Board of directors

Dec. 07, 2023

Energy leaders since 1973
2023 budget contingency appropriation transfer

Shelley Nywall, director of finance
2023 budget contingency appropriation transfer

Total amount not to exceed $5 million of $52 million budget contingency

<table>
<thead>
<tr>
<th>Contingency summary</th>
<th>Operating expenses $ million</th>
<th>Capital additions $ million</th>
<th>Debt service expenditures $ million</th>
<th>Total $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023 budget appropriation</td>
<td>$238.1</td>
<td>$42.7</td>
<td>$17.8</td>
<td>$298.6</td>
</tr>
<tr>
<td>2023 projection</td>
<td>226.7</td>
<td>28.5</td>
<td>18.4</td>
<td>273.6</td>
</tr>
<tr>
<td>Estimated budget variance before carryovers</td>
<td>$11.4</td>
<td>$14.2</td>
<td>$(0.6)</td>
<td>$25.0</td>
</tr>
<tr>
<td>Estimated carryovers from 2023 to 2024</td>
<td>-</td>
<td>(11.9)</td>
<td>-</td>
<td>(11.9)</td>
</tr>
<tr>
<td>Estimated budget variance after carryovers</td>
<td>$11.4</td>
<td>$2.3</td>
<td>$(0.6)</td>
<td>$13.1</td>
</tr>
<tr>
<td>Estimated contingency transfer required</td>
<td>-</td>
<td>-</td>
<td>$(0.6)</td>
<td>$(0.6)</td>
</tr>
<tr>
<td>Adder for unknowns</td>
<td>-</td>
<td>-</td>
<td>$(4.4)</td>
<td>$(4.4)</td>
</tr>
<tr>
<td>Total contingency transfer not-to-exceed</td>
<td></td>
<td></td>
<td>$(5.0)</td>
<td>$(5.0)</td>
</tr>
</tbody>
</table>

Debt service expenditures
- As discussed in the financial report, 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.

Process
- After year end close, only the amount needed will be transferred
- Update in the management report at the February board meeting
Board of directors

Dec. 07, 2023

Energy leaders since 1973
2024 Strategic Budget review and adoption

Shelley Nywall, director of finance
Agenda

- Budget changes since public hearing
- Financial results
- Highlights – 2024 Strategic Budget
Budget changes since public hearing

favorable/(unfavorable) change

- Updates to personnel expenses
  - Medical and dental cost estimate
  - Operating wages refinement
- Refinement to GASB 96 Subscription-Based Information Technology Arrangements assumptions

<table>
<thead>
<tr>
<th>Operating expenses ($1.2 million)</th>
<th>Debt service expenditures ($0.1 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increases: Medical and dental costs expected to increase and operating wages for refinements to new hire assumptions</td>
<td>• Subscription payments increased with refinements to GASB 96 assumptions on one additional contract</td>
</tr>
<tr>
<td>• Decreases: Software decreased with refinements to GASB 96 assumptions on one additional contract now estimated to be funded by debt service expenditures</td>
<td></td>
</tr>
</tbody>
</table>
## Financial results

### Strategic financial plan metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target minimums</th>
<th>2024 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed obligation charge coverage ratio</td>
<td>1.50x</td>
<td>1.89x</td>
</tr>
<tr>
<td>Change in net position as a percentage of annual operating expenses</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Adjusted debt ratio</td>
<td>&lt; 50%</td>
<td>23%</td>
</tr>
<tr>
<td>Days adjusted liquidity on hand</td>
<td>200</td>
<td>443</td>
</tr>
</tbody>
</table>

(1) Change in net position before deferred revenue is $21.3 million. $14 million is estimated to be deferred under the board approved deferred revenue and expense accounting policy.

### Budget results ($ millions)

<table>
<thead>
<tr>
<th>Budget item</th>
<th>2024 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>$ 313.0</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 300.6</td>
</tr>
<tr>
<td>Board contingency</td>
<td>$ 56.0</td>
</tr>
<tr>
<td>Average wholesale rate increase</td>
<td>5%</td>
</tr>
</tbody>
</table>
Highlights – 2024 Strategic Budget

Operating expenses and capital additions: $281.9 million

Strategic initiatives

• Resource diversification planning and integration (aeroderivative combustion turbines, noncarbon resources, distributed energy resources, integrated resource plan, organized energy markets)

• Community partner and engagement

• Workforce culture

• Process management and coordination (ERP, enterprise risk management, project management)

Core operations

• Baseload and peaking generation, transmission, energy efficiency

• Power purchase agreements for existing renewable resources and hydropower

• Predictive maintenance

• Proactive capital investments to maintain reliability, efficiency and environmental compliance

Revenues

• Stable owner community loads

• Decreasing sales for resale

• Increasing wheeling and interest income

• 5% average wholesale rate increase

2024 budget: $356.6 million

Foundational pillars

1. System reliability
2. Environmental responsibility
3. Financial sustainability

Core operations, 85%
Strategic initiatives, 15%
Questions
Board of directors

Dec. 07, 2023

Energy leaders since 1973
SPP RTO West update

Melie Vincent, chief operating officer
Agenda

• SPP RTO West refresher
• SPP RTO West participation requirements
• SPP RTO West latest developments
• Platte River SPP RTO West steering committee
SPP RTO West

Regional footprint

Market participants

- Basin Electric Power Cooperative
- Colorado Springs Utilities (CSU)
- Deseret Power Electric Cooperative
- Municipal Energy Agency of Nebraska (MEAN)
- Platte River Power Authority (PRPA)
- Tri-State Generation and Transmission Association
- Western Area Power Administration (WAPA) – LAP and CRSP

Fast facts

- Go-live April 1, 2026
- ≈ 10,000 miles of high voltage transmission
- ≈ 21 TWh annual net energy load
SPP RTO West versus SPP WEIS

RTO responsibilities

• Tariff administration and design
  − Resource commitment and dispatch
• Market monitoring
• Open access transmission
• Resource adequacy
• Congestion management
• Parallel path flow management
• Ancillary services
• Transmission planning and expansion
• Interregional coordination

Energy imbalance requirements

• Tariff administration and design
  − Resource dispatch
• Market monitoring
• Open access transmission in real-time
• Supply adequacy
Benefits of RTO West

**Versus SPP WEIS**

- Unit commitment leads to more economic resource operation
- Resource adequacy requirements improve reliability of the region
- Regional transmission planning allows development of a more efficient grid network
- Network transmission in day-ahead and real-time markets reduces power delivery costs
- Co-optimization of energy and ancillary service dispatch reduces overall costs
- Congestion hedging mitigates risk of price divergence between resources and load
- Allows for integration of greater volumes of intermittent, renewable resources
SPP RTO West participation requirements

- Credit rating of BBB- or higher and minimum capitalization requirements
- Annual risk management certification
- Load serving entities must meet resource adequacy requirements
- Energy trading risk management system
- Market operations system
- Security administrator on staff
- Digital communication including inter-control center communications (ICCP)
- Automatic dispatch systems for resources to follow market instructions
- Energy management system to collect and communicate data to SPP
- Reliable system metering
SPP RTO West development

- **Jan. – July 2021**: Technical Discussions
- **July 2021**: Terms and Conditions – Members Forum, MOPC
- **July 2022**: DC Tie T&C approved by West Interested Parties and SPP Board of Directors/Regional State Committee
- **January 2023**: SPP Board Approval of updated Terms and Conditions for WAPA-CRSP
- **July 1 2023**: Execution of Membership Commitment Agreement by the West Interested Parties
- **Q2 – 2024**: File Tariff Modifications with FERC to implement the RTO on the West Market Development Begins
- **Q4 – 2025**: FERC Tariff Approval BA Certification
- **Feb. – May 2021**: Governing Document and Tariff Review
- **July 2021**: Policy Level Agreement - approved by West Interested Parties and SPP BOD/RSC
- **October 2022**: WAPA-CRSP requests additional terms and conditions
- **Q1/Q2 2023**: WAPA initiates FRN process
- **Q3 – 2023**: SPP Staff Begins Tariff Updates
- **Q2 – 2025**: Member Testing Begins
- **April 1st 2026**: GO LIVE
## SPP RTO West implementation timeline

<table>
<thead>
<tr>
<th>Activity</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment agreements*</td>
<td>Q3 23</td>
<td>Q1 24</td>
<td>Q1 25</td>
<td>Q1 26</td>
</tr>
<tr>
<td></td>
<td>Q4 23</td>
<td>Q2 24</td>
<td>Q2 25</td>
<td>Q2 26</td>
</tr>
<tr>
<td>Tariff and member on-boarding</td>
<td>7/1, 10/10</td>
<td>8/1-3/31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requirements and design</td>
<td></td>
<td></td>
<td>10/2-7/1</td>
<td></td>
</tr>
<tr>
<td>MOPC approval</td>
<td></td>
<td></td>
<td>4/1</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
<td>4/1-12/31</td>
<td></td>
</tr>
<tr>
<td>Internal Testing (SAT, SIT/FIT)</td>
<td>10/1-7/1</td>
<td></td>
<td>4/1-12/31</td>
<td></td>
</tr>
<tr>
<td>Member Testing</td>
<td></td>
<td></td>
<td>1/26-4/1</td>
<td></td>
</tr>
<tr>
<td>Parallel Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Go-live</td>
<td></td>
<td></td>
<td></td>
<td>4/1</td>
</tr>
</tbody>
</table>
Platte River RTO West steering committee

• The Platte River RTO West steering committee is comprised of seven staff members from across the organization, including power markets, finance, generation, power delivery, legal and IT/OT, with the COO serving as executive sponsor.

• Platte River has secured consulting services to manage the implementation project, complete gap assessments and provide expertise to assist in decision-making.

• Current market development activity
  • Resource adequacy requirements
  • Transmission zone development
  • Market stakeholder constructs
Summary

- Participation in an RTO is a critical element of the Resource Diversification Policy as well as part of our strategic plan
- Development and implementation of an RTO is a large undertaking that requires collaboration within and across multiple organizations
- Working with a consultant with extensive market experience, staff has developed an implementation plan for successful entry into RTO West on April 1, 2026
- Staff is actively engaged in market participant working groups to develop key aspects of the new market
Questions
Board of directors

Dec. 07, 2023

Energy leaders since 1973
Rawhide transition plan update

Travis Hunter, director of power generation
Background

What is a Just Transition Plan?
• As Platte River shifts away from coal, a Just Transition Plan will provide the framework to retain and empower employees who are affected by the change.

Why do we need one?
• To keep employees informed on the progress of the Rawhide transition
• To follow Platte River’s board-approved workforce transition resolution (July 2020)
  • Resolution includes six key principles for responsible transition
• To comply with the state requirement to submit a Just Transition Plan
Transparency

Principle 1

• Update employees as we develop the plan
• Share the Platte River story with prospective employees
• Establish an internal, cross-functional team to implement the six principles outlined in the workforce transition resolution
Principle 2

- Platte River is growing
- Platte River initiated a workforce planning strategy with Rawhide, substations, and engineering
  - Will expand to other groups with similar methodology in the future
- Contract labor may be used to fill certain positions as Unit 1 retirement date nears
- We will evaluate whether to fill vacancies as they occur
Workforce opportunities

Principle 3

- Prioritize internal staff for opportunities where Rawhide employees have the right skills and experience
- Support successful transition into new roles
- Identify growth opportunities
  - Transmission and generation desks
  - IT
  - Compliance
  - Energy solutions
  - Substations
Workforce training

Principle 4

• Platte River will help train employees to transition into new roles
• Identify training opportunities as Unit 1 retirement date nears
• Engage with employees to better understand individual goals and interests
• Encourage employees to be “future-thinking” now
• Explore partnerships with local educational institutions to support learning new skills
Retention strategies

Principle 5

• Continue to evaluate, design, and implement retention strategies for all employees
• Recent changes to Platte River’s total rewards and compensation packages support retention
• Explore other options for additional retention strategies
Transition support

Principle 6

• Platte River does not anticipate non-voluntary transitions due to Unit 1’s retirement
• Platte River is committed to retaining its workforce and anticipates placing Rawhide employees who wish to stay into new roles after Unit 1’s retirement
• For employees whose paths lead away from Platte River, we will seek to ease transitions and provide appropriate support
Questions
Board of directors

Dec. 07, 2023

Energy leaders since 1973
Resource Diversification Policy review

Raj Singam Setti, chief transition and integration officer
The Resource Diversification Policy was unanimously passed by Platte River’s Board of Directors

Purpose
To provide guidance for resource planning, portfolio diversification and carbon reduction.

<table>
<thead>
<tr>
<th>Accomplished</th>
<th>In progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>• An organized regional market must exist with Platte River as an active participant</td>
<td>• Transmission and distribution infrastructure investment must be increased</td>
</tr>
<tr>
<td>• Transmission and distribution delivery systems must be more fully integrated</td>
<td>• Improved distributed generation resource performance</td>
</tr>
<tr>
<td>• Technology and capabilities of grid management systems must advance and improve</td>
<td>• Advanced capabilities and use of active end user management systems</td>
</tr>
<tr>
<td>• Generation, transmission and distribution rate structures must facilitate systems integration</td>
<td>• Battery storage performance must mature and the costs must decline</td>
</tr>
<tr>
<td>• Utilization of storage solutions to include thermal, heat, water and end user available storage</td>
<td>• Awaiting technology</td>
</tr>
</tbody>
</table>
The board of directors (the board) directs the general manager/CEO to proactively work toward the goal of reaching a 100 percent non-carbon resource mix by 2030, while maintaining Platte River’s three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services.

- 225 MW of Roundhouse wind
- Announcement to retire coal resources
- Developed a distributed energy resources strategy
- Filed 2020 Integrated Resource Plan (IRP)
- 22 MW Rawhide Prairie Solar with 2 MWh battery
- 150 MW Black Hollow Solar power purchase agreement, COD 2025
- Entry into Southwest Power Pool Western Energy Imbalance Service market
2023

- Resource planning and modeling (2024 IRP)
- Revised rate projections
- Market entry SPP’s RTO in 2025
- Distributed Energy Resource plan development
- Power purchase agreements (PPAs) negotiations underway for additional 150 MW solar project, with a COD set for 2026
- Two grant applications have been submitted, and a dozen grant opportunities have been reviewed
- Over 50 all-renewable-resource RFPs have been evaluated
- Exploratory work was done on research and development opportunities, strategic partnerships, and site visits to evaluate new technologies

33.3% noncarbon resources
2024 and forward

- Accelerated renewable integration
  - Wind (200 MW – 2027, 100 MW - 2030)
  - Solar (150 MW – 2026, 150 MW - 2028)
- Dispatchable capacity for reliability and support for renewable integration
  - Battery energy storage system
    - 100 Hour energy storage
      - Long duration energy storage (10 MW - 2027)
    - 4 Hour energy storage
      - Grid connected energy storage (100 MW – 2027)
      - Distributed energy storage (40 MW - 2026)
  - Virtual Power Plant (100 MW, 2028)
  - Aeroderivative engine (200 MW, 2028)

2030 projected system total

88.4% non-carbon resources by 2030 and exceeding carbon reduction levels by the state
Renewable integration challenges

**Market risks**

- Supply chain disruptions
- Inflationary pressures globally
- Increased demand for renewable projects
- Project delays and risk transfer to buyer
- Higher renewable PPAs

**Platte River strategies**

- Multiple requests for proposals
- Accelerated renewable integration
- Deferred revenues
- Strategic partnerships
Impact of IRA on renewable PPAs

- Inflation, rising interest rates and supply chain disruptions have exerted upward pressure on costs associated with renewable PPAs
- The impact of the Inflation Reduction Act (IRA) tax credits on PPA prices remains uncertain, primarily due to the ambiguity surrounding when and how these tax credits will affect PPA pricing

Source: Level Ten Q3 PPA Price Index
Future planning considerations

• With current resource transition, timing is a factor
  • emerging technologies (long duration storage, Hydrogen)
  • distribution systems, integration and resources
• Do we need any modifications to the current policy?
Questions
Board of directors

Dec. 07, 2023
Preview of the 2024 Colorado legislative session

Javier C. Camacho, director of public and external affairs, strategic communications and social marketing
2024 (75th) General Assembly

Make up:
- Democratic majority
- House:
  - 46 Democrats
  - 12 Republicans
- Senate:
  - 23 Democrats
  - 12 Republicans

Priorities:
- Affordable and new housing
- Ozone and climate change
- Labor and employment rights – expanding workforce opportunities
- Healthcare affordability and transparency
- Expanding education funding and improving schools
- Improving safety across Colorado and decreasing crime
Guiding principles of legislative advocacy

**Principles**

- Maintain high ethical, transparency standards in alignment with Platte River’s Board of Directors
- Support our three foundational pillars of reliability, environmental responsibility, financial sustainability
- Ensure stable regulatory environment for planning
- Work in partnership with coalitions and our owner communities

**Support**

- Husch Blackwell Strategies (Carrie Hackenberger and Erin Goff)
- Colorado Association for Municipal Utilities (CAMU)
- Chambers of Commerce
  - State chamber
    - Energy and environment council
    - Government affairs council
  - Local chambers
Platte River’s state legislative affairs strategy

- **Relationship-building**
  - 1:1 meetings
  - Rawhide tours
  - Governors’ office, state agencies, and other supporting organizations

- **Active listening**
  - Legislative priorities and plans

- **Refining key messages (with CAMU)**
  - Public power model

- **Local collaboration and support**
  - Meetings with owner communities’ and counties’ legislative staff
  - Elected officials
  - Northern Colorado Legislative Alliance
  - Colorado Counties, Inc.
  - Colorado Municipal League
Anticipated legislation

1. Ozone (legislation from the Interim Ozone Committee)
2. Greenhouse gas emissions (Colorado GHG Reduction Roadmap 2.0 and net-zero emissions - or near net-zero - by 2040)
3. Consumer protection
4. Renewables (net metering in 2025)
5. PUC regulation
Questions
## October operational results

### Owner community load

<table>
<thead>
<tr>
<th>Owner community load</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner community demand</td>
<td>453 MW</td>
<td>453 MW</td>
<td>0 MW</td>
<td>0.0%</td>
</tr>
<tr>
<td>Owner community energy</td>
<td>253 GWh</td>
<td>245 GWh</td>
<td>(8 GWh)</td>
<td>(3.2%)</td>
</tr>
<tr>
<td>Net variable cost* to serve owner community energy</td>
<td>$3.2M</td>
<td>$3.4M</td>
<td>$0.2M</td>
<td>(9%)</td>
</tr>
</tbody>
</table>

*Net Variable Cost = total resource variable costs + purchased power costs - sales revenue

### Market impacts to net variable cost

**Downward pressure**
- Higher bilateral sales prices: $0.8M
- Coal generation volume savings: $1.1M

**Upward pressure**
- Lower bilateral and market sales volume: ($1.0M)
- Coal generation prices: ($0.8M)
- Gas unit volume: ($0.5M)
### YTD operational results

<table>
<thead>
<tr>
<th>Owner community load</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner community demand</td>
<td>5,366 MW</td>
<td>5,296 MW</td>
<td>(70 MW)</td>
<td>(1.4%)</td>
</tr>
<tr>
<td>Owner community energy</td>
<td>2,751 GWh</td>
<td>2,643 GWh</td>
<td>(108 GWh)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Net variable cost* to serve owner community energy</td>
<td>$35.8M</td>
<td>$28.9M</td>
<td>$6.9M</td>
<td>15.8%</td>
</tr>
<tr>
<td></td>
<td>$13.00/MWh</td>
<td>$10.95/MWh</td>
<td>$2.05/MWh</td>
<td></td>
</tr>
</tbody>
</table>

*Net Variable Cost = total resource variable costs + purchased power costs - sales revenue

### Market impacts to net variable cost

**Downward pressure**

- Coal generation volume savings: $18.9M
- Higher bilateral sales prices: $14.1M

**Upward pressure**

- Higher market purchase volume and average price: ($7.7M)
- Lower bilateral sales volume: ($11.4M)

**Variance key:**
- Favorable: ●
- Near budget: ◆
- Unfavorable: ■
Board of directors

Dec. 07, 2023

Energy leaders since 1973
## October financial summary

<table>
<thead>
<tr>
<th>Category</th>
<th>October variance from budget ($ in millions)</th>
<th>YTD variance from budget ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net position*</td>
<td>-</td>
<td>$14.6</td>
</tr>
<tr>
<td>Fixed obligation charge coverage (.14x)</td>
<td>.43x</td>
<td></td>
</tr>
<tr>
<td>Revenues $(0.1)</td>
<td></td>
<td>$(3.7)</td>
</tr>
<tr>
<td>Operating expenses $(0.4)</td>
<td></td>
<td>$16.0</td>
</tr>
<tr>
<td>Capital additions $1.1</td>
<td></td>
<td>$20.1</td>
</tr>
</tbody>
</table>

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

* YTD change in net position includes $2.6 million unrealized gains on investments.
Board of directors

Dec. 07, 2023

Energy leaders since 1973