



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Feb. 29, 2024



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

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





RESOURCE 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



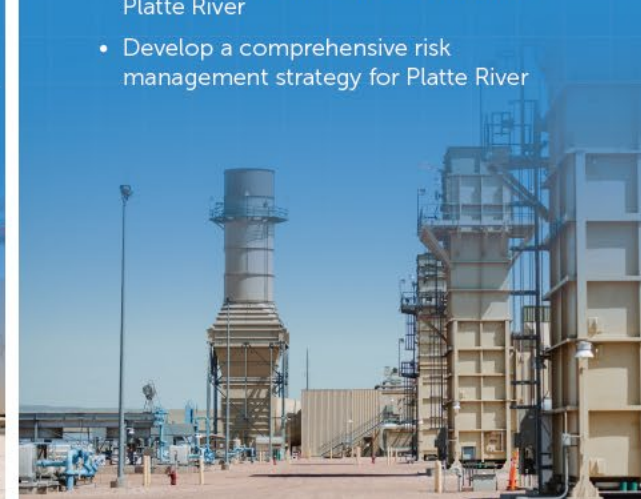
WORKFORCE CULTURE

- 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



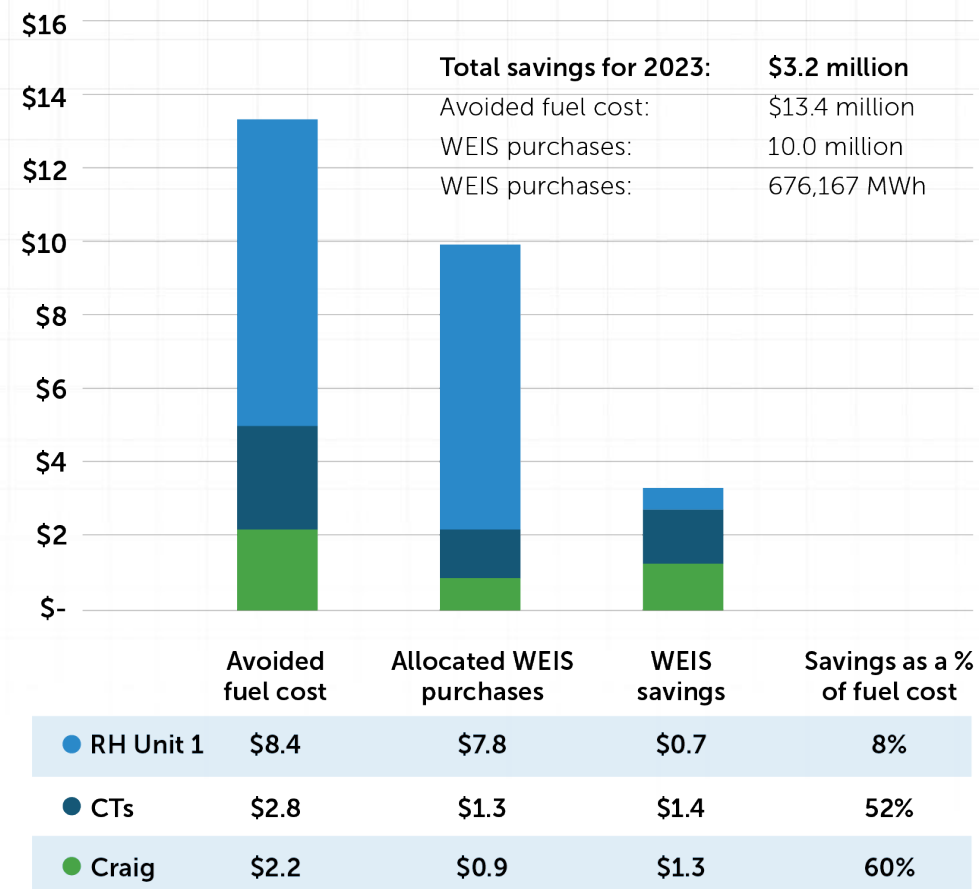


RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

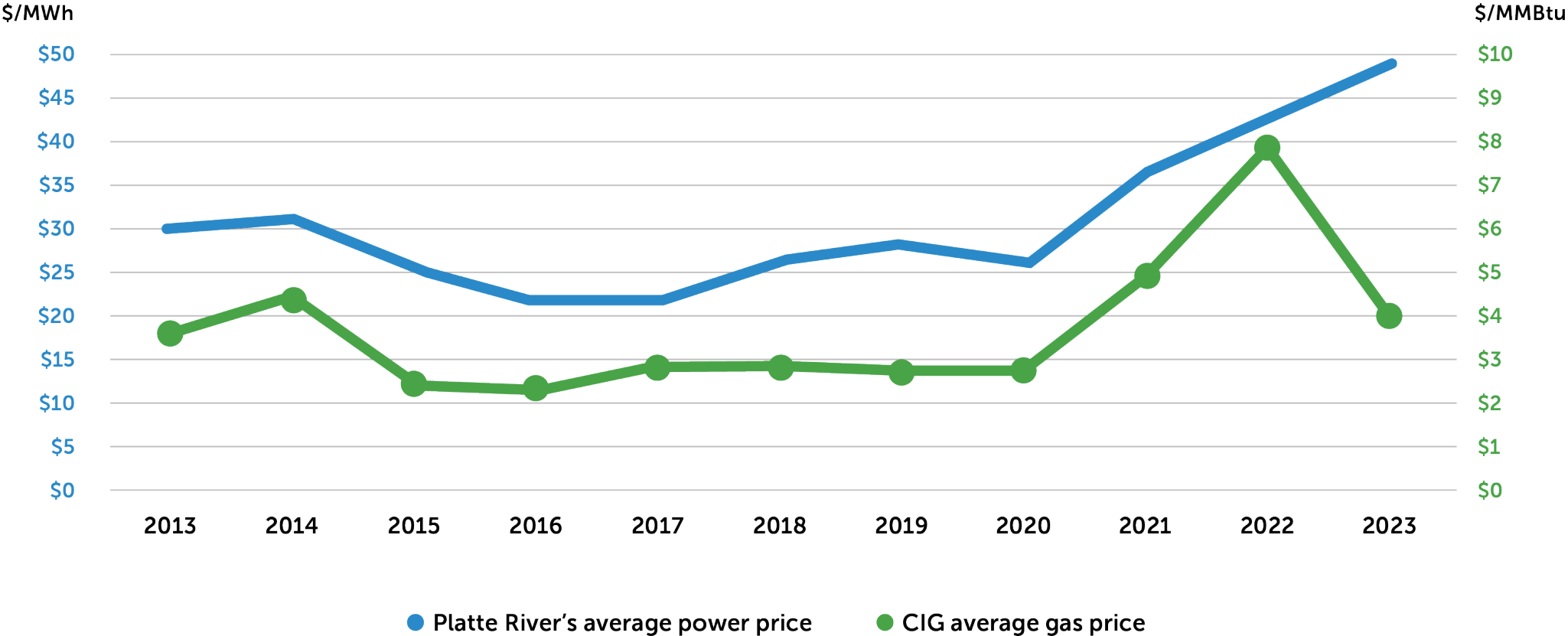
SPP Markets

- 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

2023 WEIS savings



Surplus sales market



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

2023 highlights

Operations: System performance and maintenance



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 completed 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

Owner community load	Budget	Actual	Variance	% Variance	
Owner community demand	6,327 MW	6,192 MW	(135 MW)	(2.1%)	■
Owner community energy	3,301 GWh	3,162 GWh	(139 GWh)	(4.2%)	■
Net variable cost* to serve owner community energy	\$42.8 M \$12.95 MWh	\$38.4 M \$12.15 MWh	\$4.4 M (\$0.81 MWh)	6.2%	●

*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	
Coal generation fuel savings	\$23.8 M
Higher bilateral sales prices	\$14.8 M

Upward pressure Generation and market outcomes pushing costs higher	
Higher market and bilateral purchases	(\$8.3M)
Lower bilateral sales volume	(\$12.7)
Lower market sales volume	(\$8.5M)

● Favorable ◆ Near budget ■ Unfavorable

Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Clean energy transition and integration

Raj Singam Setti





RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

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





RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

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





RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

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





PROCESS MANAGEMENT AND COORDINATION



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



2023 highlights

Digital: Cybersecurity



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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

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



PROCESS MANAGEMENT AND COORDINATION

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



RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

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





COMMUNITY PARTNER AND ENGAGEMENT

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

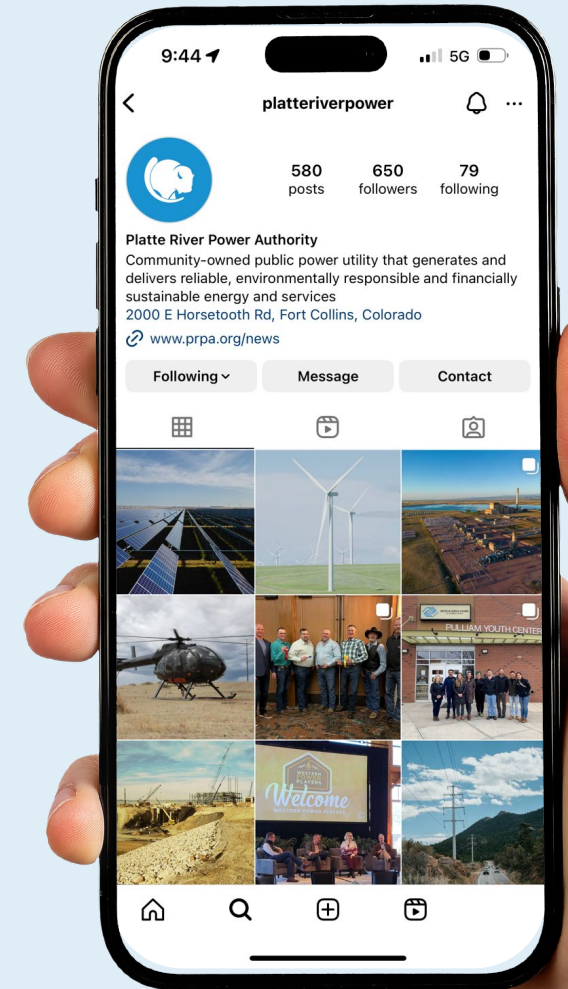




COMMUNITY PARTNER AND ENGAGEMENT

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



Platte River
Power Authority



COMMUNITY PARTNER AND ENGAGEMENT

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



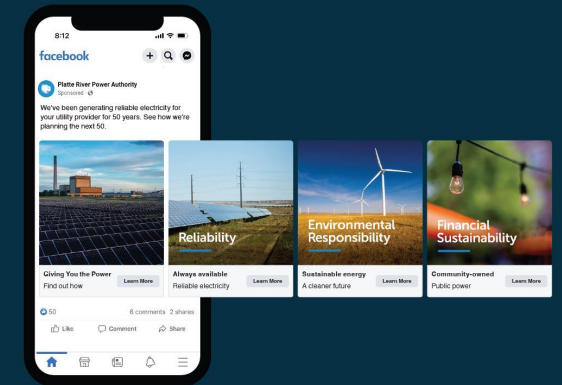
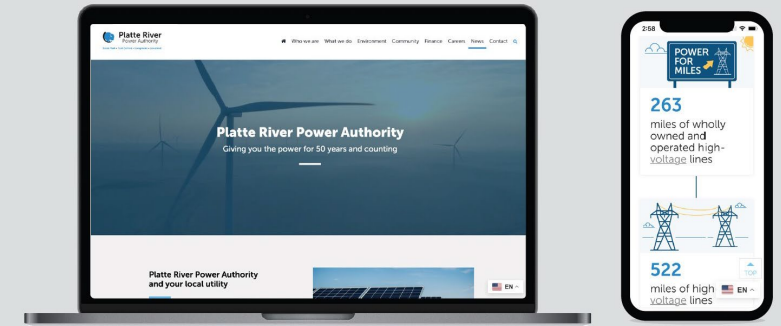
Platte River
Power Authority



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



Platte River
Power Authority

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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Finance

Dave Smalley





RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

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





PROCESS MANAGEMENT AND COORDINATION

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



Strategic Financial
Plan updated

AA credit rating
affirmed from all three
rating agencies



2024 Rate Tariff
Schedules approved

Hosted a workshop for
the utility directors and
owner community staff
on rates and portfolio
modeling



2024 Strategic Budget
approved

Government Finance
Officers Association
*Distinguished Budget
Presentation Award*
received for the 2023
Strategic Budget



2022 Financial
Statement Audit
completed with no
findings



GASB Statement No. 96,
Subscription-Based
Information Technology
Arrangements
implemented

Updated pension plans
to comply with new IRS
regulations

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

Category – budget	Variance from budget (in millions)	Indicator
Revenues	(\$8.1)	■
Operating expenses	\$11.7	●
Capital additions ⁽¹⁾	\$16.8	●
Debt service expenditures ⁽²⁾	\$0	◆

Category	Actual (in millions)
Change in net position earned	\$40.8
Less deferred revenue	\$30.5
Change in net position reported ⁽³⁾	\$10.3

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.

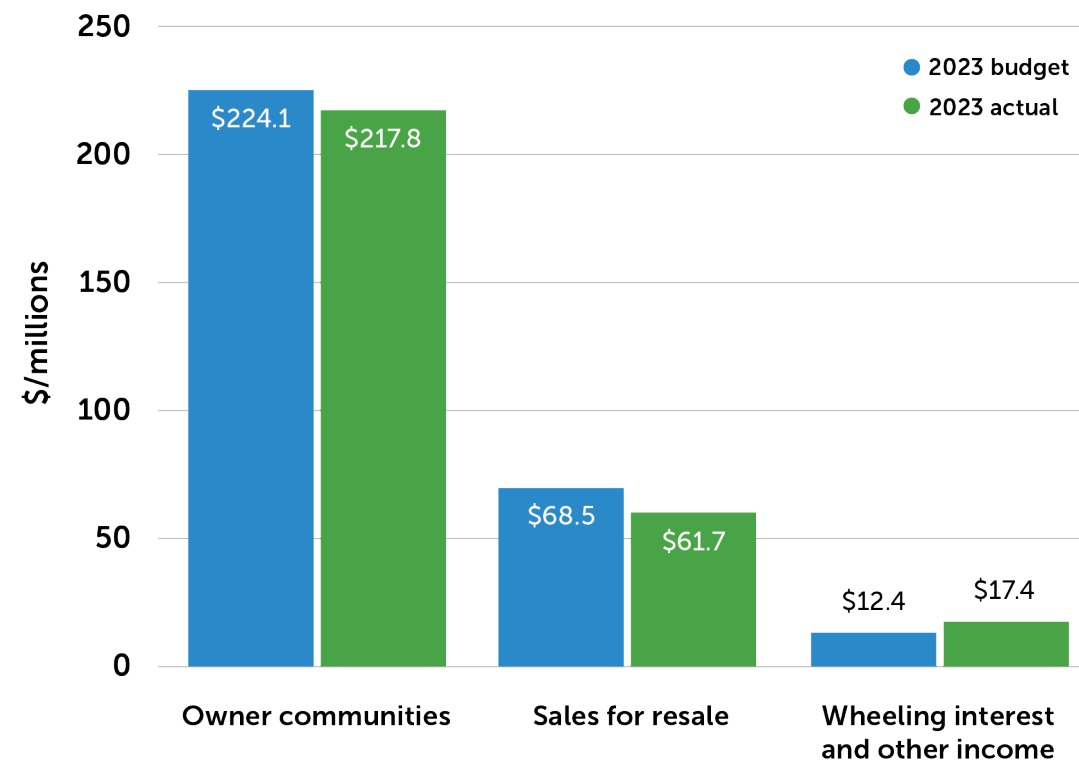
> 2% ● Favorable 2% to -2% ◆ At or near budget < -2% ■ Unfavorable

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

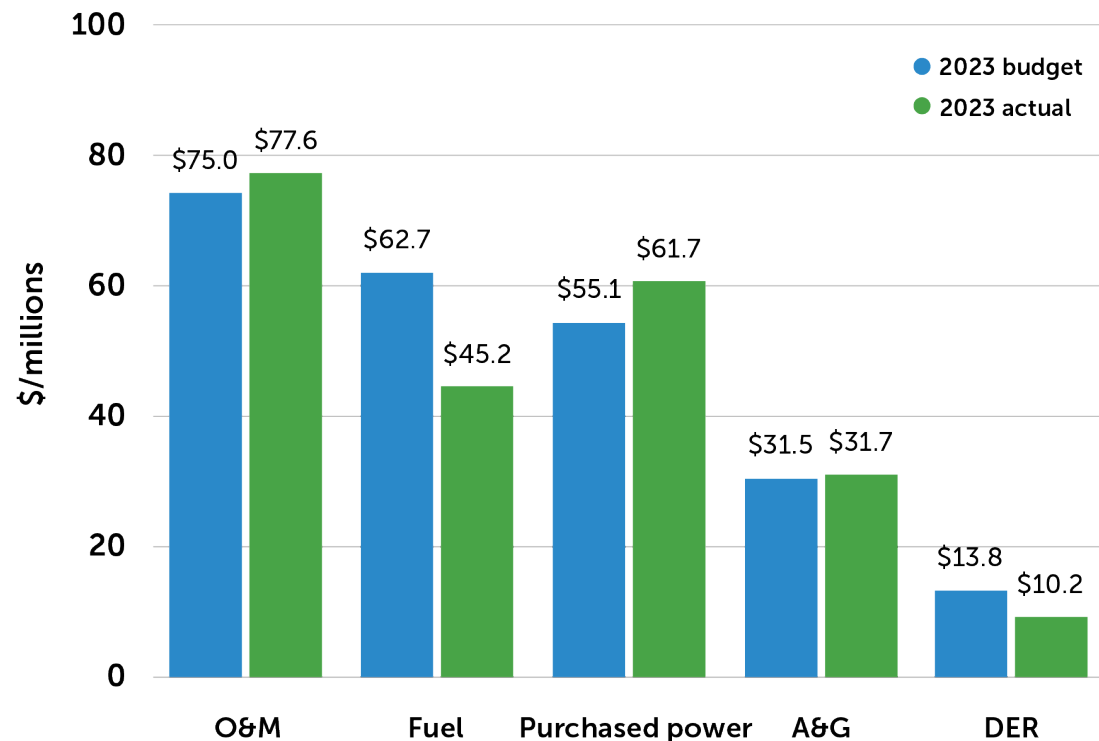


Operating expenses

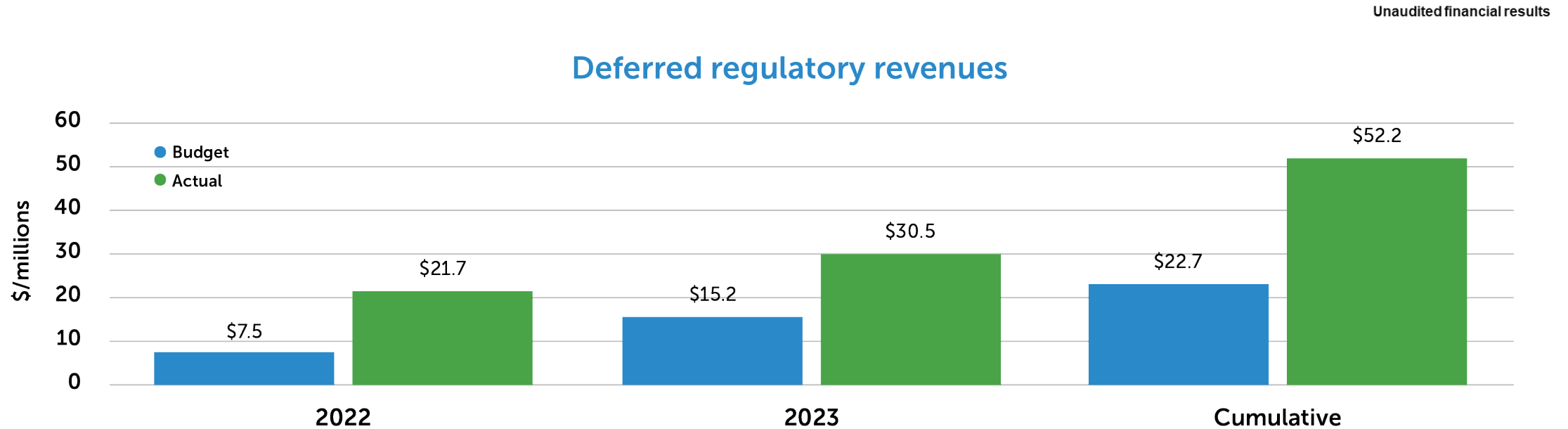
Budget variances in millions – (above)/below

- **\$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)

● Variance from 2023 budget: \$11.7 million



Deferred revenue and expense accounting policy



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

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

2023 pending final year end adjustments and audit

Unaudited financial results

Questions



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Legal

Sarah Leonard





RESOURCE DIVERSIFICATION PLANNING AND INTEGRATION

- 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





COMMUNITY PARTNER AND ENGAGEMENT

- 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





PROCESS MANAGEMENT AND COORDINATION

- 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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

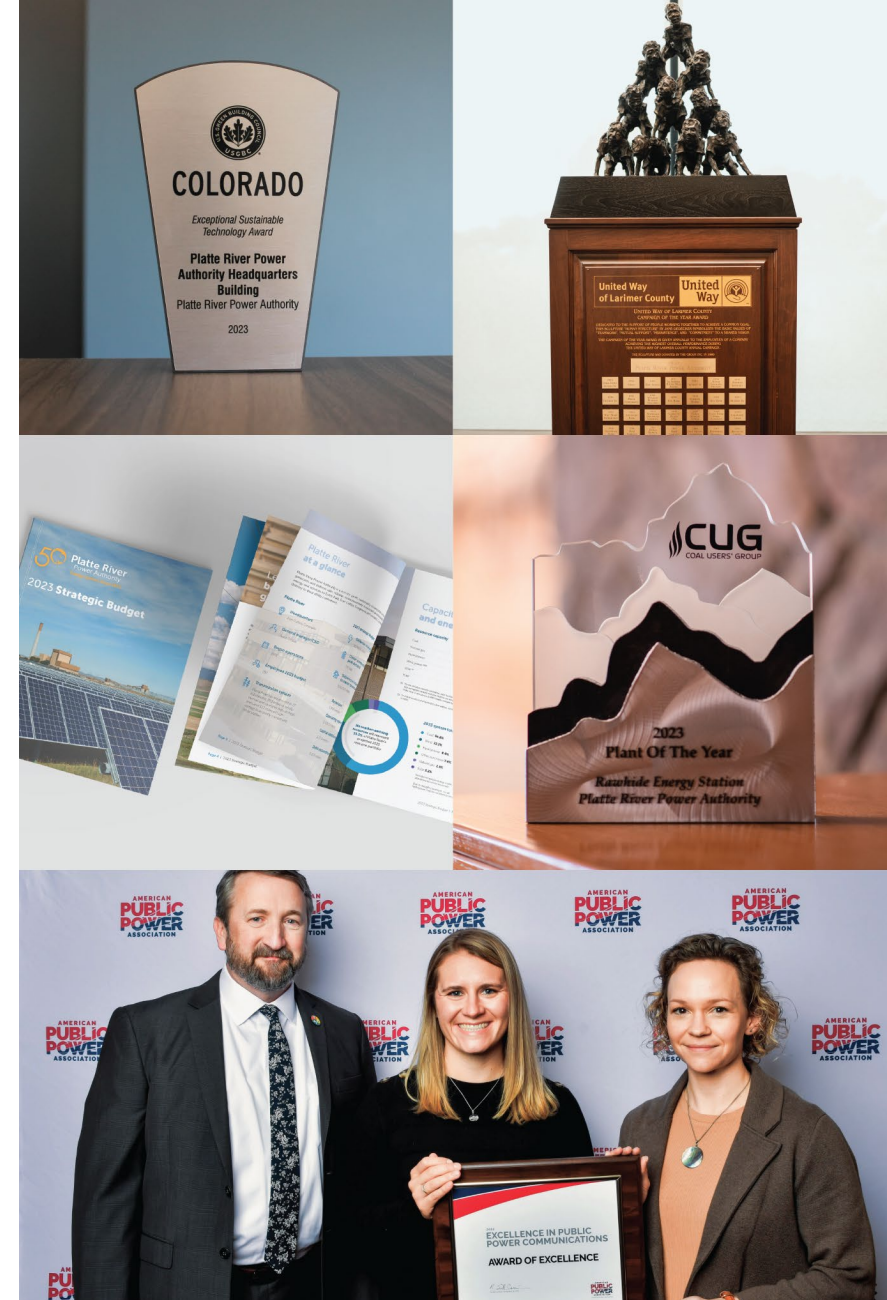
Summary and looking forward

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



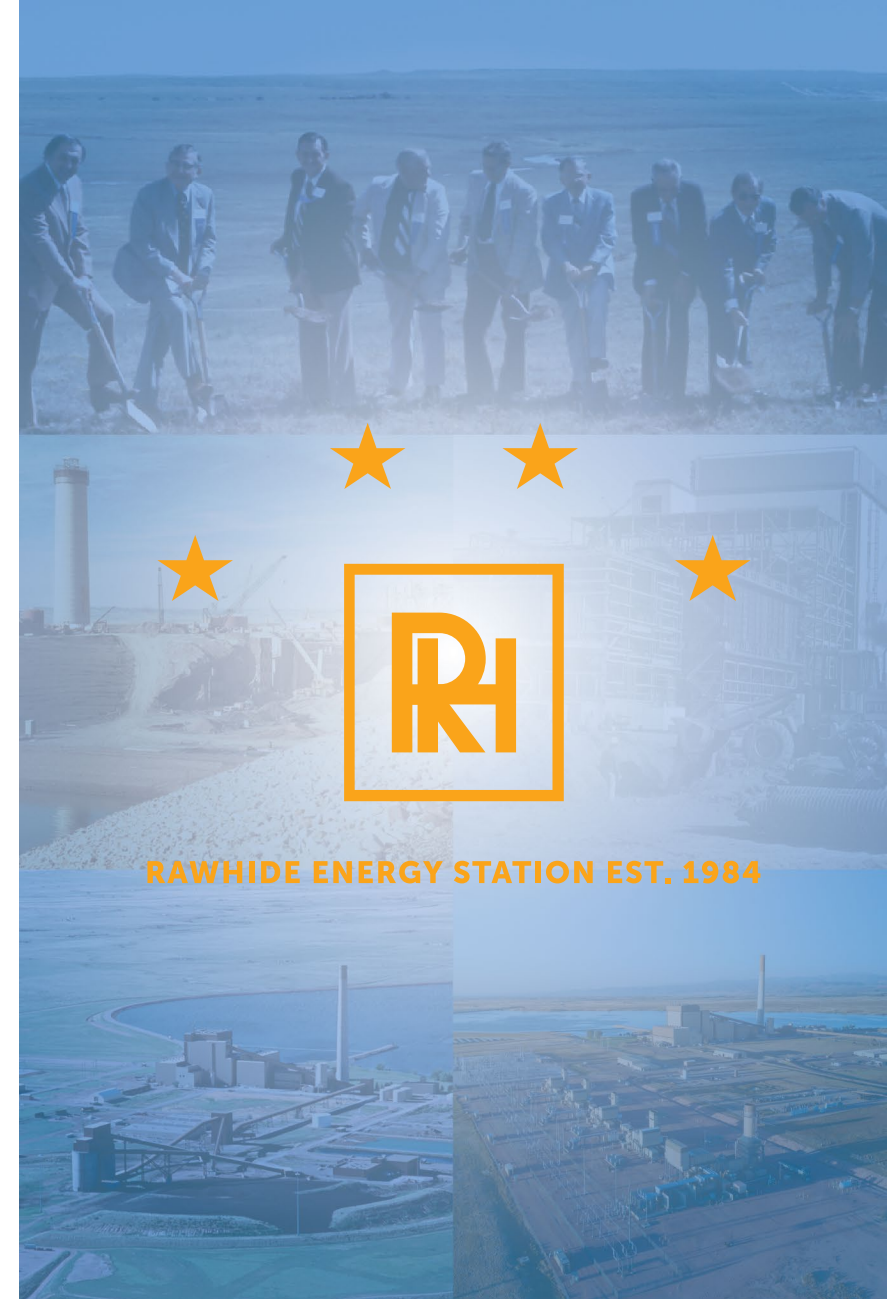
2023

- ✓ 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



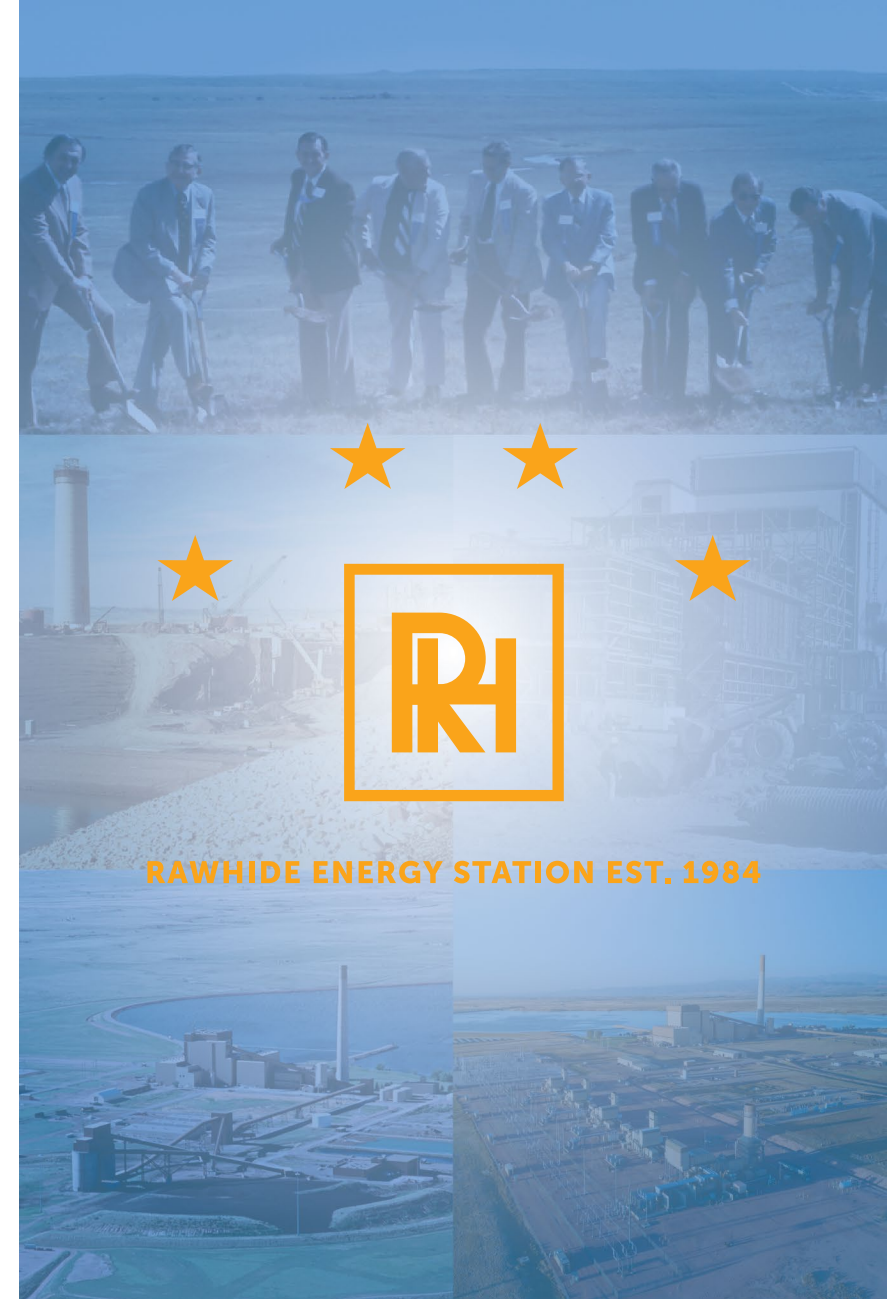
Looking ahead to 2024

- 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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Feb. 29, 2024

Black Hollow Solar interconnection update

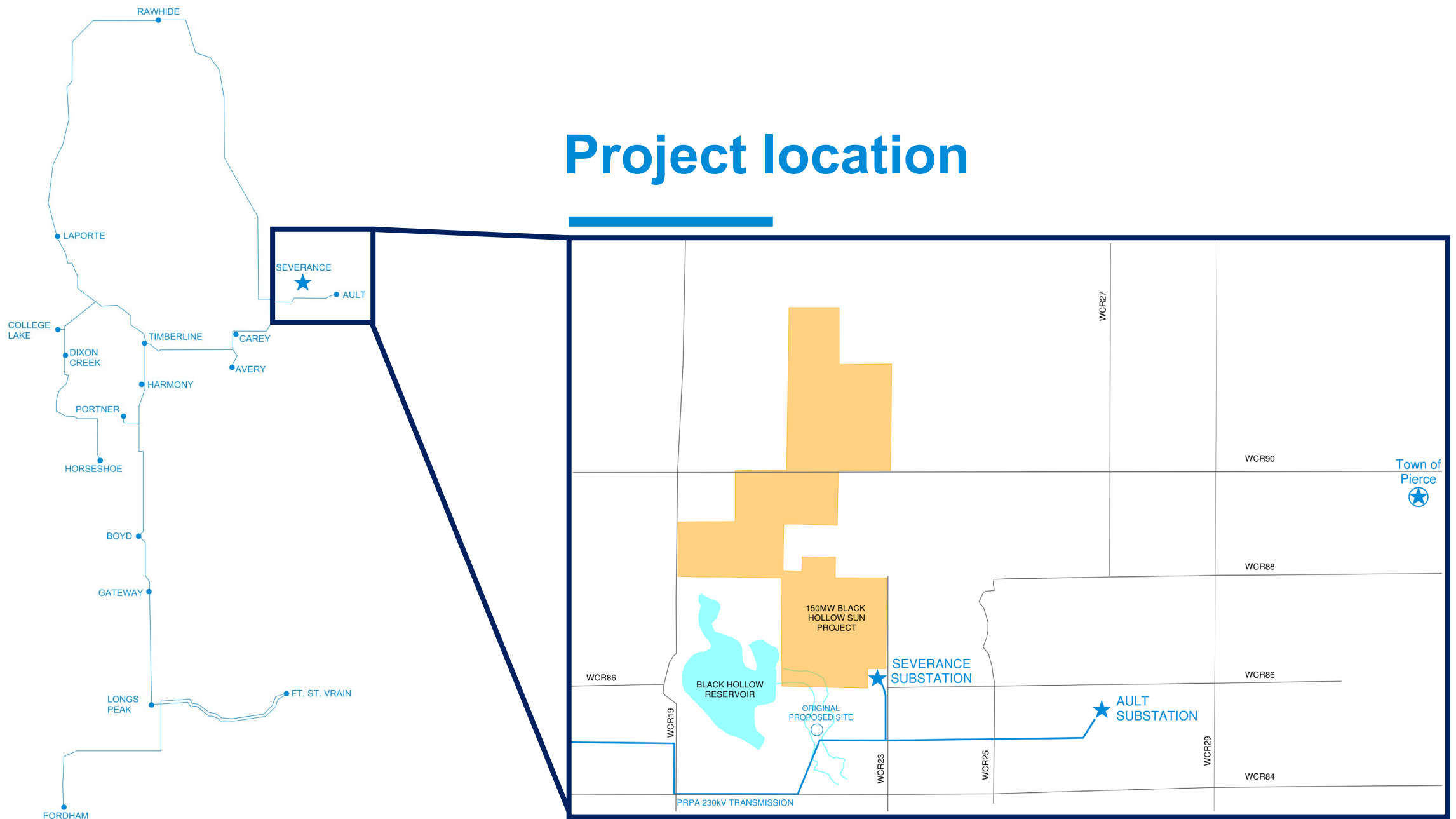
Daniel Daneshka, senior system electrical engineer



Agenda

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

Project location



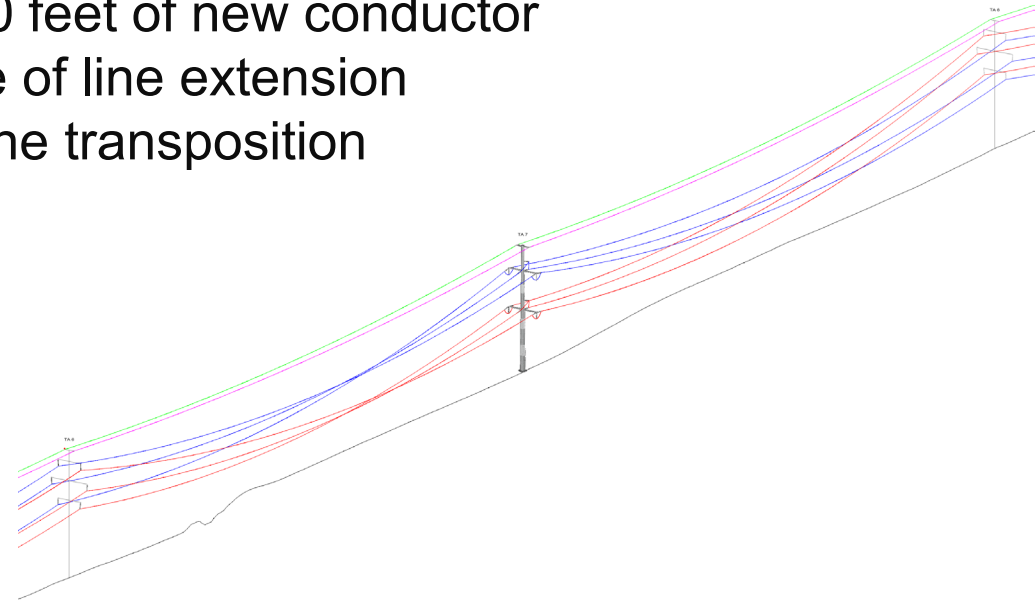
Interconnection scope

Substation

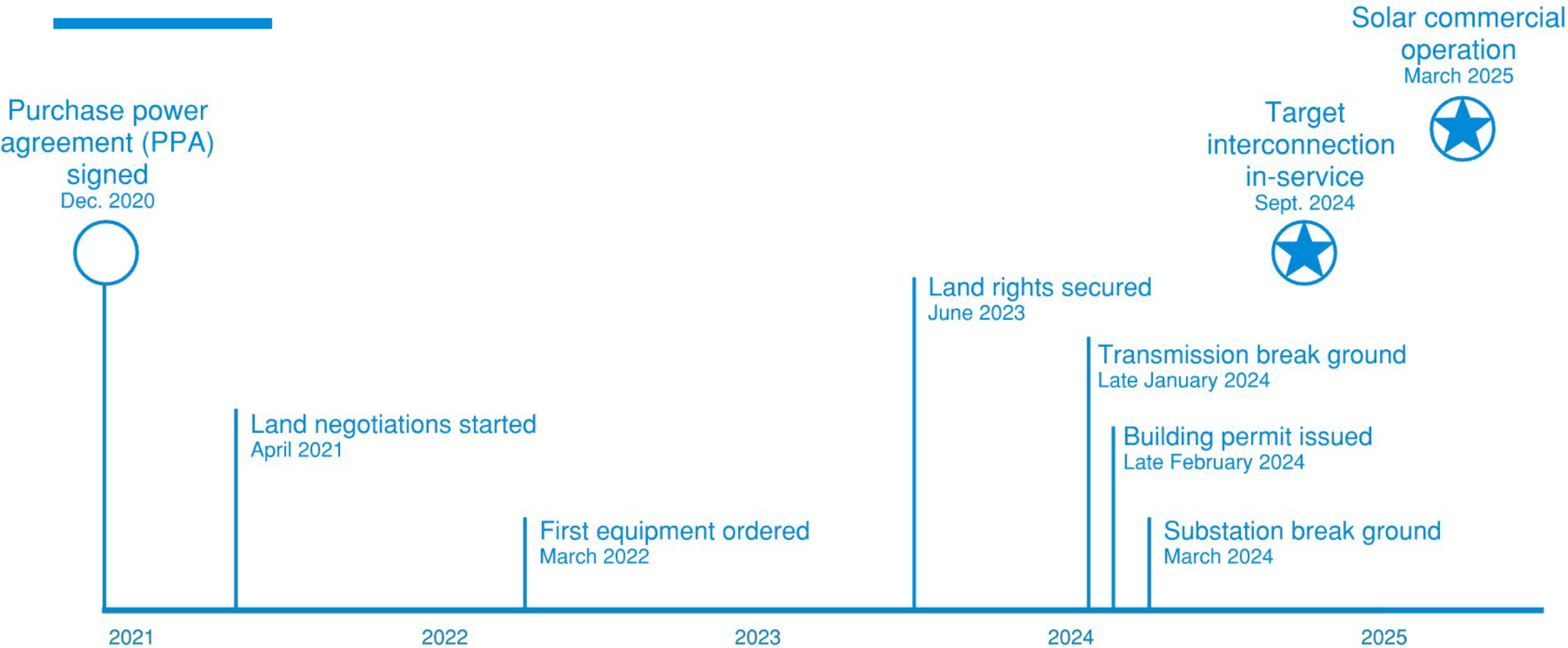
- 6.25 acres of fenced area
- 3,585 feet of access road
- Seven 230-kV breakers
- 23 hand-operated switches
- 8,120 horizontal feet of bus
- 55,000 feet of control cable
- 70,000+ cubic yards of dirt removed

Transmission

- Eight new structures
- Two structures removed
- 37,500 feet of new conductor
- $\frac{3}{4}$ mile of line extension
- One line transposition



Timeline



Permitting

✗	Weld County 1041	Began 2021
✓	Town of Severance site plan approval	March 2023
✓	Town of Severance annexation	December 2023
⚠	Town of Severance grading approval	Limited scope approval
✓	Town of Severance building permit	February 2024
✓	Colorado Storm Water Management permit	February 2024
✓	Cultural and wildlife surveys	Ongoing
⚠	Weld County access permit	In review

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

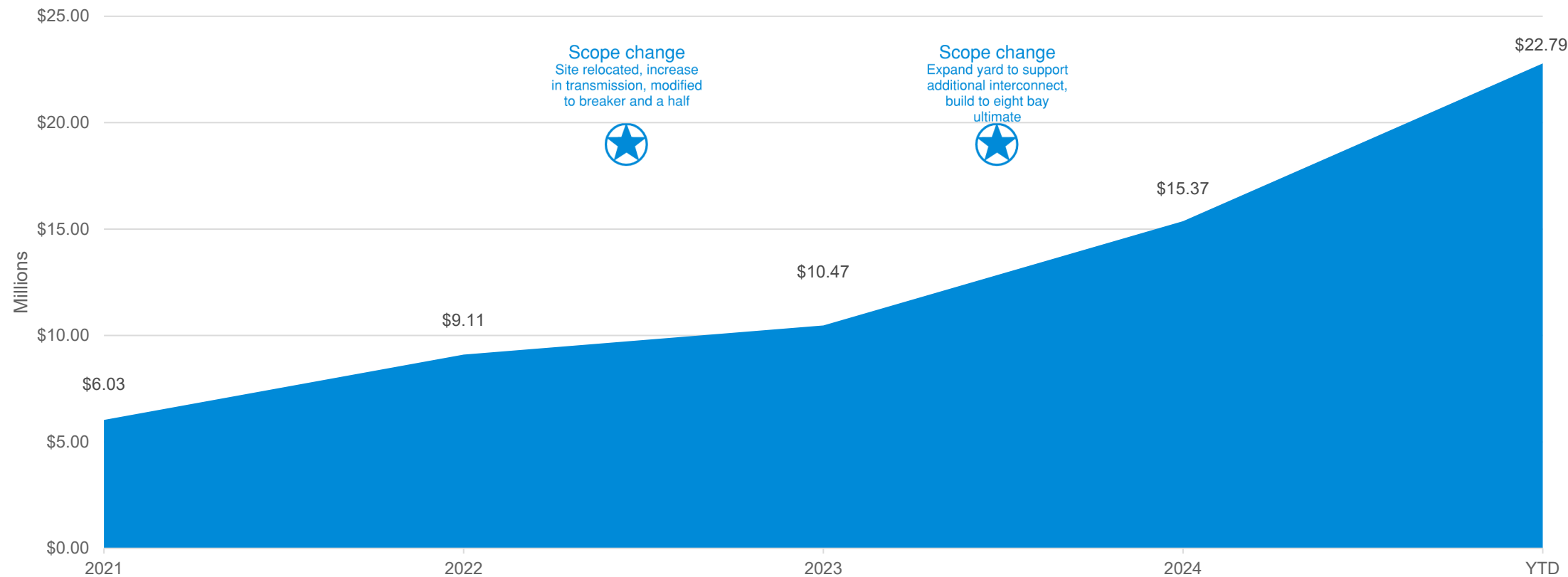
Weeks	Item
234	230-kV breakers
64	Control enclosure
56	Station service transformer
50	Capacitive voltage transformers
36	Substation steel and switches
29	Cable trench and surge arrestors
20	Insulators and control cable
14	Substation bus

Transmission

Weeks	Item
60	Insulators
36	Towers
29	Conductor
10	Optical ground wire

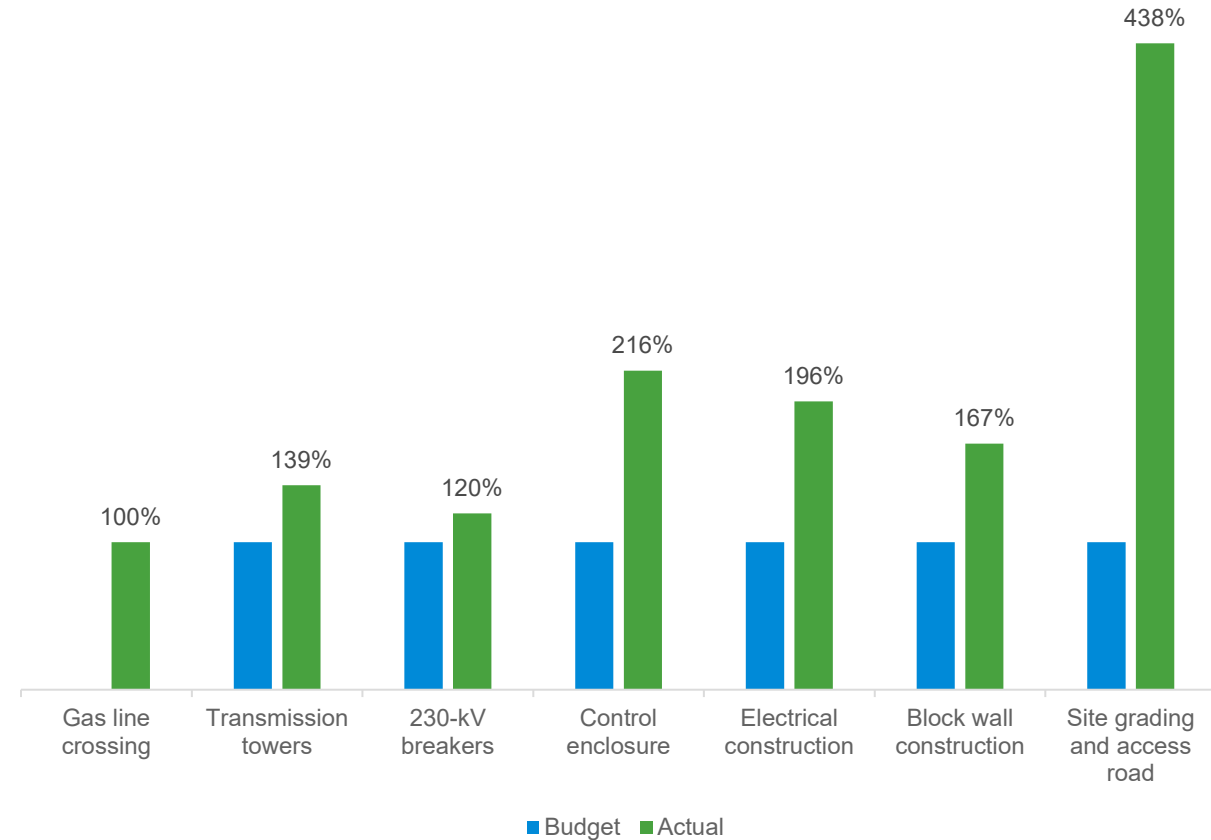
In 2019, lead times for all equipment, including breakers, were 22 to 24 weeks

Budget adjustments



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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Feb. 29, 2024

CT Unit D upgrade results

Preston Johnson, senior plant mechanical engineer

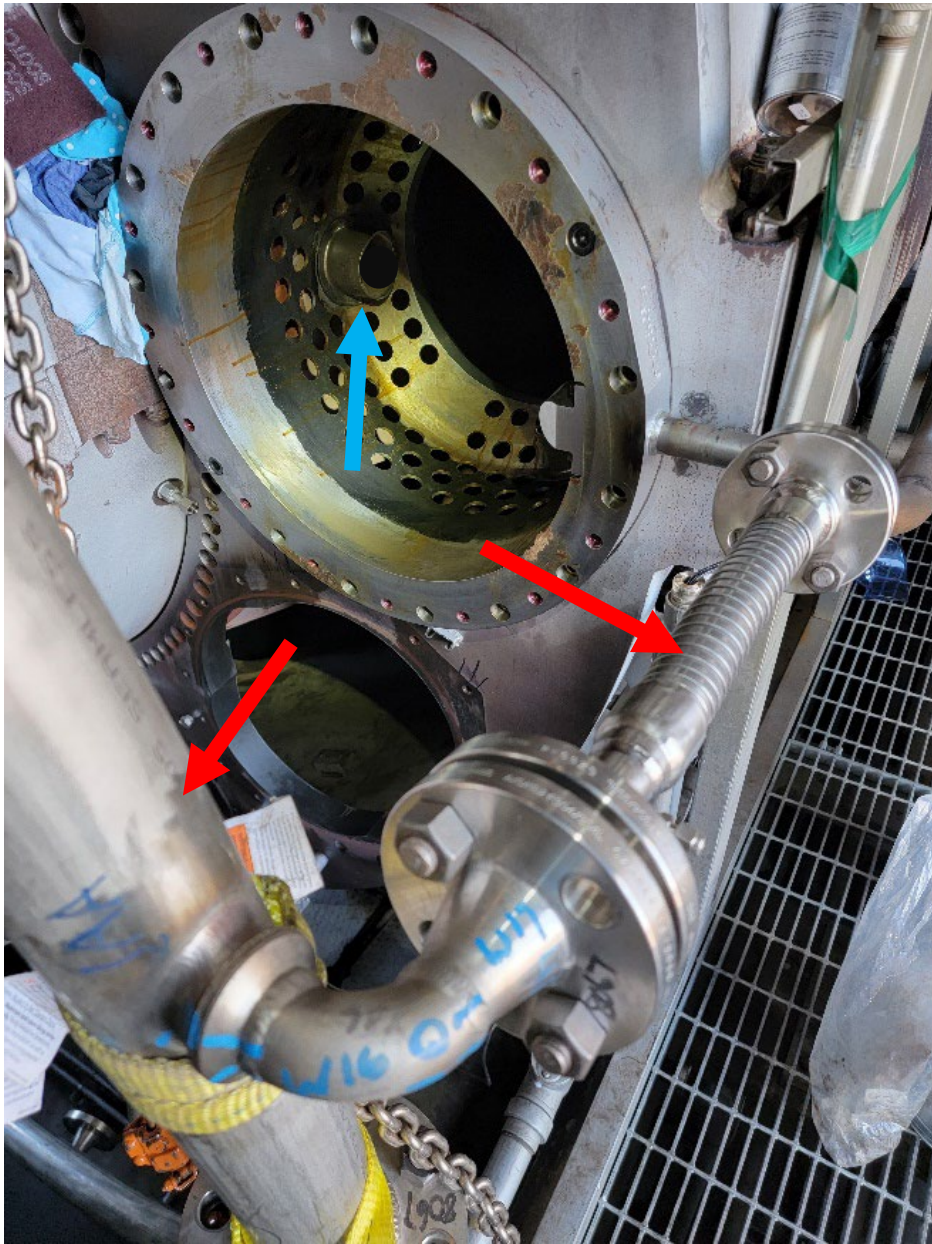


Combustion turbine use cases

- 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

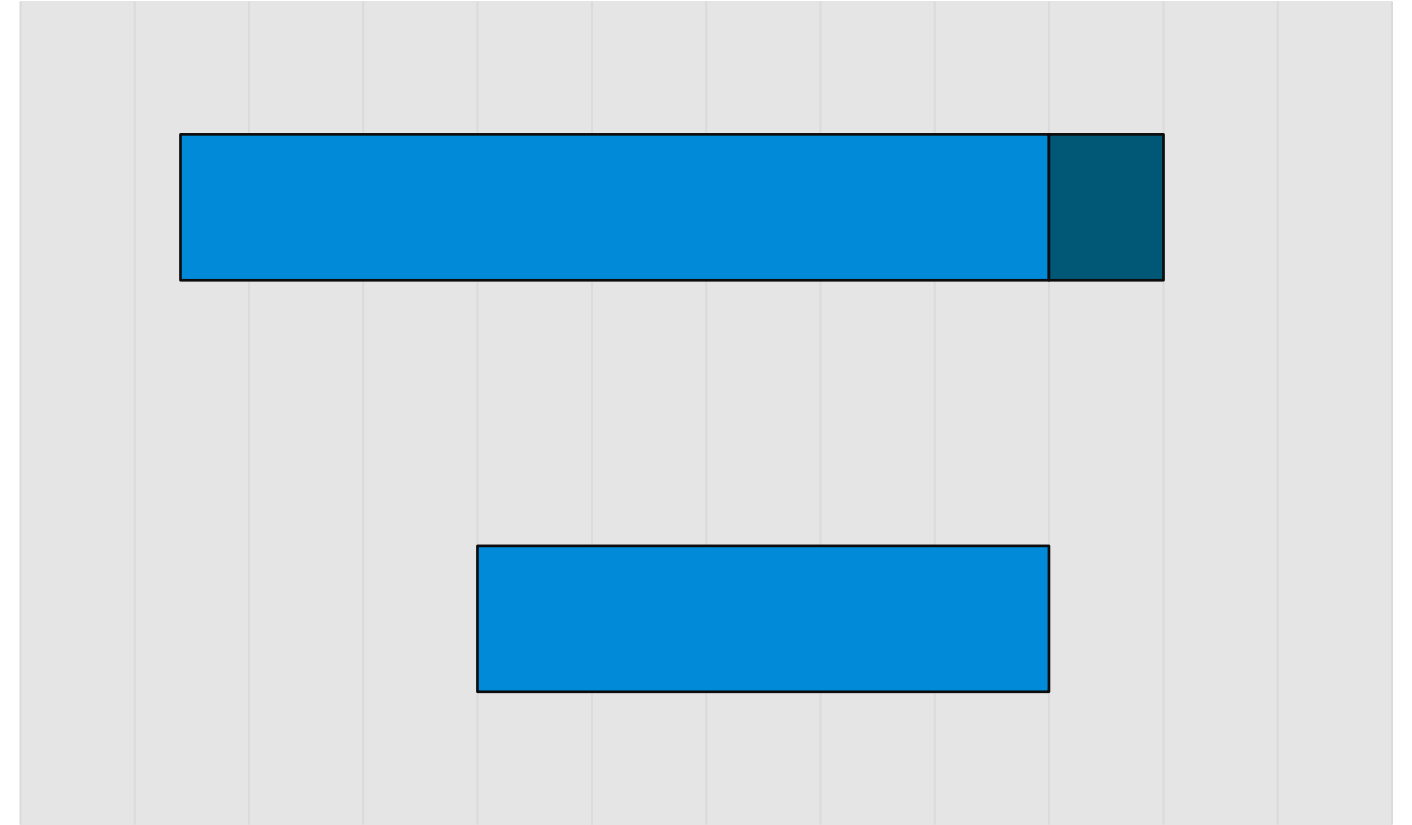
- The combustion turbine was already scheduled for a routine combustion maintenance outage
- Increased need for operational flexibility to balance renewables guided upgrade discussion
- Combustion upgrade allows for greater resilience, lower emissions and a lower cost to operate unit



Operating load range

Post upgrade

Pre-upgrade



20 25 30 35 40 45 50 55 60 65 70 75 80

MW

■ Normal ■ Peak fire

Upgrade results

- Reduction in emissions
 - NO_x reduction of ≈30%
 - CO reduction of ≈80%
 - CO₂ 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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Feb. 29, 2024

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





Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Feb. 29, 2024

January operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	487 MW	529 MW	42 MW	8.7%	●
Owner community energy	287 GWh	288 GWh	1 GWh	0.7%	◆
Net variable cost* to serve owner community energy	\$5.5M	\$3.9M	(\$1.6M)	30.3%	●
	\$19.15/MWh	\$13.36/MWh	(\$5.80/MWh)		

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

Market impacts to net variable cost

Downward pressure		Upward pressure	
Generation and market outcomes pushing costs lower		Generation and market outcomes pushing costs higher	
Higher bilateral sales pricing	\$1.3M	Lower bilateral and market sales volume	(\$1.1M)
Lower wind generation volume	\$1.0M		

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



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Feb. 29, 2024

Financial summary

Category	January variance from budget (\$ in millions)	
Change in net position*	\$2.3	●
Fixed obligation charge coverage	0.55x	●
Revenues	\$0.7	●
Operating expenses	\$1.7	●
Capital additions	\$3.9	●

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.





Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Feb. 29, 2024