale - long-term	1.0	0.6	■	(0.4)	(40.0%)	5.6	5.5	◆	(0.1)	(1.8%)	14.9
Sales for resale - short-term	3.2	0.5	■	(2.7)	(84.4%)	23.7	12.8	■	(10.9)	(46.0%)	53.6
Wheeling	0.5	0.7	●	0.2	40.0%	2.5	4.0	●	1.5	60.0%	6.1
Interest and other income	0.5	0.6	●	0.1	20.0%	2.4	3.0	●	0.6	25.0%	6.3
Total operating expenses	\$ 20.1	\$ 19.1	●	\$ 1.0	5.0%	\$ 98.3	\$ 88.0	●	\$ 10.3	10.5%	\$ 238.1
Purchased power	4.9	5.3	■	(0.4)	(8.2%)	23.6	22.5	●	1.1	4.7%	55.1
Fuel	3.1	2.4	●	0.7	22.6%	22.2	18.0	●	4.2	18.9%	62.7
Production	7.1	7.1	◆	0.0	0.0%	25.8	24.5	●	1.3	5.0%	54.8
Transmission	1.6	1.2	●	0.4	25.0%	8.5	8.3	●	0.2	2.4%	20.2
Administrative and general	2.4	2.4	◆	0.0	0.0%	13.2	12.0	●	1.2	9.1%	31.5
Distributed energy resources	1.0	0.7	●	0.3	30.0%	5.0	2.7	●	2.3	46.0%	13.8
Capital additions	\$ 3.4	\$ 1.4	●	\$ 2.0	58.8%	\$ 19.3	\$ 7.8	●	\$ 11.5	59.6%	\$ 42.7
Debt service expenditures	\$ 1.5	\$ 1.5	◆	\$ -	0.0%	\$ 7.4	\$ 7.4	◆	\$ -	0.0%	\$ 17.8

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

Total revenues, \$9.3 million below budget

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

- **Sales for resale - short-term** were below budget \$10.9 million as energy volume was 52.6% below budget, partially offset by 13.7% above-budget average prices. There was less energy to sell in the market as a result of reduced baseload generation and required deliveries under the forced outage assistance agreement. Western Energy Imbalance Service (WEIS) operations started April 1.
- **Wheeling** was above budget \$1.5 million due to unplanned point-to-point transmission sales and above-budget network customer service charges.
- **Interest and other income** was above budget \$0.6 million primarily due to higher interest income earned on investments.

Total operating expenses, \$10.3 million below budget

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

- **Fuel** was \$4.2 million below budget.
 - Coal - Rawhide Unit 1** 100% of the overall variance, \$4.2 million below budget. Generation was below budget due to market conditions in WEIS, unplanned outages, curtailments and an unplanned extension of the scheduled minor outage.
 - Coal - Craig units** 74% of the overall variance, \$3.1 million below budget. Generation was below budget primarily due to curtailments, forced outages and the extended Craig Unit 2 scheduled maintenance outage. Unit 1 was offline from April 24th to May 14th due to mercury emissions. A forced outage on Craig Unit 2 led to an early start of the scheduled maintenance outage and remained offline January 18th to May 17th for repairs to the primary air fans.
 - Natural Gas** (74%) of the overall variance, \$3.1 million above budget. The combustion turbine units were used predominantly to make sales and, during the minor outage on Rawhide Unit 1, serve load. Further, non-generation gas expense was above budget due to losses on price-locked gas that was not burned, as prices had fallen. Price was below budget due to lower market prices.
- **Production, transmission, and administrative and general** were \$2.7 million below budget. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) Rawhide non-routine projects, 2) personnel, 3) digital and communications consulting services, 4) transmission non-routine projects, 5) chemicals, 6) general maintenance and 7) wheeling. The above-budget expenses include: 1) Craig maintenance and scheduled outage, 2) Rawhide Unit 1 scheduled minor outage, 3) SCADA and energy management and 4) Fordham to Fort St. Vrain termination repair. The net below-budget variance is expected to be spent by the end of the year.
- **Distributed energy resources** were \$2.3 million below budget due to the unpredictability of the completion of customers' energy efficiency projects, below-budget personnel expenses and consulting services. The energy efficiency rebates and incentives will finish the year below budget primarily due to slow participation in small and medium businesses, which is driven by continued effects of the COVID-19 pandemic and economic recovery challenges.
- **Purchased power** was \$1.1 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. The above-budget expenses include: 1) market and bilateral purchases to replace baseload generation during outages and curtailments, and to take advantage of lower cost energy under WEIS, 2) solar generation and 3) purchased reserves due to holding fewer reserves on the coal units.

Capital additions (year-end estimates as of May 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
Below budget projects				
Solar substation 230 kV - Severance Substation - This project will be below budget due to supply chain issues. Material and equipment lead times are longer than anticipated and are not expected to be received until 2024. This delay is not expected to impact the revised overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 6,368	\$ 1,750	\$ 4,618	\$ 4,618
Relay panel and breaker replacements - Airport Substation - This project will be below budget due to third-party delays. The number of participants in the project adds complexity which requires additional time to evaluate the overall project plan. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 1,829	\$ 15	\$ 1,814	\$ 1,814
Market software - PCI GenManager - This project will be below budget due to vendor project costs being lower than originally anticipated and contingency funds being not needed.	\$ 459	\$ 259	\$ 200	\$ -
115 kV transmission line replacement - Drake transmission line - This project will be below budget as a portion of the design budgeted for 2023 will be delayed to better align with the overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 225	\$ 100	\$ 125	\$ 125
Above budget projects				
** Pipeline reroute - Rawhide pipeline - This project will be above budget due to an additional section of pipeline reroute needed for an additional bridge installation by Larimer County.	\$ 2,016	\$ 2,766	\$ (750)	\$ -
* Relay upgrades - (T1 and T2 bays) Dixon Creek Substation - 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. The scope was also increased to include installation of a remote terminal unit and real time automation controllers. Project design began in late 2022 and funds could not be budgeted timely for 2023.	\$ 17	\$ 297	\$ (280)	\$ -
** Spray dry absorber direct lime injection - This project will be above budget due to a new design requiring additional labor and materials such as pumps, piping and other various equipment.	\$ 428	\$ 651	\$ (223)	\$ -
* Transmission line vault upgrades - Crossroads Substation - This project will be above budget due to increased contractor labor rates, project duration extending by one week and material costs being higher than originally anticipated.	\$ 994	\$ 1,140	\$ (146)	\$ -

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
Out-of-budget projects				
Reactors replacement KW1A and KW1B - Ault Substation WAPA - This project will replace two oil filled 13.8-kV 25MVAR reactors at the Ault KU1A transformer tertiary.	\$ -	\$ 346	\$ (346)	\$ -
Switch and capacitor voltage transformer (CVT) replacements - Timberline Substation - This project will replace inoperable and unreliable disconnect switches and will replace the CVT which is at the end of its useful life. Equipment replacements will be combined to reduce costs and outage scheduling.	\$ -	\$ 217	\$ (217)	\$ -
Perimeter detection system - Horseshoe Substation - This project will install forward-looking infrared thermal cameras to detect and monitor breaches of 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)	\$ -
Canceled projects				
Subscription based information technology arrangements - 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 are best attributed to existing capital projects or classified as financing arrangements and reported as debt service if the subscribed software has been implemented. Results presented may not represent the full implementation of the standard until the end of 2023.	\$ 1,160	\$ -	\$ 1,160	\$ -
Transformer (Flats) replacement - Rawhide Substation - 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	\$ -
Real time tools - 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	\$ -
Control enclosure and relay upgrades - Valley Substation - 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	\$ -
** Pipeline reroute - Soldier Canyon Pipeline - This project was canceled and will be evaluated as water needs for future generation resources are determined.	\$ 309	\$ -	\$ 309	\$ -

* 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	10,964					
Total revenue bonds outstanding	149,049					
Less: due within one year	(12,215)					
Total long-term debt, net	\$ 136,834					

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 implemented 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, staff will request a contingency transfer appropriation and will continue to evaluate subscriptions. The results presented may not represent the full implementation of the standard until the end of 2023.

Other financial information

- **Deferred revenue and expense accounting policy** - This policy allows deferring revenues and expenses to reduce rate pressure and achieve rate smoothing during the portfolio transition to meet the Resource Diversification Policy goal. Staff will evaluate the financial statements at the end of the year and apply the policy accordingly, which would impact the change in net position.
- **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 in February and May. Tri-State was invoiced \$2.4 million and \$2.6 million, respectively. 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

May 2023

Non-GAAP budgetary basis (in thousands)

	Month of May		Favorable (unfavorable)
	Budget	Actual	
Revenues			
<i>Operating revenues</i>			
Sales to owner communities	\$ 16,752	\$ 16,415	\$ (337)
Sales for resale - long-term	1,015	600	(415)
Sales for resale - short-term	3,159	469	(2,690)
Wheeling	507	695	188
Total operating revenues	21,433	18,179	(3,254)
<i>Other revenues</i>			
Interest income ⁽¹⁾	483	606	123
Other income	1	14	13
Total other revenues	484	620	136
Total revenues	<u>\$ 21,917</u>	<u>\$ 18,799</u>	<u>\$ (3,118)</u>
Expenditures			
<i>Operating expenses</i>			
Purchased power	\$ 4,906	\$ 5,301	\$ (395)
Fuel	3,070	2,392	678
Production	7,118	7,092	26
Transmission	1,626	1,259	367
Administrative and general	2,359	2,357	2
Distributed energy resources	1,065	746	319
Total operating expenses	20,144	19,147	997
<i>Capital additions</i>			
Production	1,666	589	1,077
Transmission	662	314	348
General	1,026	539	487
Total capital additions	3,354	1,442	1,912
<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>\$ 24,980</u>	<u>\$ 22,071</u>	<u>\$ 2,909</u>
Revenues less expenditures	\$ (3,063)	\$ (3,272)	\$ (209)

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

Schedule of revenues and expenditures, budget to actual

May 2023 year-to-date

Non-GAAP budgetary basis (in thousands)

	May year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
Revenues				
<i>Operating revenues</i>				
Sales to owner communities	\$ 85,993	\$ 85,641	\$ (352)	\$ 224,082
Sales for resale - long-term	5,573	5,460	(113)	14,889
Sales for resale - short-term	23,725	12,794	(10,931)	53,584
Wheeling	2,507	4,043	1,536	6,165
Total operating revenues	117,798	107,938	(9,860)	298,720
<i>Other revenues</i>				
Interest income ⁽¹⁾	2,185	2,727	542	5,978
Other income	241	260	19	301
Total other revenues	2,426	2,987	561	6,279
Total revenues	\$ 120,224	\$ 110,925	\$ (9,299)	\$ 304,999
Expenditures				
<i>Operating expenses</i>				
Purchased power	\$ 23,550	\$ 22,496	\$ 1,054	\$ 55,115
Fuel	22,232	18,014	4,218	62,676
Production	25,790	24,492	1,298	54,770
Transmission	8,549	8,334	215	20,254
Administrative and general	13,175	11,994	1,181	31,508
Distributed energy resources	4,981	2,719	2,262	13,789
Total operating expenses	98,277	88,049	10,228	238,112
<i>Capital additions</i>				
Production	6,018	2,769	3,249	14,668
Transmission	7,116	2,878	4,238	14,953
General	6,168	2,172	3,996	13,048
Asset retirement obligations	-	-	-	52
Total capital additions	19,302	7,819	11,483	42,721
<i>Debt service expenditures</i>				
Principal	5,090	5,090	-	12,550
Interest expense	2,320	2,320	-	5,233
Total debt service expenditures	7,410	7,410	-	17,783
Total expenditures	\$ 124,989	\$ 103,278	\$ 21,711	\$ 298,616
Contingency reserved to board	-	-	-	52,000
Total expenditures and contingency	\$ 124,989	\$ 103,278	\$ 21,711	\$ 350,616
Revenues less expenditures and contingency	\$ (4,765)	\$ 7,647	\$ 12,412	\$ (45,617)

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

Financial statements

Statements of net position

Unaudited (in thousands)

	May 31	
	2023	2022
Assets		
<i>Electric utility plant, at original cost</i>		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,465,955	1,453,349
Less: accumulated depreciation and amortization	(952,045)	(915,276)
Plant in service, net	533,356	557,519
Construction work in progress	29,542	21,294
Total electric utility plant	562,898	578,813
<i>Special funds and investments</i>		
Restricted funds and investments	27,112	26,734
Dedicated funds and investments	163,710	132,526
Total special funds and investments	190,822	159,260
<i>Current assets</i>		
Cash and cash equivalents	39,550	55,269
Other temporary investments	48,886	37,539
Accounts receivable - owner communities	16,404	15,893
Accounts receivable - other	5,987	9,542
Fuel inventory, at last-in, first-out cost	11,950	8,971
Materials and supplies inventory, at average cost	16,513	15,786
Prepayments and other assets	9,266	5,688
Total current assets	148,556	148,688
<i>Noncurrent assets</i>		
Regulatory assets	128,411	125,732
Other long-term assets	7,123	6,015
Total noncurrent assets	135,534	131,747
Total assets	1,037,810	1,018,508
Deferred outflows of resources		
Deferred loss on debt refundings	2,744	3,599
Pension deferrals	14,849	2,116
Asset retirement obligations	26,787	23,886
Total deferred outflows of resources	44,380	29,601
Liabilities		
<i>Noncurrent liabilities</i>		
Long-term debt, net	136,834	151,548
Other long-term obligations	94,295	94,295
Net pension liability	30,520	7,770
Asset retirement obligations	34,334	29,747
Other liabilities and credits	7,709	7,584
Total noncurrent liabilities	303,692	290,944
<i>Current liabilities</i>		
Current maturities of long-term debt	12,215	11,660
Current portion of other long-term obligations	889	889
Current portion of asset retirement obligations	1,547	1,706
Accounts payable	17,473	16,989
Accrued interest	2,784	3,066
Accrued liabilities and other	4,677	2,666
Total current liabilities	39,585	36,976
Total liabilities	343,277	327,920
Deferred inflows of resources		
Deferred gain on debt refundings	120	134
Regulatory credits	73,757	55,322
Pension deferrals	287	6,024
Lease deferrals	852	999
Total deferred inflows of resources	75,016	62,479
Net position		
Net investment in capital assets	398,564	392,553
Restricted	24,328	23,667
Unrestricted	241,005	241,490
Total net position	\$ 663,897	\$ 657,710

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	May year to date		Twelve months ended	
	May	2023	2022	May 31	
		2023	2022	2023	2022
Operating revenues					
Sales to owner communities	\$ 16,415	\$ 85,641	\$ 82,775	\$ 215,185	\$ 205,376
Sales for resale	1,069	18,254	23,842	67,850	64,616
Wheeling	695	4,043	2,740	8,942	5,952
Deferred regulatory revenues	-	-	-	(21,602)	-
Total operating revenues	<u>18,179</u>	<u>107,938</u>	<u>109,357</u>	<u>270,375</u>	<u>275,944</u>
Operating expenses					
Purchased power	5,301	22,496	24,680	51,196	57,015
Fuel	2,392	18,014	18,916	65,553	50,883
Operations and maintenance	8,440	33,233	27,624	73,092	62,460
Administrative and general	2,368	12,355	10,081	28,288	22,945
Distributed energy resources	748	2,757	2,850	8,391	7,141
Depreciation, amortization and accretion	3,369	16,162	14,712	37,579	36,041
Total operating expenses	<u>22,618</u>	<u>105,017</u>	<u>98,863</u>	<u>264,099</u>	<u>236,485</u>
Operating income	<u>(4,439)</u>	<u>2,921</u>	<u>10,494</u>	<u>6,276</u>	<u>39,459</u>
Nonoperating revenues (expenses)					
Interest income	601	2,714	542	5,086	1,239
Other income	14	260	471	219	1,016
Interest expense	(464)	(2,320)	(2,556)	(5,568)	(6,133)
Amortization of bond financing costs	123	615	684	1,572	1,751
Net (decrease)/increase in fair value of investments	<u>(563)</u>	<u>1,766</u>	<u>(3,212)</u>	<u>(1,398)</u>	<u>(4,559)</u>
Total nonoperating revenues (expenses)	<u>(289)</u>	<u>3,035</u>	<u>(4,071)</u>	<u>(89)</u>	<u>(6,686)</u>
Change in net position	<u>(4,728)</u>	<u>5,956</u>	<u>6,423</u>	<u>6,187</u>	<u>32,773</u>
Net position at beginning of period, as previously reported	<u>668,625</u>	<u>657,941</u>	<u>651,287</u>	<u>657,710</u>	<u>624,937</u>
Net position at end of period	<u>\$ 663,897</u>	<u>\$ 663,897</u>	<u>\$ 657,710</u>	<u>\$ 663,897</u>	<u>\$ 657,710</u>

Statements of cash flows

Unaudited (in thousands)

	Month of May	May year to date		Twelve months ended May 31	
		2023	2022	2023	2022
Cash flows from operating activities					
Receipts from customers	\$ 18,383	\$ 114,704	\$ 111,430	\$ 294,054	\$ 273,143
Payments for operating goods and services	(10,098)	(70,070)	(63,301)	(174,493)	(156,235)
Payments for employee services	(4,511)	(21,453)	(19,380)	(49,595)	(46,867)
Net cash provided by operating activities	3,774	23,181	28,749	69,965	70,041
Cash flows from capital and related financing activities					
Additions to electric utility plant	(869)	(7,458)	(4,640)	(23,958)	(24,160)
Payments from accounts payable incurred for electric utility plant additions	(1,093)	(3,493)	(1,581)	(1,102)	(801)
Proceeds from disposal of electric utility plant	-	-	16	58	242
Principal payments on long-term debt	-	-	-	(11,660)	(11,145)
Interest payments on long-term debt	-	-	-	(5,850)	(6,371)
Payments related to other long-term obligations	-	(4,145)	(3,809)	(4,145)	(3,809)
Payments from lease receivables	-	-	-	148	-
Payments on lease liabilities	-	-	-	(14)	-
Net cash used in capital and related financing activities	(1,962)	(15,096)	(10,014)	(46,523)	(46,044)
Cash flows from investing activities					
Purchases and sales of temporary and restricted investments, net	(1,851)	(19,520)	(4,839)	(44,322)	(32,087)
Interest and other income, including realized gains and losses	616	2,968	966	5,161	2,172
Net cash used in investing activities	(1,235)	(16,552)	(3,873)	(39,161)	(29,915)
Increase/(decrease) in cash and cash equivalents	577	(8,467)	14,862	(15,719)	(5,918)
Balance at beginning of period in cash and cash equivalents	38,973	48,017	40,407	55,269	61,187
Balance at end of period in cash and cash equivalents	\$ 39,550	\$ 39,550	\$ 55,269	\$ 39,550	\$ 55,269
Reconciliation of net operating income to net cash provided by operating activities					
Operating income	\$ (4,439)	\$ 2,921	\$ 10,494	\$ 6,276	\$ 39,459
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	3,419	16,676	15,954	39,955	37,752
Amortization	(482)	(2,336)	(2,581)	(6,390)	(3,682)
Changes in assets and liabilities that provided/(used) cash					
Accounts receivable	2,589	8,436	1,267	3,044	(3,980)
Fuel and materials and supplies inventories	(379)	(2,529)	1,103	(3,705)	3,246
Prepayments and other assets	696	(2,163)	(2,109)	(2,494)	(659)
Regulatory assets	(156)	222	431	(3,456)	1,006
Deferred outflows of resources	(2,386)	(1,471)	(1,439)	(15,634)	(861)
Accounts payable	1,415	(4,019)	419	937	4,410
Net pension liability	-	-	-	22,750	(7,834)
Asset retirement obligations	2,695	2,596	2,198	4,427	1,224
Other liabilities	558	3,089	1,255	4,007	1,884
Deferred inflows of resources	244	1,759	1,757	20,248	(1,924)
Net cash provided by operating activities	\$ 3,774	\$ 23,181	\$ 28,749	\$ 69,965	\$ 70,041
Noncash capital and related financing activities					
Additions of electric utility plant through incurrence of accounts payable	607	607	1,101	607	1,101
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	33	37	84	93
Amortization of bond premiums, deferred loss and deferred gain on refundings	(130)	(649)	(720)	(1,657)	(1,845)

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

Schedule of net revenues for bond service and fixed obligations

Unaudited (in thousands)

				Twelve months ended	
	Month of	May year to date		May 31	
	May	2023	2022	2023	2022
Bond service coverage					
Net revenues					
Operating revenues	\$ 18,179	\$ 107,938	\$ 109,357	\$ 270,375	\$ 275,944
Operations and maintenance expenses, excluding depreciation, amortization and accretion	19,249	88,855	84,151	226,520	200,444
Net operating revenues	(1,070)	19,083	25,206	43,855	75,500
Plus interest income on bond accounts and other income ⁽¹⁾	620	2,987	994	5,319	2,238
Net revenues before rate stabilization	(450)	22,070	26,200	49,174	77,738
Rate stabilization					
Deposits	-	-	-	-	-
Withdrawals	-	-	-	-	-
Total net revenues	\$ (450)	\$ 22,070	\$ 26,200	\$ 49,174	\$ 77,738
Bond service					
Power revenue bonds	\$ 1,482	\$ 7,410	\$ 7,414	\$ 17,783	\$ 17,793
Coverage					
Bond service coverage ratio	(0.30)	2.98	3.53	2.77	4.37
	Month of	May year to date		Twelve months ended	
	May	2023	2022	2023	2022
Fixed obligation charge coverage					
Total net revenues, above	\$ (450)	\$ 22,070	\$ 26,200	\$ 49,174	\$ 77,738
Fixed obligation charges included in operating expenses ⁽²⁾	1,205	6,897	7,773	16,152	16,685
Adjusted net revenues before fixed obligation charges	\$ 755	\$ 28,967	\$ 33,973	\$ 65,326	\$ 94,423
Fixed obligation charges					
Power revenue bonds, above	\$ 1,482	\$ 7,410	\$ 7,414	\$ 17,783	\$ 17,793
Fixed obligation charges	1,205	6,897	7,773	16,152	16,685
Total fixed obligation charges	\$ 2,687	\$ 14,307	\$ 15,187	\$ 33,935	\$ 34,478
Coverage					
Fixed obligation charge coverage ratio	0.28	2.02	2.24	1.93	2.74

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

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



Financial report

June 2023



Financial highlights year to date

Platte River reported favorable results year to date. Change in net position of \$11.4 million was favorable by \$4.3 million compared to budget due to below-budget operating expenses and above-budget unrealized gains and interest income on investments, partially offset by below-budget revenues.

Key financial results (\$ millions)	June		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
Change in net position ⁽¹⁾	\$ 3.7	\$ 5.5	●	\$ 1.8	48.6%	\$ 7.1	\$ 11.4	●	\$ 4.3	60.6%	\$ 7.1
Fixed obligation charge coverage	3.17x	4.06x	●	0.89x	28.1%	2.18x	2.35x	●	0.17x	7.8%	1.98x

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

(1) The change in net position for the annual budget of \$22.4 million was adjusted in the annual column for projected deferred revenues of \$15.3 million according to the deferred revenue and expense policy discussed in the other information section. This projected deferral reflects the SFP target of 3% of budgeted operating expenses. Current month and current year to date values are not adjusted. The actual deferral will be determined at the end of the year.

The current estimate for year-end change in net position prior to deferring revenues ranges from \$15.9 million to \$30.6 million. The expected projection includes overall lower operating revenues primarily due to lower sales for resale and sales to owner communities. Sales have been lower than anticipated because of resource availability, market prices and mild weather. Purchases are anticipated to be above budget at the end of the year as baseload generation is replaced. Baseload generation is also expected to be lower because of reduced sales for resale volumes, which results in lower fuel expense. Other operating expenses are anticipated to end the year below budget primarily due to distributed energy resources discussed in the key variances of this report. Depreciation, amortization and accretion will end the year above budget as asset retirement obligation costs were updated and assets have been retired that were not fully depreciated or required additional costs to remove. Total operating expenses are projected to be below budget. The results have a high degree of uncertainty primarily because of the unpredictability of bilateral sales and the energy imbalance market. The low and high projections are based on higher variability in revenues and expenses than the expected projection. Staff will continue to monitor assumptions, estimates and forecasts to ensure appropriate funding.

Financial projection	YTD variance	Future variance projection	Total variance projection	Change in net position before deferred revenue	Variance to budget before deferred revenue	Projected deferred revenue ⁽²⁾	Variance to projected deferred revenue
Low	\$ 4.3	\$ (10.8)	\$ (6.5)	\$ 15.9	-29%	\$ 9.3	-39%
Expected	\$ 4.3	\$ (3.7)	\$ 0.6	\$ 23.0	3%	\$ 16.4	7%
High	\$ 4.3	\$ 3.9	\$ 8.2	\$ 30.6	37%	\$ 24.0	57%

Amounts above are in millions

(2) The projected deferred revenue is based on the SFP target of 3% of projected operating expenses, which is \$6.6 million in all cases.

Budgetary highlights year to date

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

Key financial results (\$ millions)	June		Favorable (unfavorable)			Year to date		Favorable (unfavorable)			Annual budget
	Budget	Actual				Budget	Actual				
Total revenues	\$ 26.2	\$ 25.9	◆	\$ (0.3)	(1.1%)	\$ 146.4	\$ 136.8	■	\$ (9.6)	(6.6%)	\$ 305.0
Sales to owner communities	20.7	18.7	■	(2.0)	(9.7%)	106.7	104.3	■	(2.4)	(2.2%)	224.1
Sales for resale - long-term	1.2	0.9	■	(0.3)	(25.0%)	6.8	6.4	■	(0.4)	(5.9%)	14.9
Sales for resale - short-term	3.3	5.0	●	1.7	51.5%	27.0	17.8	■	(9.2)	(34.1%)	53.6
Wheeling	0.5	0.7	●	0.2	40.0%	3.0	4.8	●	1.8	60.0%	6.1
Interest and other income	0.5	0.6	●	0.1	20.0%	2.9	3.5	●	0.6	20.7%	6.3
Total operating expenses	\$ 18.8	\$ 16.2	●	\$ 2.6	13.8%	\$ 117.1	\$ 104.2	●	\$ 12.9	11.0%	\$ 238.1
Purchased power	4.3	5.1	■	(0.8)	(18.6%)	27.9	27.6	◆	0.3	1.1%	55.1
Fuel	4.6	2.5	●	2.1	45.7%	26.8	20.5	●	6.3	23.5%	62.7
Production	4.2	4.0	●	0.2	4.8%	30.0	28.5	●	1.5	5.0%	54.8
Transmission	1.8	1.5	●	0.3	16.7%	10.3	9.8	●	0.5	4.9%	20.2
Administrative and general	2.7	2.3	●	0.4	14.8%	15.9	14.3	●	1.6	10.1%	31.5
Distributed energy resources	1.2	0.8	●	0.4	33.3%	6.2	3.5	●	2.7	43.5%	13.8
Capital additions	\$ 7.4	\$ 0.9	●	\$ 6.5	87.8%	\$ 26.7	\$ 8.7	●	\$ 18.0	67.4%	\$ 42.7
Debt service expenditures	\$ 1.5	\$ 1.5	◆	\$ -	0.0%	\$ 8.9	\$ 8.9	◆	\$ -	0.0%	\$ 17.8

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

Total revenues, \$9.6 million below budget

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

- **Sales to owner communities** were below budget \$2.4 million. Energy revenues were \$1.9 million or 3% below budget due to below-budget energy. Demand revenues were \$0.5 million or 1.4% below budget as non-coincident and coincident billing demand were below budget 1.2% and 1.3%, respectively.
- **Sales for resale - long-term** were below budget \$0.4 million due to below-budget resold wind generation and lower available baseload generation that serves a contract, partially offset by calls on a capacity contract.
- **Sales for resale - short-term** were below budget \$9.2 million as energy volume was 49.9% below budget, partially offset by 31.6% above-budget average prices. There was less energy to sell in the market as a result of reduced baseload generation and required deliveries under the forced outage assistance agreement. Western Energy Imbalance Service (WEIS) operations started April 1.
- **Wheeling** was above budget \$1.8 million due to unplanned point-to-point transmission sales and above-budget network customer service charges.
- **Interest and other income** was above budget \$0.6 million primarily due to higher interest income earned on investments.

Total operating expenses, \$12.9 million below budget

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

- **Fuel** was \$6.3 million below budget.
 - Coal - Rawhide Unit 1** 89% of the overall variance, \$5.6 million below budget. Generation was below budget due to market conditions in WEIS, unplanned outages, curtailments and an unplanned extension of the scheduled minor outage.
 - Coal - Craig units** 51% of the overall variance, \$3.2 million below budget. Generation was below budget primarily due to curtailments, forced outages, the extended Craig Unit 2 scheduled maintenance outage and market conditions in WEIS. Unit 1 was offline from April 24th to May 14th due to mercury emissions. A forced outage on Craig Unit 2 led to an early start of the scheduled maintenance outage and remained offline January 18th to May 17th for repairs to the primary air fans.
 - Natural Gas** (40%) of the overall variance, \$2.5 million above budget. The combustion turbine units were used predominantly to make sales and, during the minor outage on Rawhide Unit 1, serve load. Further, non-generation gas expense was above budget due to losses on price-locked gas that was not burned, as prices had fallen. Price was below budget due to lower market prices.
- **Distributed energy resources** were \$2.7 million below budget due to the unpredictability of the completion of customers' energy efficiency projects, below-budget personnel expenses and consulting services. The energy efficiency rebates and incentives will finish the year below budget primarily due to slow participation in small and medium businesses, which is driven by continued effects of the COVID-19 pandemic and economic recovery challenges.
- **Production, transmission, and administrative and general** were \$2.5 million below budget. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) Rawhide non-routine projects, 2) digital and communications consulting services, 3) transmission non-routine projects, 4) environmental services, 5) wheeling, 6) chemicals, 7) software and hardware, 8) general facility maintenance, 9) administrative and general non-routine projects and 10) travel and training. The above-budget expenses include: 1) Craig maintenance and scheduled outage, 2) Rawhide Unit 1 scheduled minor outage, 3) SCADA and energy management, 4) Fordham to Fort St. Vrain termination repair and 5) general plant maintenance. The net below-budget variance is expected to be spent by the end of the year.
- **Personnel** was below budget \$1.1 million due to regular wages and social security resulting from vacancies and due to lower than anticipated medical and dental claims, partially offset by above-budget overtime due to additional shift coverage, maintenance and train unloading schedules.

Capital additions (year-end estimates as of June 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
Below budget projects				
Solar substation 230 kV - Severance Substation - This project will be below budget due to supply chain issues. Material and equipment lead times are longer than anticipated and are not expected to be received until 2024. This delay is not expected to impact the revised overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 6,368	\$ 1,750	\$ 4,618	\$ 4,618
Relay panel and breaker replacements - Airport Substation - This project will be below budget due to third-party delays. The number of participants in the project adds complexity which requires additional time to evaluate the overall project plan. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 1,829	\$ 15	\$ 1,814	\$ 1,814
** Monofill upgrade - Rawhide - This project will be below budget due to optimized design and value engineering. The leachate collection tank system was redesigned to use mobile steel tanks rather than a specialty tank, which significantly reduced project costs.	\$ 2,209	\$ 1,448	\$ 761	\$ -
** SCADA and energy management system - This project will be below budget due to a delay as the latest vendor schedule shows milestones shifting from 2023 to 2024. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 2,079	\$ 1,766	\$ 313	\$ 313
** Simulator evergreen upgrade - Rawhide Unit 1 - This project will be below budget as the scope was reduced to remove additional modeling software resulting in less labor, hardware and licensing costs than originally anticipated.	\$ 1,170	\$ 920	\$ 250	\$ -
* Market software - PCI GenManager - This project will be below budget due to vendor project costs being lower than originally anticipated and contingency funds being not needed.	\$ 459	\$ 249	\$ 210	\$ -
** 52G breaker replacement - combustion turbine units A-D - This project will be below budget as contingency funds were not needed and proceeds were received on the sale of existing breakers.	\$ 600	\$ 454	\$ 146	\$ -
115 kV transmission line replacement - Drake transmission line - This project will be below budget as a portion of the design budgeted for 2023 will be delayed to better align with the overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 225	\$ 100	\$ 125	\$ 125

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
Above budget projects				
Pipeline reroute - Rawhide pipeline - This project will be above budget due to an additional section of pipeline reroute needed for an additional bridge installation by Larimer County.	\$ 2,016	\$ 2,766	\$ (750)	\$ -
* Spray dry absorber direct lime injection - This project will be above budget due to a new design requiring additional labor and materials such as pumps, piping and other various equipment.	\$ 428	\$ 709	\$ (281)	\$ -
Relay upgrades - (T1 and T2 bays) Dixon Creek Substation - 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. The scope was also increased to include installation of a remote terminal unit and real time automation controllers. Project design began in late 2022 and funds could not be budgeted timely for 2023.	\$ 17	\$ 297	\$ (280)	\$ -
* Transmission line vault upgrades - Crossroads Substation - This project will be above budget due to increased contractor labor rates, project duration extending by one week and material costs being higher than originally anticipated.	\$ 994	\$ 1,142	\$ (148)	\$ -
Out-of-budget projects				
Reactors replacement KW1A and KW1B - Ault Substation WAPA - This project will replace two oil filled 13.8-kV 25MVAR reactors at the Ault KU1A transformer tertiary.	\$ -	\$ 346	\$ (346)	\$ -
Switch and capacitor voltage transformer (CVT) replacements - Timberline Substation - This project will replace inoperable and unreliable disconnect switches and will replace the CVT which is at the end of its useful life. Equipment replacements will be combined to reduce costs and outage scheduling.	\$ -	\$ 217	\$ (217)	\$ -
Perimeter detection system - Horseshoe Substation - This project will install forward-looking infrared thermal cameras to detect and monitor breaches of 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)	\$ -
Delayed projects				
** Dust collection system replacement - crusher building - This project will be delayed due to a schedule change for the next major outage from 2024 to 2025. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 222	\$ -	\$ 222	\$ 222
** Dust collection system replacement - coal transfer building - This project will be delayed due to a schedule change for the next major outage from 2024 to 2025. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 191	\$ -	\$ 191	\$ 191

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
** Switch 2089 replacement - Boyd Substation - This project will be delayed due to supply chain issues. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 108	\$ -	\$ 108	\$ 108
Canceled projects				
Subscription based information technology arrangements - 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 are best attributed to existing capital projects or classified as financing arrangements and reported as debt service if the subscribed software has been implemented. Results presented may not represent the full implementation of the standard until the end of 2023.	\$ 1,160	\$ -	\$ 1,160	\$ -
Transformer (Flats) replacement - Rawhide Substation - 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	\$ -
Real time tools - 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	\$ -
Control enclosure and relay upgrades - Valley Substation - 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	\$ -
Pipeline reroute - Soldier Canyon Pipeline - This project was canceled and will be evaluated as water needs for future generation resources are determined.	\$ 309	\$ -	\$ 309	\$ -

* 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 (\$104.6 million) and the Rawhide Energy Station (\$21.3 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	\$ 102,320	\$ 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	23,550	\$ 25,230	1.6%	6/1/2037	N/A*	Refund a portion of Series II (\$6.5M NPV/27.6% savings)
Total par outstanding	125,870					
Unamortized bond premium	10,770					
Total revenue bonds outstanding	136,640					
Less: due within one year	(12,790)					
Total long-term debt, net	\$ 123,850					

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 implemented 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, staff will request a contingency transfer appropriation and will continue to evaluate subscriptions. The results presented may not represent the full implementation of the standard until the end of 2023.

Other financial information

- **Deferred revenue and expense accounting policy** - This policy allows deferring revenues and expenses to reduce rate pressure and achieve rate smoothing during the portfolio transition to meet the Resource Diversification Policy goal. Staff will evaluate the financial statements at the end of the year and apply the policy accordingly, which would impact the change in net position.
- **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 in February and May. Tri-State was invoiced \$2.4 million and \$2.6 million, respectively. 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

June 2023

Non-GAAP budgetary basis (in thousands)

	Month of June		Favorable
	Budget	Actual	(unfavorable)
Revenues			
<i>Operating revenues</i>			
Sales to owner communities	\$ 20,707	\$ 18,684	\$ (2,023)
Sales for resale - long-term	1,254	940	(314)
Sales for resale - short-term	3,229	4,971	1,742
Wheeling	514	716	202
Total operating revenues	25,704	25,311	(393)
<i>Other revenues</i>			
Interest income ⁽¹⁾	460	548	88
Other income	25	14	(11)
Total other revenues	485	562	77
Total revenues	\$ 26,189	\$ 25,873	\$ (316)
Expenditures			
<i>Operating expenses</i>			
Purchased power	\$ 4,315	\$ 5,073	\$ (758)
Fuel	4,629	2,519	2,110
Production	4,198	4,006	192
Transmission	1,763	1,448	315
Administrative and general	2,701	2,334	367
Distributed energy resources	1,219	771	448
Total operating expenses	18,825	16,151	2,674
<i>Capital additions</i>			
Production	5,106	262	4,844
Transmission	760	305	455
General	1,537	283	1,254
Total capital additions	7,403	850	6,553
<i>Debt service expenditures</i>			
Principal	1,066	1,066	-
Interest expense	416	416	-
Total debt service expenditures	1,482	1,482	-
Total expenditures	\$ 27,710	\$ 18,483	\$ 9,227
Revenues less expenditures	\$ (1,521)	\$ 7,390	\$ 8,911

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

Schedule of revenues and expenditures, budget to actual

June 2023 year-to-date

Non-GAAP budgetary basis (in thousands)

	June year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
Revenues				
<i>Operating revenues</i>				
Sales to owner communities	\$ 106,699	\$ 104,324	\$ (2,375)	\$ 224,082
Sales for resale - long-term	6,828	6,401	(427)	14,889
Sales for resale - short-term	26,954	17,764	(9,190)	53,584
Wheeling	3,021	4,760	1,739	6,165
Total operating revenues	143,502	133,249	(10,253)	298,720
<i>Other revenues</i>				
Interest income ⁽¹⁾	2,644	3,275	631	5,978
Other income	267	274	7	301
Total other revenues	2,911	3,549	638	6,279
Total revenues	\$ 146,413	\$ 136,798	\$ (9,615)	\$ 304,999
Expenditures				
<i>Operating expenses</i>				
Purchased power	\$ 27,867	\$ 27,570	\$ 297	\$ 55,115
Fuel	26,860	20,533	6,327	62,676
Production	29,988	28,498	1,490	54,770
Transmission	10,312	9,782	530	20,254
Administrative and general	15,876	14,328	1,548	31,508
Distributed energy resources	6,199	3,489	2,710	13,789
Total operating expenses	117,102	104,200	12,902	238,112
<i>Capital additions</i>				
Production	11,124	3,031	8,093	14,668
Transmission	7,876	3,184	4,692	14,953
General	7,705	2,455	5,250	13,048
Asset retirement obligations	-	-	-	52
Total capital additions	26,705	8,670	18,035	42,721
<i>Debt service expenditures</i>				
Principal	6,156	6,156	-	12,550
Interest expense	2,736	2,736	-	5,233
Total debt service expenditures	8,892	8,892	-	17,783
Total expenditures	\$ 152,699	\$ 121,762	\$ 30,937	\$ 298,616
Contingency reserved to board	-	-	-	52,000
Total expenditures and contingency	\$ 152,699	\$ 121,762	\$ 30,937	\$ 350,616
Revenues less expenditures and contingency	\$ (6,286)	\$ 15,036	\$ 21,322	\$ (45,617)

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

Financial statements

Statements of net position

Unaudited (in thousands)

	June 30	
	2023	2022
Assets		
<i>Electric utility plant, at original cost</i>		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,465,993	1,453,400
Less: accumulated depreciation and amortization	(955,425)	(918,206)
Plant in service, net	530,014	554,640
Construction work in progress	30,284	21,901
Total electric utility plant	560,298	576,541
<i>Special funds and investments</i>		
Restricted funds and investments	13,294	13,463
Dedicated funds and investments	163,613	131,884
Total special funds and investments	176,907	145,347
<i>Current assets</i>		
Cash and cash equivalents	40,106	51,754
Other temporary investments	48,757	43,337
Accounts receivable - owner communities	18,667	19,380
Accounts receivable - other	8,969	9,678
Fuel inventory, at last-in, first-out cost	13,368	9,548
Materials and supplies inventory, at average cost	16,711	16,156
Prepayments and other assets	9,314	5,966
Total current assets	155,892	155,819
<i>Noncurrent assets</i>		
Regulatory assets	128,503	125,581
Other long-term assets	7,123	6,015
Total noncurrent assets	135,626	131,596
Total assets	1,028,723	1,009,303
<i>Deferred outflows of resources</i>		
Deferred loss on debt refundings	2,678	3,524
Pension deferrals	14,849	2,116
Asset retirement obligations	26,474	23,689
Total deferred outflows of resources	44,001	29,329
Liabilities		
<i>Noncurrent liabilities</i>		
Long-term debt, net	123,850	139,115
Other long-term obligations	94,295	94,295
Net pension liability	30,520	7,770
Asset retirement obligations	34,255	29,737
Other liabilities and credits	7,799	7,580
Total noncurrent liabilities	290,719	278,497
<i>Current liabilities</i>		
Current maturities of long-term debt	12,790	12,215
Current portion of other long-term obligations	889	889
Current portion of asset retirement obligations	1,547	1,706
Accounts payable	17,137	17,035
Accrued interest	416	464
Accrued liabilities and other	5,098	2,791
Total current liabilities	37,877	35,100
Total liabilities	328,596	313,597
<i>Deferred inflows of resources</i>		
Deferred gain on debt refundings	119	133
Regulatory credits	73,496	54,851
Pension deferrals	287	6,024
Lease deferrals	852	999
Total deferred inflows of resources	74,754	62,007
Net position		
Net investment in capital assets	409,140	403,616
Restricted	12,878	12,999
Unrestricted	247,356	246,413
Total net position	\$ 669,374	\$ 663,028

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 June	June year to date		Twelve months ended June 30	
		2023	2022	2023	2022
Operating revenues					
Sales to owner communities	\$ 18,684	\$ 104,324	\$ 102,217	\$ 214,427	\$ 205,808
Sales for resale	5,911	24,165	28,855	68,748	64,531
Wheeling	716	4,760	3,344	9,053	6,295
Deferred regulatory revenues	-	-	-	(21,602)	-
Total operating revenues	<u>25,311</u>	<u>133,249</u>	<u>134,416</u>	<u>270,626</u>	<u>276,634</u>
Operating expenses					
Purchased power	5,073	27,570	28,076	52,872	56,558
Fuel	2,519	20,533	23,762	63,227	50,785
Operations and maintenance	5,459	38,692	32,642	73,533	62,557
Administrative and general	2,353	14,707	11,929	28,794	23,110
Distributed energy resources	769	3,526	3,337	8,673	7,163
Depreciation, amortization and accretion	3,366	19,528	17,759	37,897	36,417
Total operating expenses	<u>19,539</u>	<u>124,556</u>	<u>117,505</u>	<u>264,996</u>	<u>236,590</u>
Operating income	<u>5,772</u>	<u>8,693</u>	<u>16,911</u>	<u>5,630</u>	<u>40,044</u>
Nonoperating revenues (expenses)					
Interest income	549	3,264	714	5,463	1,300
Other income	14	274	499	205	957
Interest expense	(416)	(2,736)	(3,019)	(5,520)	(6,086)
Amortization of bond financing costs	123	738	820	1,558	1,736
Net (decrease)/increase in fair value of investments	<u>(565)</u>	<u>1,200</u>	<u>(4,184)</u>	<u>(990)</u>	<u>(5,333)</u>
Total nonoperating revenues (expenses)	<u>(295)</u>	<u>2,740</u>	<u>(5,170)</u>	<u>716</u>	<u>(7,426)</u>
Change in net position	<u>5,477</u>	<u>11,433</u>	<u>11,741</u>	<u>6,346</u>	<u>32,618</u>
Net position at beginning of period, as previously reported	<u>663,897</u>	<u>657,941</u>	<u>651,287</u>	<u>663,028</u>	<u>630,410</u>
Net position at end of period	<u>\$ 669,374</u>	<u>\$ 669,374</u>	<u>\$ 663,028</u>	<u>\$ 669,374</u>	<u>\$ 663,028</u>

Statements of cash flows

Unaudited (in thousands)

Unaudited (in thousands)

	Month of June	June year to date		Twelve months ended June 30	
		2023	2022	2023	2022
Cash flows from operating activities					
Receipts from customers	\$ 20,066	\$ 134,770	\$ 133,924	\$ 291,625	\$ 276,819
Payments for operating goods and services	(13,114)	(83,184)	(76,042)	(174,865)	(158,604)
Payments for employee services	(4,270)	(25,723)	(23,261)	(49,985)	(47,040)
Net cash provided by operating activities	2,682	25,863	34,621	66,775	71,175
Cash flows from capital and related financing activities					
Additions to electric utility plant	(613)	(8,678)	(6,686)	(23,917)	(23,795)
Payments from accounts payable incurred for electric utility plant additions	(607)	(3,493)	(1,581)	(316)	(1,094)
Proceeds from disposal of electric utility plant	55	55	65	64	291
Principal payments on long-term debt	(12,215)	(12,215)	(11,660)	(12,215)	(11,660)
Interest payments on long-term debt	(2,784)	(2,784)	(3,066)	(5,568)	(6,133)
Payments related to other long-term obligations	-	(4,145)	(3,809)	(4,145)	(3,809)
Payments from lease receivables	-	-	-	148	-
Payments on lease liabilities	-	-	-	(14)	-
Net cash used in capital and related financing activities	(16,164)	(31,260)	(26,737)	(45,963)	(46,200)
Cash flows from investing activities					
Purchases and sales of temporary and restricted investments, net	13,480	(6,040)	2,308	(37,990)	(35,983)
Interest and other income, including realized gains and losses	558	3,526	1,155	5,530	2,126
Net cash provided by/(used in) investing activities	14,038	(2,514)	3,463	(32,460)	(33,857)
Increase/(decrease) in cash and cash equivalents	556	(7,911)	11,347	(11,648)	(8,882)
Balance at beginning of period in cash and cash equivalents	39,550	48,017	40,407	51,754	60,636
Balance at end of period in cash and cash equivalents	\$ 40,106	\$ 40,106	\$ 51,754	\$ 40,106	\$ 51,754
Reconciliation of net operating income to net cash provided by operating activities					
Operating income	\$ 5,772	\$ 8,693	\$ 16,911	\$ 5,630	\$ 40,044
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	3,417	20,092	19,209	40,116	37,906
Amortization	(483)	(2,818)	(3,097)	(6,356)	(3,624)
Changes in assets and liabilities that provided/(used) cash					
Accounts receivable	(5,245)	3,191	(2,357)	1,422	(1,720)
Fuel and materials and supplies inventories	(1,617)	(4,146)	157	(4,376)	2,156
Prepayments and other assets	(48)	(2,211)	(2,387)	(2,263)	(1,240)
Regulatory assets	(156)	66	517	(3,698)	1,010
Deferred outflows of resources	313	(1,158)	(1,242)	(15,518)	(808)
Accounts payable	(55)	(4,074)	1,251	51	3,805
Net pension liability	-	-	-	22,750	(7,834)
Asset retirement obligations	(79)	2,517	2,188	4,358	1,214
Other liabilities	516	3,605	1,382	4,396	2,258
Deferred inflows of resources	347	2,106	2,089	20,263	(1,992)
Net cash provided by operating activities	\$ 2,682	\$ 25,863	\$ 34,621	\$ 66,775	\$ 71,175
Noncash capital and related financing activities					
Additions of electric utility plant through incurrence of accounts payable	326	326	316	326	316
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	40	44	84	92
Amortization of bond premiums, deferred loss and deferred gain on refundings	(130)	(778)	(864)	(1,642)	(1,828)

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

Schedule of net revenues for bond service and fixed obligations

Unaudited (in thousands)

		June year to date		Twelve months ended June 30	
	Month of June	2023	2022	2023	2022
Bond service coverage					
Net revenues					
Operating revenues	\$ 25,311	\$ 133,249	\$ 134,416	\$ 270,626	\$ 276,634
Operations and maintenance expenses, excluding depreciation, amortization and accretion	16,173	105,028	99,746	227,099	200,173
Net operating revenues	9,138	28,221	34,670	43,527	76,461
Plus interest income on bond accounts and other income ⁽¹⁾	562	3,549	1,188	5,687	2,231
Net revenues before rate stabilization	9,700	31,770	35,858	49,214	78,692
Rate stabilization					
Deposits	-	-	-	-	-
Withdrawals	-	-	-	-	-
Total net revenues	\$ 9,700	\$ 31,770	\$ 35,858	\$ 49,214	\$ 78,692
Bond service					
Power revenue bonds	\$ 1,482	\$ 8,892	\$ 8,895	\$ 17,783	\$ 17,792
Coverage					
Bond service coverage ratio	6.55	3.57	4.03	2.77	4.42
	Month of June	June year to date		Twelve months ended June 30	
		2023	2022	2023	2022
Fixed obligation charge coverage					
Total net revenues, above	\$ 9,700	\$ 31,770	\$ 35,858	\$ 49,214	\$ 78,692
Fixed obligation charges included in operating expenses ⁽²⁾	1,208	8,105	9,073	16,061	17,042
Adjusted net revenues before fixed obligation charges	\$ 10,908	\$ 39,875	\$ 44,931	\$ 65,275	\$ 95,734
Fixed obligation charges					
Power revenue bonds, above	\$ 1,482	\$ 8,892	\$ 8,895	\$ 17,783	\$ 17,792
Fixed obligation charges	1,208	8,105	9,073	16,061	17,042
Total fixed obligation charges	\$ 2,690	\$ 16,997	\$ 17,968	\$ 33,844	\$ 34,834
Coverage					
Fixed obligation charge coverage ratio	4.06	2.35	2.50	1.93	2.75

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

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



General management report

May and June 2023



Business strategies

Communications, marketing and external affairs

For the May-June period, the communications, marketing and external affairs staff:

- Coordinated with teachers, students, volunteers and vendors and hosted the fourth NoCo Time Trials at headquarters. Approximately 150 people attended with 60 student teams racing solar- and battery-powered cars during the event.
- Selected the recipient of the 2023 RMEL Foundation/Platte River Power Authority Roy J. Rohla Memorial Scholarship, and initiated plans to present the scholarship to the recipient during the July business meeting at headquarters.
- Kicked off the Integrated Resource Planning community engagement meetings series in May with a core group of invitees and continued with a general public meeting in June.
- Initiated a utility communicators task force comprised of Platte River communications, marketing and external affairs staff and key communicators from the four owner communities.
- Participated in a market fundamentals course, which introduced the Southwest Power Pool's real-time and day-ahead markets in the Eastern Connection.
- Provided Gold Member sponsorship for the Longmont Chamber of Commerce golf tournament Unity in the Community event.
- Co-hosted a station for the annual Bike to Work (or Wherever) Day with Forney Industries with approximately 50 cyclists stopping by the booth.
- Attended the Larimer County United Way campaign appreciation social in Loveland where Platte River was awarded Campaign of the Year.

External affairs staff:

- Hosted a weekly meeting of the Local Legislative Affairs Committee including representatives from the Fort Collins Chamber of Commerce and City of Fort Collins Utilities and provided a tour of the Platte River headquarters campus.
- Onboarded Leigh Gibson, Senior External Affairs Specialist. This is a new role that will focus on state and local stakeholder engagement in legislative affairs.
- Engaged in:
 - The Utilities Spring Key Accounts Meeting hosted by Fort Collins Utilities
 - The Colorado Association of Municipal Utilities Spring Meeting in Fort Morgan, CO
 - The Colorado Municipal League annual conference in Aurora, CO
 - The Large Public Power Council Spring CEO meeting in Washington, D.C.
 - The American Public Power Association National Conference in Seattle, WA

Efficiency Works™ marketing staff:

- Completed 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.
- Launched two new web pages sharing information on electric vehicles and building electrification.
- Issued custom news releases in collaboration with each owner community to highlight results from the 2022 Think! Energy with Efficiency Works education program.

Human resources

After review of third-party administrators (TPA) for Platte River's medical and dental plans, the human resources team agreed to proceed with a new provider. The team determined the process for implementing the plan and rolling it out to Platte River employees in conjunction with the Platte River benefits broker and the new TPA. The target date for implementation, which will save Platte River money, is January 2024.

The compensation project progressed toward implementation as senior leaders, along with human resources, came to a consensus on key components in the compensation study application.

The human resources manager presented on Platte River's total rewards program at the RMEL Spring Conference in Kansas City, Missouri.

Safety

Two recordable injuries occurred in May. A finger fracture occurred when a finger became caught between a flange opening of a pipe and the handle of a T-bar that was being used to clear the pipe. Rawhide assembled multifunctional team to resolve the issue and mitigate these types of incidents. The second injury occurred during the minor outage when an employee tripped on a door ledge and fell in the bag house. The employee was wearing proper Personal Protective Equipment (PPE), but the PPE lacerated the employee's nose. The employees of both incidents were treated and have no restrictions.

Platte River celebrated national safety month by hosting nationally known speaker, Wylie Davidson, to present to employees on safety culture.

The safety specialist attended the national safety conference, which focused on artificial intelligence technology.

Injury statistics	2021 year end	2022 year end	YTD through June 2022	YTD through June 2023
Recordable injury rate	1.67	1.25	2.38	2.98
DART	0.00	0.83	1.59	0.00
Lost time rate	0.00	0.00	0.00	0.00

Financial

2024 budget update

Platte River’s 2024 budget process is well underway. We continually look for ways to improve the existing process and to improve work planning and budgeting by better aligning scope, schedules and available resources. Review sessions were held with management in June and July and the preliminary budget will be submitted to the board in September.

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

Moody’s Investors Service credit opinion

Moody’s Investors Service conducted a credit review of Platte River. Based on the review, the rating agency affirmed Platte River’s Aa2 rating with a stable outlook. The report highlighted Platte River’s sales to creditworthy owner communities under all-requirements contracts that are in place until 2060, the board’s willingness to provide competitive wholesales rates, autonomous rate setting ability and robust financial metrics. Platte River’s Aa2 credit rating benefits long-term goals and reflects Platte River’s solid financial position.

Transition and integration

Energy solutions

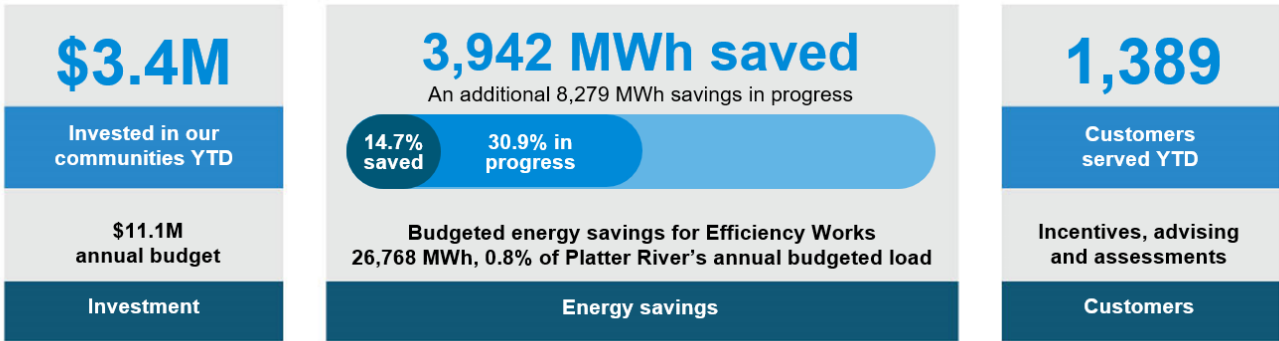
Energy Solutions staff continued the transition from the traditional energy efficiency customer programs into finding the full customer energy potential with distributed energy solutions (DES). Customer interest continues to grow in building electrification initiatives, infrastructure incentives for electric vehicle public chargers, and incorporation of additional DES technologies into various programming models. The team currently seeks additional DES initiatives to be administrated and implemented under the Efficiency Works™ brand. Key department achievements in May and June include the following:

- Efficiency Works Business successfully launched Level 2 Public Charger Infrastructure incentives on June 1, 2023.

- The Efficiency Works Consumer Engagement team provided bonus incentives for refrigerator and freezer recycling and LED lighting at local retailers. This bonus provided 1,987 customers with energy efficiency incentives.
- Efficiency Works Homes completed 148 home assessments and provided incentives for 225 home retrofit upgrades.
- In 2021, Efficiency Works Business relaunched the Building Tune-up program. The program was expected to take approximately two years to achieve significant participation levels. As anticipated, both offerings, performance plus and retro-commissioning, have projects completed or underway that represent significantly more savings, units, and customer participation than ever before. This growth is expected to continue through the end of 2023.

Through June 2023, Efficiency Works programs have achieved:

- 3,942 MWh of energy savings completed with an additional 8,279 MWh savings in progress.
- 432 KW summer peak reduction complete with an additional 804 KW peak reduction in progress.
- 1,123 residential and 266 business customer interactions with program offerings.
- \$3.4 million invested in our communities including incentives and administrative costs spent.



Digital departments

The Digital department encompasses various domains, such as enterprise infrastructure, enterprise applications, operational technology, telecommunications & fiber optics, client technology & security, and information & cyber governance.

The following are some of the key department initiatives and activities completed or underway:

- Oracle Cloud Fusion ERP system implementation
 - Platte River contracted with Emtec as a system integrator and implementor. Emtec has since been consolidated into a larger group, Apps Associates (A&A). Platte River hired a

contractor as the Project Manager to represent Platte River interests in working with the A&A Project Manager and implementation team.

- Platte River staff is working to implement and automate payment cards and automated clearing house payments for vendors when the Oracle solution goes live. This is still in the design phase and is a partnership between the bank, the system integrator and Platte River.
- The purchasing department is working to identify requirements for barcoding hardware and software needed for the upcoming warehouse digital transformation.
- Staff members are working to build and deploy operator workstations for model development and system testing.
- Data science projects
 - Staff members are continuing to develop a consolidated operational data model. New servers will be deployed with the updated operating systems, installing a new version of our data historian software, PI, and implementing a tool that can query operational data without having to make copies to various servers throughout the organization. Staff members are also working with various vendors to consolidate numerous data sources and data repositories and document the required interfaces and data flows.
- Password vault software compromise mitigation
 - The vendor used for the enterprise password vault was recently compromised. Platte River took immediate action to reduce the potential impact and implemented additional security features. Platte River also updated the policy for master passwords to require a change to the master password if reuse is detected.
 - Master passwords iteration counts were changed from 100,000 to 600,000, which makes it harder for a hacker to guess the account password through brute-force attacks.
 - We reset employee and contractor multi-factor authentication secrets. This ended all sessions for all users, logging them out and requiring users to start a new by logging back in. These changes helped mitigate password reuses, brute force attacks and refreshed all multi-factor authentication tokens.
- OSI Energy Management System (EMS) implementation (phase 1)
 - The system engineering and operational technology teams are continuing to work on the deployment of the new EMS. After completing the automated dispatch signaling environment required for the WEIS market entry, the team has switched its focus to deploying the operator training system, the development environment, the user acceptance testing/quality assurance environment and the full production environment. All these environments have multiple servers, workstations, different connectivity requirements and different compliance requirements. The goal is to have all these environments ready by the third quarter of 2023.
- General updates
 - Completed the annual review and approval of our North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection Cyber Security Policy.

- Completed the annual Supervisory Control and Data Acquisition update of the facility ratings required by NERC standard FAC-008.

Operations

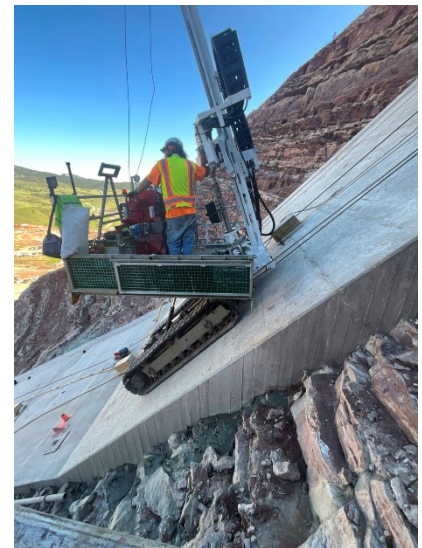
Fuels and water

As forecast in the spring, Granby reservoir reached capacity and began spilling in June (see image), which is expected to last 30-40 days. Although it prevents the Windy Gap project from pumping, the spill represents favorable hydrology for the region and reduces the overall amount of rental water needed later in the year. Before spill began, Platte River was able to fully use its remaining pumped Windy Gap water supply from last year. After the spill, Platte River will need to shift to in-lieu operations, which rely on leased Colorado-Big Thompson water. Staff has already secured the required rental supplies for Platte River's operations for the remainder of the 2023 water year.



Granby reservoir spill (Tara Alatorre/Sky-Hi News)

As the summer construction schedule ramps up, work activities pervade the Chimney Hollow reservoir site. The main dam asphalt core and supporting embankment have risen approximately 100 feet, (40 feet of which is below the original grade). There are another 310 feet to go until the main dam reaches its final height. At the opposite end of the valley, construction of the smaller saddle dam is in full swing, where the foundation is fully excavated and is being prepared for grouting operations. Grouting at the main dam is approximately 67% complete, highlighted by the challenge of working on the steepest section of the right abutment (see image). On the west side of the valley, the inlet conduit pipe installation is nearly complete, and work has started on the box culvert spillway. By the end of June, the project was approximately 41% complete. The contractor had expected to make even more significant schedule gains in May and June, but progress was hampered by unprecedented rain. In total, the site received 17.6 inches of rainfall in a 60-day span, which exceeded the 1,000-year storm event. Despite some recent weather delays, the project remains on schedule for completion in summer 2025.



Grouting operations on the right (east) abutment

Northern Water staff continues to work with the contractor and project engineer to refine the estimate for completion costs and expenses (completion C&E), which will include finalized construction costs as well as environmental mitigation and enhancement projects. In the spring of 2024, participants will need to make their completion C&E payment elections, either by self-funding or through participation in group financing. As final cost estimates become more certain, Platte River staff will evaluate the payment alternatives.

Since late 2022, Powder River Basin coal prices have steadily declined, as market influences have normalized (mine production capacity, railroad performance, etc.). On June 8, Platte River executed a price lock option for the commodity costs on all 2025 Rawhide coal supplies. Market conditions were favorable and locking the coal price removed one power supply cost variable and enhances budget certainty for Rawhide Unit 1 fuel expense through the end of 2025.

Follow up items

APPA National Conference

Three board members and Platte River senior staff attended the American Public Power Association National Conference in Seattle, Washington this past June. This year's conference focused on the political, economic, and technological trends shaping the electric utility industry and how to prepare for the challenges and opportunities ahead.