Board of directors

Feb. 29, 2024
Annual meeting
Feb. 29, 2024
2023 year in review

Energy leaders since 1973
Agenda

• Introduction, Eddie Gutiérrez
• Operations, Melie Vincent
• Clean energy transition and integration, Raj Singam Setti
• Business strategies, Eddie Gutiérrez
• Finance, Dave Smalley
• Environmental, reliability and legal, Sarah Leonard
• Accolades, wrap up and looking forward, Jason Frisbie
Introduction

Eddie Gutiérrez
RESOURCES
DIVERSIFICATION PLANNING AND INTEGRATION
- Incorporate reliability resources, 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.

COMMUNITY PARTNER AND ENGAGEMENT
- Organize working groups across the owner communities.
- Identify regional engagement opportunities.
- Create and implement regional educational assets and campaigns.
- Engage proactively with national, regional, and industry media partners.
- Develop and deploy an effective, multi-media strategy.

WORKFORCE CULTURE
- Build a workforce roadmap that focuses on employee development and planning.
- Modernize the organization’s total benefits and rewards program.
- Utilize market-based modeling for a new, comprehensive compensation philosophy and approach.
- Create more hybrid and work flexibility.
- Create a talent review and succession planning process.
- Create a matrix-driven, performance review process.
- Identify more systemic ways to bridge a digital and physical workforce.
- Create a baseline assessment for a larger diversity, equity, and inclusion initiative.
- Work alongside the strategic budgeting process.

PROCESS MANAGEMENT AND COORDINATION
- 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.
Operations

Melie Vincent
SPP Markets

- April 1: Entered Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) market
- Market enabled surplus renewables that led to lower thermal resource output at lower net cost
  - Saved $13.4M in coal fuel costs
  - Saved $3.4M in net of market purchases
- Summer 2023: Signed commitment agreements to join SPP Regional Transmission Organization (RTO) West in April 2026

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![2023 WEIS savings chart](chart.png)

- Total savings for 2023: $3.2 million
  - Avoided fuel cost: $13.4 million
  - WEIS purchases: 10.0 million
  - WEIS savings: 6/6/167 MWh

<table>
<thead>
<tr>
<th>Unit</th>
<th>Avoided fuel cost</th>
<th>Allocated WEIS purchases</th>
<th>WEIS savings</th>
<th>Savings as a % of fuel cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>RH Unit 1</td>
<td>$8.4</td>
<td>$7.8</td>
<td>$0.7</td>
<td>8%</td>
</tr>
<tr>
<td>CTs</td>
<td>$2.8</td>
<td>$1.3</td>
<td>$1.4</td>
<td>52%</td>
</tr>
<tr>
<td>Craig</td>
<td>$2.2</td>
<td>$0.9</td>
<td>$1.3</td>
<td>60%</td>
</tr>
</tbody>
</table>
Surplus sales market

- **$/MWh**
  - $50
  - $45
  - $40
  - $35
  - $30
  - $25
  - $20
  - $15
  - $10
  - $5
  - $0

- **$/MMBtu**
  - $10
  - $9
  - $8
  - $7
  - $6
  - $5
  - $4
  - $3
  - $2
  - $1

- **2013**
- **2014**
- **2015**
- **2016**
- **2017**
- **2018**
- **2019**
- **2020**
- **2021**
- **2022**
- **2023**

- **Blue** - Platte River’s average power price
- **Green** - CIG average gas price

*Platte River Power Authority*
2023 highlights
Operations: Power production

2023 is the first year in which more than half of Platte River energy was either produced from renewables or surplus purchases from the market.

CT Unit F ran for five days, eight hours and two-minutes, the longest continuous run of a CT in Rawhide history.

All five CTs were run on both Jan. 3 and Jan. 4; only 2nd time in Rawhide CT unit history that all five CTs were run simultaneously, outside the months of June, July, August, and September.

The capital project on CT Unit D was completed in November to replace combustion hardware, resulting in greater operational flexibility, lower emissions and longer periods between maintenance outages.
2023 highlights
Operations: Fuels and water

- WAPA hydropower summer allocations increased due to a phenomenal water year

- Locked in favorable pricing for all of Rawhide's 2025 coal requirements, removing variable of coal commodity pricing risk for 2025

- Issued a RFP for the sale of five units of unfirmed Windy Gap water; bids were favorable and contracts were entered into for the sale of all five unfirmed units in the total amount of $20.8M

- The Chimney Hollow Reservoir reached the midpoint of the construction schedule, with an anticipated completion date of fall 2025
On Aug. 21, the peak was 680 megawatts, 21 MW above budget.

Transmission service availability factor was 99.97%; Estes Park lost transmission twice due to issues with WAPA lines.

Transmission revenue was 50% above budget at $9.3M; additional earnings are from sales of unused transmission capacity to third parties.

The rebuild project on WAPA’s Lyons – Estes 115 kV and Flat Iron – Estes 115 kV lines was competed on Oct. 18, 2023.
2023 highlights
Operations: System performance and maintenance

- Metering upgrades, automatic dispatch and energy management systems were implemented successfully for start of the WEIS market
- April: completed underground cable replacement and termination repair on Fordham – Fort St. Vrain transmission line
- September: system maintenance. Completed all scheduled transmission line maintenance on a Combination of four 115-kV and 230-kV transmissions lines
- December: Completed installation and testing of new T2 transformer replacement for the City of Loveland
# 2023 year-end 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>6,327 MW</td>
<td>6,192 MW</td>
<td>(135 MW)</td>
<td>(2.1%)</td>
</tr>
<tr>
<td>Owner community energy</td>
<td>3,301 GWh</td>
<td>3,162 GWh</td>
<td>(139 GWh)</td>
<td>(4.2%)</td>
</tr>
<tr>
<td>Net variable cost* to serve owner community energy</td>
<td>$42.8 M</td>
<td>$38.4 M</td>
<td>$4.4 M</td>
<td>6.2%</td>
</tr>
<tr>
<td></td>
<td>$12.95 MWh</td>
<td>$12.15 MWh</td>
<td>($0.81 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

<table>
<thead>
<tr>
<th>Downward pressure</th>
<th>Upward pressure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal generation fuel savings</td>
<td>Higher market and bilateral purchases $(8.3M)</td>
</tr>
<tr>
<td>Higher bilateral sales prices</td>
<td>Lower bilateral sales volume $(12.7M)</td>
</tr>
<tr>
<td></td>
<td>Lower market sales volume $(8.5M)</td>
</tr>
</tbody>
</table>

- [Favorable](#)  - [Near budget](#)  - [Unfavorable](#)
Questions
Clean energy transition and integration

Raj Singam Setti
Portfolio strategy

- Launched the 2024 integrated resource planning process; included over 1500 model runs (longest run took eight days), completed eight supporting studies across five consultants
- Negotiations for power purchase agreements (PPAs) are underway for an additional 150 MW solar project, and an RFP has been issued to purchase between 150 MW and 400 MW of wind energy; over 50 responses from all-renewable-resource RFPs have been evaluated in 2023
- Evaluated two long duration energy storage developers; ongoing technical and feasibility discussions
- Completed technical due diligence and requirements for dispatchable capacity to support renewable integration
- Exploratory work was conducted on research and development opportunities, strategic partnerships, and site visits to evaluate new technologies
- Issuing requests for offers (RFOs) and negotiating several coordination transactions with other utilities and markets; negotiations are focused on securing advantageous terms for off-system sales, thereby locking in significant margins
Distributed energy resources (DER) integration

- Completed a study of forecasted DER adoption and virtual power plant (VPP) potential; study indicates 2030 VPP potential of 70 MW of enrolled capacity, which could provide as much as 32 MW of reliable capacity
- Completed a DER technology roadmap that identifies the technologies Platte River and the owner communities will need to acquire, integrate and put into use to achieve reliable operation from the VPP, and the timeline for accomplishing this work
- Developed requirements for an enterprise DERMS (management system), a key enabling factor for DER integration
- Furthered the procurement process for 20 to 25 MW of distribution-scale storage that can be located on the owner communities’ distribution systems
  - The RFP resulted in nine proposals from six different vendors
Distributed energy solutions (DES) transition

- Record year serving income-qualified community (business and residential)
- $8.9M invested in energy services including direct services to 5,600 customers
- *Think! Energy* program – Completed first year of providing school education to 65% of owner community school districts’ 4th graders – partnership with the National Education Foundation and Efficiency Works
- The DES department shifted focus to DER initiatives to support the Resource Diversification Policy by:
  - Expanding the Building Tune-up program
  - Prioritizing Income Qualified residential programs for more comprehensive retrofits and unified residential programming
  - Exploring electric vehicle opportunities and strengthening support for the LPPC e-Mobility Task Force
Digital - transition

- Conducted an InfoTech Asset Management workshop, resulting in the development of an IT asset management roadmap and a comprehensive project plan for 2024.
- Initiated a Digital Project Management Office, staffed with two IT project managers, to oversee and manage the IT project life cycle.
- Supported various aspects of the Oracle ERP implementation, ensuring a seamless integration process across the organization.
- Implemented the EMS for WEIS ADS requirements by deploying network and security infrastructure, assisting in application implementation, integrating with Rawhide plant controls, managing compliance, and developing procedures and skills for LSA functions.
- Completed the implementation of the new fiber contract management process.
- Migrated O365 tenant from Government to Commercial cloud.
Updated the cybersecurity plan that includes a risk remediation plan, improved gap identification, progress metrics, and streamlined audit responses.

Enhanced vulnerability management characterized by monthly meetings for vulnerability oversight, excellence in penetration tests, and a strengthened incident response protocol established through regular exercises.

Expanded cybersecurity awareness through increased training engagement, conducted educational sessions and awards, emphasizing the importance of cybersecurity to new employees, and reduced user-related compromises.
Questions
Business strategies

Eddie Gutiérrez
Managed Platte River’s 50th anniversary through internal and external events and communications
Human Resources (HR)

- Completed a compensation study and transitioned from a step-based program to a performance-based, merit program
- Transitioned to a new third-party administrator for the medical plan to improve participant experience
- Developed an immersive onboarding program to enhance new hire experience in the first year at Platte River
- Formalized Platte River as a multi-state employer with employees in six states: Colorado, Minnesota, Nebraska, Oklahoma, Texas and Wyoming
Safety

- Onboarded new fire chief to lead our Emergency Response Team (ERT)
- Conducted advanced ERT training for electric vehicles and renewable energy generation sources
- ERT successfully responded to and extinguished a coal mill piping fire at Rawhide without injury or further incident
2023 highlights
Business strategies: HR and Safety

- Hired and onboarded 39 employees and hosted two interns
- Achieved 1.67 million hours worked without a lost time injury
- Safety and fire protection received rare "exceptional" rating at Rawhide by property and asset insurance provider
- Lower worker’s compensation premiums: maintained positive experience modification rating; active release technique program saved approx. $600,000
Public and external affairs

• Conducted two public IRP community engagement sessions and 19 IRP presentations for councils, municipal-appointed boards and community-based organizations, engaging hundreds of residents
Public and external affairs

- Onboarded a senior external affairs specialist to help lead state and local government affairs and grants
- Increased engagement with legislative staff across agencies, municipalities and trade organizations/associations
COMMUNITY PARTNER AND ENGAGEMENT

Strategic communications

• Onboarded two senior communications and marketing specialists
• Increased Platte River’s social media presence and engagement by 551.90% since July 2023
• Supported all communications and events for the Coal Users’ Group Plant of the Year Award to the Rawhide Energy Station
Community relations

• Hosted the fourth annual NoCo Time Trials at Platte River’s headquarters, welcoming 46 student teams and presenting the inaugural NoCo Time Trials scholarship to two students

• Supported 25 local nonprofits through donations, volunteer opportunities and sponsorships

• Selected a Colorado State University electrical engineering student to receive annual $6,000 scholarship

• Represented Platte River at 30 community events
COMMUNITY PARTNER AND ENGAGEMENT

Marketing

• Executed Platte River’s first marketing campaign, *Giving you the power*, to create brand awareness in Platte River’s owner communities and educate on 50 years of providing reliable, environmentally responsible and financially sustainable energy
2023 highlights

Business strategies: Strategic Communications, Marketing and External Affairs

- Completed the 2023 Strategic Plan, introducing four new strategic initiatives to guide Platte River

- *Giving you the power* campaign received more than 11.8 million impressions and 45,000 clicks, driving users to prpa.org/future

- Submitted four grant applications for federal funds requesting nearly $49M in total (one unsuccessful; three pending)

- Launched internal 40th anniversary commemoration for Rawhide Energy Station
Questions
Finance

Dave Smalley
Finance

• Worked with a third-party to start the transition of the Wholesale Transmission Service Tariff to a formula-based tariff in preparation of entering the SPP RTO west market

• Created back- and middle-office functions to support participation in the SPP WEIS market

• Supported RFP process for new resources and sales by completing counterparty credit and contract review

• Worked with cross functional team to analyze the Inflation Reduction Act impact on potential new resources

• Participated on DER teams for future rate analysis and financial impact

• Participated on grants team for applying for federal grants and analyzed impacts to Platte River
Finance

- Enhanced the enterprise risk management program
  - Created an enterprise risk manager position to lead risk efforts
  - Completed a third-party risk assessment
- Project sponsor for the enterprise resource planning software project, which will improve productivity, automate routine manual processes, view actionable data in real-time, improve reporting functionality and align work products with organizational goals
- Staff on the implementation team for the energy market software for SPP WEIS
- Revised contracting templates to incorporate clear, modern language and improved contracting and procurement processes
## 2023 highlights

### Finance

- **2023 highlights**
- **Finance**

<table>
<thead>
<tr>
<th><strong>2023 highlights</strong></th>
<th><strong>2024 Rate Tariff Schedules approved</strong></th>
<th><strong>2024 Strategic Budget approved</strong></th>
<th><strong>2022 Financial Statement Audit completed with no findings</strong></th>
<th><strong>GASB Statement No. 96, Subscription-Based Information Technology Arrangements implemented</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Financial Plan updated</strong></td>
<td>Hosted a workshop for the utility directors and owner community staff on rates and portfolio modeling</td>
<td>Government Finance Officers Association <em>Distinguished Budget Presentation Award</em> received for the 2023 Strategic Budget</td>
<td></td>
<td>Updated pension plans to comply with new IRS regulations</td>
</tr>
<tr>
<td><strong>AA credit rating affirmed from all three rating agencies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2023 strong financial results

- $30.5 million of deferred revenue above strategic financial plan change in net position required
  - $52.2 million cumulative balance
  - Under the board-adopted accounting policy for deferred revenue and expense for rate increase relief
- First year of market energy transactions and settlements – purchased energy exceeded owned generation
- $12.3 million gain recognized on sale of three Windy Gap water units
- Significant unrealized gains on fair value of investments and increased interest income
- $5.0 million forced outage exchange agreement (shaftshare) buy down by Tri-State
# 2023 strong financial results

<table>
<thead>
<tr>
<th>Category – budget</th>
<th>Variance from budget (in millions)</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>($8.1)</td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$11.7</td>
<td></td>
</tr>
<tr>
<td>Capital additions&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$16.8</td>
<td></td>
</tr>
<tr>
<td>Debt service expenditures&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

Change in net position of $40.8 million was favorable to budget by $18.4 million, which was primarily driven by nonoperational activities including a gain on sale of Windy Gap water units of $12.3 million, unrealized gain on investments of $5.2 million and interest income of $1.8 million.

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net position earned</td>
<td>$40.8</td>
</tr>
<tr>
<td>Less deferred revenue</td>
<td>$30.5</td>
</tr>
<tr>
<td>Change in net position reported&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>$10.3</td>
</tr>
</tbody>
</table>

Change in net position of $40.8 million was favorable to budget by $18.4 million, which was primarily driven by nonoperational activities including a gain on sale of Windy Gap water units of $12.3 million, unrealized gain on investments of $5.2 million and interest income of $1.8 million.

1. $14.0 million of the below-budget capital variance will be carried over to the 2024 budget.
2. Contingency transfer total $0.3 million required for debt service expenditures due to GASB 96 implementation.
3. Subject to Strategic Financial Plan metrics of a minimum of 3% of annual operating expenses and 1.50 times fixed obligation charge coverage ratio. The fixed obligation charge coverage ratio was the limiting metric in 2023 requiring an additional $3.4 million.

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

Budget variances in millions – above/(below)

• ($6.3) – Owner communities
  ◦ ($0.9) – Demand (coincident billing demand and metered coincident demand 1.1% and 2.1% below budget, respectively)
  ◦ ($5.4) – Energy (revenue and volume, 4.2% below budget)

• ($6.8) – Surplus sales
  ◦ $14.8 – Price (31.6% above budget (contract sale))
  ◦ ($21.6) – Volume (31.6% below budget)

• $5.0 – Wheeling, interest and other income
  ◦ $1.8 – Interest and other income (higher interest rates)
  ◦ $3.2 – Wheeling (higher point-to-point customers)

Variance from 2023 budget: ($8.1) million
Operating expenses

Budget variances in millions – (above)/below

- $17.5 – Fuel
  - $13.2 – Rawhide (primarily replaced by WEIS market purchases)
  - $5.8 – Craig (primarily replaced by WEIS market purchases)
  - $(1.5) – CTs (capacity calls, serve load and make sales)
- $3.6 – DER programs (economic recovery challenges (COVID-19) in small and medium businesses)
- $(0.2) – A&G (personnel expenses)
- $(2.6) – O&M (Craig units 1 and 2 operating and maintenance expenses)
- $(6.6) – Purchased power
  - $(8.8) – WEIS (higher volumes and higher prices)
  - $(1.9) – Other purchases (higher volumes and lower prices)
  - $(0.1) – Purchased reserves
  - $1.3 – Wind $1.9, solar $0.1 and hydropower ($0.7)
  - $2.9 – Forced outage exchange (net to Tri-State)
Deferred revenue and expense accounting policy

Deferred regulatory revenues

Purpose: Help reduce rate pressure and achieve rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. This policy will apply during the resource transition.
## 2023 financial summary

- **All strategic financial plan targets were exceeded**
- **AA credit rating**

<table>
<thead>
<tr>
<th>Strategic financial plan</th>
<th>Target</th>
<th>3-year average</th>
<th>2023</th>
<th>2022 restated</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed obligation charge coverage ratio</td>
<td>&gt; 1.50x</td>
<td>2.10x</td>
<td>1.50x</td>
<td>2.0x</td>
<td>2.80x</td>
</tr>
<tr>
<td>Change in net position as a percentage of annual operating expenses</td>
<td>3.0%</td>
<td>8.7%</td>
<td>4.5%</td>
<td>3.0%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Adjusted debt ratio</td>
<td>&lt; 50%</td>
<td>28%</td>
<td>26%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Days adjusted liquidity on hand</td>
<td>&gt; 200 days</td>
<td>428</td>
<td>464</td>
<td>408</td>
<td>412</td>
</tr>
</tbody>
</table>

2023 pending final year end adjustments and audit

Unaudited financial results
• Drafted and reviewed the contracts, tariff revisions, agreements and processes needed to enter the SPP WEIS market and to prepare to enter the RTO West in April 2026
• Supported renewable resource development, including requests for proposals, term sheets, and draft power purchase agreements for wind, solar, and battery projects, as well as implementation activities for the Black Hollow solar project
• Launched air modeling and analysis to permit potential new dispatchable resources at Rawhide; gained regulatory signoff to upgrade current units
• Supported DER projects and energy efficiency programs to start to integrate distribution-level resources into Platte River’s portfolio
• Fostered and improved relationships with owner communities through quarterly group meetings and one-on-one conversations with community legal staffs

• Coordinated outreach on ongoing projects, including first-ever joint utility director and city attorney meeting to discuss proposed distributed storage project

• Supported Platte River’s strategic communications team with messaging and engagement for Platte River’s 2024 IRP and the proposed dispatchable resource project

• Enhanced outreach to state and federal regulators for reliability compliance and environmental compliance matters
• Developed enhanced reliability compliance tools like a new compliance responsibility matrix and a weekly compliance bulletin with a comprehensive overview of compliance activity and status

• Completed coal ash monofill upgrade (below budget and ahead of schedule) and gained permission to use the new cell to support Rawhide’s environmentally sound long-term coal ash management

• Worked with the contract administration team to revise contracting templates to incorporate clear, modern language; provided guidance to internal and external parties for better contracting and procurement processes
Questions
Summary and looking forward

Jason Frisbie
2023 awards and accolades

- Coal Users Group Plant of the Year award for Rawhide Energy Station
- U.S. Green Building Council (USGBC) designates headquarters building Gold LEED® Certification
- APPA Safety Award of Excellence for safe operating practices in 2022
- APPA Excellence in Communications award in print and digital category for the 2023 Strategic Plan
- USGBC’s Award for exceptional sustainable technology for the construction and design of headquarters
- Exceeded goals for the annual United Way of Larimer County employee fundraiser and received Campaign of the Year award for 2022-23 campaign
- GFOA’s Distinguished Budget Presentation Award for the 2023 budget
2023

- Commemorated 50-year anniversary with owner communities
- Finalized new strategic plan
- Entered the SPP WEIS market
- Expanded community presence and collaboration regarding rates, DER and system reliability
- Modernized compensation and benefits
- Reached consensus on dispatchable resource
- Continue work on 2024 IRP
- Continue to evaluate renewable and emerging technologies (solar, wind, short, medium and long-term storage, hydrogen)
- Continue to evaluate integration of DER in communities as part of VPP development
Looking ahead to 2024

- Finalize and file the 2024 IRP
- Break ground on the long-awaited Black Hollow Solar project and construct an interconnection substation
- Finalize contracts for another 150 MW solar project and a new wind project, and continue additional resource planning and renewable resource acquisition efforts
- Pilot distributed energy storage in owner communities
- Pursue a long-duration storage pilot project at Rawhide
- Continue implementing the new compensation approach, including establishing performance-based metrics for job roles
Looking ahead to 2024 continued

- Implement the ERP platform
- Continue preparing and training for SPP RTO West entry
- Complete permitting and begin the procurement process for aeroderivative turbines
- Continue to expand awareness and engagement for Platte River to our owner communities through public education campaigns, a community relations strategy and an external affairs and advocacy strategy
- Complete an all-dispatchable resource RFP
Questions
Board of directors

Feb. 29, 2024
Black Hollow Solar
interconnection update

Daniel Daneshka, senior system electrical engineer
Agenda

- Project details
- Project timeline
- Progress
- Equipment lead times
- Budget versus actual to date
Interconnection scope

Substation
- 6.25 acres of fenced area
- 3,585 feet of access road
- Seven 230-kV breakers
- 23 hand-operated switches
- 8,120 horizontal feet of bus
- 55,000 feet of control cable
- 70,000+ cubic yards of dirt removed

Transmission
- Eight new structures
- Two structures removed
- 37,500 feet of new conductor
- ¾ mile of line extension
- One line transposition
Timeline

- Purchase power agreement (PPA) signed: Dec. 2020
- Land negotiations started: April 2021
- First equipment ordered: March 2022
- Land rights secured: June 2023
- Transmission break ground: Late January 2024
- Building permit issued: Late February 2024
- Substation break ground: March 2024
- Solar commercial operation in-service: Sept. 2024
- Solar commercial operation: March 2025

Platte River Power Authority
## Permitting

<table>
<thead>
<tr>
<th>Status</th>
<th>Permit</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗</td>
<td>Weld County 1041</td>
<td>Began 2021</td>
</tr>
<tr>
<td>✔️</td>
<td>Town of Severance site plan approval</td>
<td>March 2023</td>
</tr>
<tr>
<td>✔️</td>
<td>Town of Severance annexation</td>
<td>December 2023</td>
</tr>
<tr>
<td>⚠️</td>
<td>Town of Severance grading approval</td>
<td>Limited scope approval</td>
</tr>
<tr>
<td>✔️</td>
<td>Town of Severance building permit</td>
<td>February 2024</td>
</tr>
<tr>
<td>✔️</td>
<td>Colorado Storm Water Management permit</td>
<td>February 2024</td>
</tr>
<tr>
<td>✔️</td>
<td>Cultural and wildlife surveys</td>
<td>Ongoing</td>
</tr>
<tr>
<td>⚠️</td>
<td>Weld County access permit</td>
<td>In review</td>
</tr>
</tbody>
</table>
Construction progress

**Substation**
- Mobilized Jan. 25, 2024
- Storm water management installed
- Temporary fencing installed
- Pad grading began Feb. 25, 2024

**Transmission**
- Began Jan. 29, 2024
- Three of eight foundations complete
- Poles and rebar onsite
- Targeting stringing outage April 2024
### Equipment lead times

#### Substation

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>234</td>
<td>230-kV breakers</td>
</tr>
<tr>
<td>64</td>
<td>Control enclosure</td>
</tr>
<tr>
<td>56</td>
<td>Station service transformer</td>
</tr>
<tr>
<td>50</td>
<td>Capacitive voltage transformers</td>
</tr>
<tr>
<td>36</td>
<td>Substation steel and switches</td>
</tr>
<tr>
<td>29</td>
<td>Cable trench and surge arrestors</td>
</tr>
<tr>
<td>20</td>
<td>Insulators and control cable</td>
</tr>
<tr>
<td>14</td>
<td>Substation bus</td>
</tr>
</tbody>
</table>

#### Transmission

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>Insulators</td>
</tr>
<tr>
<td>36</td>
<td>Towers</td>
</tr>
<tr>
<td>29</td>
<td>Conductor</td>
</tr>
<tr>
<td>10</td>
<td>Optical ground wire</td>
</tr>
</tbody>
</table>

In 2019, lead times for all equipment, including breakers, were 22 to 24 weeks.
Budget adjustments

Scope change
Site relocated, increase in transmission, modified to breaker and a half

Scope change
Expand yard to support additional interconnect, build to eight bay ultimate

Millions

$6.03
$9.11
$10.47
$15.37
$22.79

2021 2022 2023 2024 YTD
Cost drivers

- Gas line crossing and AC mitigation
- Control panels and enclosures
- 230-kV breakers
- Transmission towers and steel
- Earth work
Summary

- Construction of Severance substation is well underway
- Cost escalation, supply chains and permitting challenges have been significant
- Staff expects these challenges to continue, impacting future infrastructure projects
Questions
Board of directors

Feb. 29, 2024
CT Unit D upgrade results

Preston Johnson, senior plant mechanical engineer
Combustion turbine use cases

- Units A-F built in the early 2000’s
  - Diversified fuel source portfolio
  - Provided peaking capacity for high summer loads
- Post-2030
  - Serve as reserve capacity for extended periods of dark calm
  - Critical to meeting market requirements for resource adequacy
  - Provide ancillary services for grid stability
Upgrade evaluation

- The combustion turbine was already scheduled for a routine combustion maintenance outage
- Increased need for operational flexibility to balance renewables guided upgrade discussion
- Combustion upgrade allows for greater resilience, lower emissions and a lower cost to operate unit
Operating load range

- Post upgrade
  - Normal
  - Peak fire

- Pre-upgrade
Upgrade results

• Reduction in emissions
  • NO<sub>x</sub> reduction of ≈30%
  • CO reduction of ≈80%
  • CO<sub>2</sub> reduction of ≈19%
• Greater operational flexibility through increased load range of operation
  • ≈22% greater operational range
• Operation and maintenance cost reduction
  • Fuel savings
  • Reduction in outage cost of ≈$1,000,000 over the course of a major outage interval
Summary

- Optimizing existing assets for better performance and greater value
- Upgrade results
  - Reduced emissions
  - Improved resiliency
  - Lower cost to operate
- Evaluating upgrades for remaining units during their scheduled outages
Questions
Board of directors

Feb. 29, 2024
IRP community engagement update

Eddie Gutiérrez, chief strategy officer
Community meetings

Estes Park

Planned
• Estes Park Chamber of Commerce
• Rotaries
• Town Board

Fort Collins

Completed
• Fort Collins Chamber of Commerce Local Legislative Affairs Committee

Planned
• Fort Collins Chamber of Commerce Local Legislative Affairs Committee (follow up)
• Energy Board
• City Council
2024 community meetings

Longmont

Completed
• Longmont Rotary

Planned
• Sustainability Advisory Board
• City council
• Longmont Chamber of Commerce Board of Directors

Loveland

Planned
• League of Women Voters
• Loveland Utilities Commission
• City council
IRP final approval process

• April: board will receive the IRP whitepaper/document
• May: board presentation and discussion
• July:
  • Board approval of final document
  • File with WAPA
• July-August:
  • Raj and Jason present IRP results to city councils
  • Community engagement meeting in EEC
Questions
Budget contingency process

Purpose: Contingency funds available for unplanned expenditures

• Budget resolutions include total expenditure appropriation, including contingency funds
  • Allowed by Colorado Local Government Budget Law
  • No legal or policy requirement for separate board approval for use of contingency appropriation
  • Only if spending is “in excess of appropriation” of the total expenditures is a separate approval required
  • GM/CEO has authority to use contingency funds through the Fiscal Resolution

• Recommendation
  • Contingency transfers anticipated and actual reported in the monthly financial report
  • Remove board approval process to use contingency funds
## January 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>487 MW</td>
<td>529 MW</td>
<td>42 MW</td>
<td>8.7%</td>
</tr>
<tr>
<td>Owner community energy</td>
<td>287 GWh</td>
<td>288 GWh</td>
<td>1 GWh</td>
<td>0.7%</td>
</tr>
<tr>
<td>Net variable cost* to serve owner community energy</td>
<td>$5.5M</td>
<td>$3.9M</td>
<td>($1.6M)</td>
<td>30.3%</td>
</tr>
<tr>
<td></td>
<td>$19.15/MWh</td>
<td>$13.36/MWh</td>
<td>($5.80/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
- Generation and market outcomes pushing costs lower
  - Higher bilateral sales pricing: $1.3M
  - Lower wind generation volume: $1.0M

#### Upward pressure
- Generation and market outcomes pushing costs higher
  - Lower bilateral and market sales volume: ($1.1M)
Board of directors

Feb. 29, 2024
## Financial summary

<table>
<thead>
<tr>
<th>Category</th>
<th>January variance from budget ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net position*</td>
<td>$2.3</td>
</tr>
<tr>
<td>Fixed obligation charge coverage</td>
<td>0.55x</td>
</tr>
<tr>
<td>Revenues</td>
<td>$0.7</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$1.7</td>
</tr>
<tr>
<td>Capital additions</td>
<td>$3.9</td>
</tr>
</tbody>
</table>

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

*January change in net position results impacted by unrealized gains on investments of $0.3 million.
Board of directors

Feb. 29, 2024